1917
April 25.

IN THE EXCHEQUER COURT OF CANADA

IN THE MATTER OF THE PETITION OF

UNITED STATES STEEL PRODUCTS COMPANY,

PETITIONER;

AND

THE PITTSBURG PERFECT FENCE COMPANY,

RESPONDENT.

Trade-Mark and Design Act, R.S.C. 1906, ch. 71—Proprietor—Rights of—Agent to have his principal's mark registered in his name—Amendment.

Where, upon an application being made to the Court, for an order directing the Registrar of Trade-Marks to register a certain trade-mark, it appears that the applicant is not the proprietor of the trade-mark, but only his selling agent, such application will be refused; the Trade-Mark and Design Act providing for registration in the name of the proprietor only.

2. In as much as notice of such an application must be advertised in the Canada Official Gazette, with a view to calling any one in who has any objection, an application to amend the Petition by adding the proprietors of the Trade-Mark as Petitioners, after all advertisements have been given, cannot be granted.

REPORTER'S NOTE.—*Subsequently,* The American Sheet and Tin Plate Co. applied, and was given the right to register the Trade-Mark. See (1918), 18 Can. Ex. C. R. 254, 44 D. L. R. 731.)

This is an action by petitioner as selling agents of the American Sheet & Tin Plate Company to have the trade-mark of the latter, described below, registered in Canada in Petitioner's name.

By his statement of claim petitioner alleges, *inter alia*:—

1. That your Petitioner has been engaged in Canada for some time past in the sale of steel sheets

and plates as manufactured by the American Sheet & Tin Plate Company for which latter company your Petitioner has an exclusive selling agency in Canada and all countries other than the United States of America.

2. That the steel sheets and plates sold by your Petitioner throughout Canada and elsewhere are of high quality and your Petitioner has a high reputation in the trade for the good quality of these goods, which have been sold by it for some time bearing the following mark, to wit: . . . . . which said mark has acquired a special significance as being representative of steel sheets and plates containing a certain percentage of copper and *sold by your Petitioner* as aforesaid.

And he prays: —(a) That the said specific trade-mark consisting . . . . . as applied to the sale of steel sheets and plates, be registered *in favour of your petitioner* in the Trade-Mark Register in the Department of Agriculture of Canada at Ottawa, in accordance with the provisions of the Trade-Mark and Design Act.—R.S.C. 1906, ch. 71.

The other paragraphs refer to objections to register made by the Department, because of the existence of a similar mark in the name of Henry Disston & Sons, and as the case turned on another point, it is not necessary to the understanding of the case, to give these at length.

The Pittsburg Perfect Fence Co. filed objections but, for the same reason that certain paragraphs of the Petition are not printed here, their objections need not be printed either.

1917

UNITED STATES STEEL PRODUCTS CO. v. PITTSBURG PERFECT FENCE CO.

Statement.

The case came on for trial before the Honourable Sir Walter Cassels, J.E.C., for the first time at Ottawa on the 9th March, 1917.

Mr. Powell and *Mr. Elder* for petitioner;

Mr. Chrysler, K.C., and *Geo. McLaurin,* for objecting party.

From the pleadings and the remarks of Counsel, it became apparent that the petitioners were only the selling agents of the American Sheet & Tin Plate Co., and that they were asking for the registration of a trade-mark in petitioner's name to be used in connection with goods manufactured by the American Sheet and Tin Plate Co.

His Lordship, in the course of the remarks cited paragraph 1 of the petition (given above) and added:

"Now on the face of your petition you are noth-"ing but agents for this other company, and you "are their agents for selling their goods. You get "the goods from them and sell them for them. Are "they not the parties who are entitled to the trade-"mark? Is an agent entitled to get a trade-mark "for the goods of his principal, from whom he buys "and for whom he sells?

"Have you any law that shows that an agent who "is selling goods for a principal, is entitled to reg-"ister for himself a trade-mark in connection with "such goods?

"Supposing your agency terminates, you have "built up a large trade with the articles made by "this company, would you have a right to go on and "utilize that trade-mark as against them?

"A company in Toronto got the right to manufac-
"ture articles made by the Bucyrus Co., and sub-
"sequently the contract was terminated, and the
"company in Toronto registered the trade-mark
" 'Bucyrus,' and went on and did business on their
"own account. This registration was set aside. Now
"here you do not profess to be anything more than
"an agent. What will happen if the agency termi-
"nates? Could you utilize it? Could you enter into
"another business of the same character in
"fraud of your principals? I am calling
"your attention to it before we get through. The
"essence of the contract is to give credit to the
"manufacturer. I never heard of an agent who
"deals in one class of goods as agent getting a trade-
"mark for the goods which are manufactured by his
"principal, and only sold by him as agent. There
"may be authority, but I would like to know where
"it is.

"The goods are put on the Canadian market for
"ten years, and receive a valuable reputation—it
"becomes a very valuable asset—and are the Ameri-
"can company, terminating its agency, to lose the
"benefit of that trade?"

The *Bucyrus*[1] case referred to.

Mr. Powell argued that the connection between the American Sheet and Tin Plate Co. was most intimate, that Petitioners were really principals. They were exclusive sellings agents for this company. He admitted they could not make use of this mark with regard to any other goods.

Mr. Chrysler: "It is the American Sheet and Tin

[1] (1912), 14 Can. Ex. C. R. 35, 8 D. L. R. 920.
47 Can. S. C. R. 484, 10 D. L. R. 513.

1917

UNITED STATES STEEL PRODUCTS CO. v. PITTSBURG PERFECT FENCE CO.

Argument of Counsel.

"Plate Company's trade mark that is used on the "metal sheets sold by petitioners."

At this juncture, after examining one witness, Mr. Powell suggested that it would save consideration on the point raised by the court, if leave were granted to amend or to add parties.

HIS LORDSHIP: "The trouble is this. You cannot "get your trade mark without advertisement—and "the notice is given with a view of calling anyone in "who has any objection. There might be objections "to your principals getting it." Sebastian on Trade-Marks, 5th Edition, page 639, referred to.

Witness *Sullivan,* sales manager of the Steel Department admitted that the trade-mark was registered in the United States.

HIS LORDSHIP: "The petition refers to all coun-"tries except the United States, and paragraph 12 "of the Petitioners' answer to statement of objec-"tions, is as follows:

" 'That for some years past your Petitioner and " 'the Respondent have been using, in the United " 'States of America, their respective marks in " 'question herein in connection with the sale of " 'their respective goods and products in that coun-" 'try and no confusion or conflict of interest has " 'resulted therefrom.'

"*Witness*: That refers to the American Sheet and "Tin Plate Co.," and later he adds: "I quite appre-"ciate the inconsistency."

At p. 45 of the evidence he says:

"Q. The United States Steel Products Co., are "they selling agents for any other of the subsidiary

"companies?—A. The United States Steel Corpor-
"ation are selling agents for all of the subsidiary
"companies that manufacture.

"Q. The United States Steel Corporation Com-
"pany is not an agent for the American Sheet and
"Tin Plate Company, but it is the selling agent for
"the United States Steel Products Co.?—A. Prac-
"tically.

"Q. How many companies are included in that
"organization?—A. Some 40 or 50 all told, but they
"are not all manufacturing companies. We are
"selling agents for about ten manufacturing com-
"panies in the steel corporation.

"Q. Do any of the others use the Keystone trade-
"mark for any of their products? A. So far as I
"know not any.

"Q. Then the American Sheet & Tin Plate Co. is
"not a new company?—A. No.

"Q. How long is it since it was incorporated?—A.
"About 15 years.

"Q. That goes back to 1902?—A. Yes.

"Q. But they were manufacturing up to 1911, you
"say, this particular product. You were not manu-
"facturing before 1911. Were they manufacturing
"before that, tin plate among other things?

"His Lordship: Supposing The American Sheet
"& Tin Plate Co. were adverse to this company, you
"could not possibly get a trade-mark. Supposing
"the Products Co. were independent and adverse to
"the American Sheet & Tin Plate Co., how could
"the Products Co. come here and get a trade-mark
"when they manufacture it in the United States
"and export it to Canada? It is a question whether

1917

UNITED STATES STEEL PRODUCTS CO. v. PITTSBURG PERFECT FENCE CO.

Argument of Counsel.

"the trade-mark in the United States was used in "this country. Supposing it had been used in the "United States, and the goods had been exported "into Canada and sold in Canada? You could never "get a trade-mark adverse to them."

The case was argued on the 25th April, 1917.

Mr. Powell: The effect of the cases goes to show that where there is no conflict of interest and where the application is made with the authority and consent of the principal, there is no objection to it and nothing illegal about it and that when the relationship of the principal and agent terminates, the principal can make an application to the court and have their names substituted for the name of the agent. The English statute makes advertising a *prerequisite* of all registration. The purpose of advertising any proceedings of this kind under our Act serves the same purpose.

A person can register under the Canadian Act without advertising. The cases of *Re The Australian Wine Company Limited*[1] and *Ex parte Lawrence Bros., Re Marler's Trade Mark,*[2] are referred to.

He did not contend that they had an interest in the trade-mark independently or adverse to the American Sheet & Tin Plate Company.

He further argued that if it was found that the trade-mark could not be registered in their name as agents, that then it was open to the court to substitute the American Sheet & Tin Plate Co. to the petitioners on the register.

[1] 1885 (61 L T.) 427 (note).
[2] (1878), 44 L. T. 98 (note).

1917

UNITED STATES STEEL PRODUCTS CO. v. PITTSBURG PERFECT FENCE CO.

Argument of Counsel.

Mr. Elder: "The right of the agent to make the application appears to have been dealt with under the English Act.[1] See *Burroughs, Wellcome and Co's Trade-Mark.*"[2]

He further concurred in the argument of Mr. Powell that the principal might petition to have the register rectified if at any time the relationship of principal and agent should terminate.

And they moved to amend their application by adding the proprietors of the trade-mark as petitioners.

Mr. Chrysler, K.C., was not called upon.

Reasons for Judgment.

Judgment was rendered on same day.

Per Curiam.—The Court has to deal with the trade-mark law, and it is here asked that a trade-mark, of which somebody else is the proprietor, be registered in the name of the petitioner. The moment the agency ceased the right of the agent to use that trade-mark would terminate.

The petitioners also ask to amend, by adding the proprietor as petitioner. This cannot be done without advertising. When an application to register is made, advertisement has to be published. The statute is specific.

In this case the petitioners are not the proprietors at all, and part of the trade-mark is in the name of their principal.

In a case in England a gentleman registered a trade-mark in his own name, whereas under a contract he should have registered it in the name of his principal, and the court expunged the registration

[1] (1883) 46-47 Vict., Ch. 57.
[2] (1886), 32 Ch. D., 213.

1917

UNITED STATES STEEL PRODUCTS CO. v. PITTSBURG PERFECT FENCE CO.

Reasons for Judgment.

—but, when they came to make an application to register it by inserting the name of the proper owner, the judges held they could not do that in the face of the statute on account of the advertising. This is what Lord Justice Cotton said in *Re Riviere Trade-Mark*:[1] "In my opinion, whatever might be "the result of the application to strike the name of "the French firm off the register, the other "application ought not to be granted. With-"out saying that it is impossible to grant such "an application as this in any case where one person "is improperly on the register, and another person "who is entitled to the trade mark wishes to be put "on, yet, as a rule (and I do not know a case where "there would be an exception), when any one applies "in the first instance to be publicly registered as the "proprietor of a trade-mark, the requirements of the "Act and rules as to issuing advertisements and "otherwise ought to be complied with. For there "may be cases—and I can imagine them—where, al-"though the person applying to strike a name off the "register may be entitled to say, as against the per-"son on the register, that he is improperly regis-"tered as owner of the trade mark, yet, there may "be persons, not present at the litigation who have "a right, as against the applicant, to rectify the "register, and to say that such applicant is not him-"self entitled to be there so as to prevent such third "person from using the mark, I have thought it "right to express my opinion on that part of the "case at once."

Lindley. L. J., added at page 239: "If the appli-"cant had succeeded in making out a case to remove

[1] (1885), 53 L. T. (N.S.) 237 at 238.

"the name of Riviere and Co., I do not think they "would have been entitled to have themselves regis- "tered in respect of this mark. I think Mr. Stir- "ling's observation is conclusive, that they could not "have registered anew in respect of this old mark "without advertising and taking the other steps "required by the Act and rules. I say that on be- "half of the public." The same view was independently taken by Fry, L. J.

The effect of that was, the man who put the trade mark on register, did so in breach of the contract with his principal—and the principal not only moved to expunge the trade-mark, but asked to be put on the trade-mark register himself. See also Sebastian on Trade-Marks, 5th Ed., p. 639.

It seems to me that the parties who are applying here for the registry of the trade mark are not within the statute, because they are not proprietors.

Our statute clearly says that it must be the proprietor who applies. The applicants might be dismissed as agents to-morrow and supposing the trade-mark was registered in their name what would happen? Could the principal come along and ask to have it assigned?

I cannot grant the amendment in the face of the decisions of the Court of Appeal and I think the petition must be dismissed on the ground that you are not proprietor. The wrong person is applying and I cannot, by amendment allow the right person to be added without going through new proceedings.

At most it could only be registered in their names *as agents* and only during the term of their agency and no provision is made for such registration.

1917

UNITED STATES STEEL PRODUCTS CO. v. PITTSBURG PERFECT FENCE CO.

Reasons for Judgment.

You cannot under the Trade-Mark Act get something that does not belong to you.

The case of *Re Riviere Trade-Mark*[1] is cited, where a party applied in the name of another applicant without that applicant taking the steps pointed out by the Statute.

The application is therefore dismissed with costs.

Solicitors for Petitioners: *Davidson, Wainwright, Alexander & Elder.*

Solicitors for Objecting Party: *McLaurin & Millar.*

[1] 53 L. T. (N.S.) 237.