

BETWEEN:

THERAPEUTIC RESEARCH CORPORATION LIMITED, LOTHAR MICZKA AND LOTHAR MICZKA K.G.

PLAINTIFFS;

Ottawa 1968 July 11 July 17

AND

LIFE AID PRODUCTS LIMITED DEFENDANT.

Trade marks—Photographs of another's product with substituted label—Contrary to honest commercial usage—Trade Marks Act, s. 7(e)—Interlocutory injunction.

Pending completion of a prototype of its own oxygen mask defendant published a leaflet containing photographs of plaintiffs' oxygen mask with defendant's label replacing plaintiffs'.

Held, plaintiffs were entitled to an interlocutory injunction. In falsely representing as its own a device which was plaintiffs' and which moreover differed from its own defendant deceived the public and acted contrary to honest industrial or commercial usage in Canada within the prohibition of s. 7(e) of the Trade Marks Act.

APPLICATION.

George A. Rolston for plaintiffs.

D. S. Johnson, Q.C. for defendant.

Noël J.:—This is an application for an interlocutory injunction restraining the defendant until the trial or other disposition of this action from (a) defacing, covering, concealing or altering the labelling applied to plaintiffs' breathing devices; (b) printing, publishing or in any way making use of photographs or photographic illustrations of oxygen breathing devices manufactured or sold by one or other of the plaintiffs; (c) from making any written pictorial or verbal representations or suggestions to the trade or to the public tending to suggest that the oxygen breathing devices manufactured, imported and/or sold by one or other of the plaintiffs are manufactured and/or sold by the defendant or that any patent rights or rights in any patent application in relation to or in respect of or concerning the oxygen breathing device of the plaintiffs are owned by or

*Leave to appeal this decision to the Supreme Court of Canada was refused.

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will be owned or obtained by the defendant or any person other than the first plaintiff. The application further requests:

- (h) an order under rule 148(a) of the Rules of the Exchequer Court that the Defendant do forthwith deliver up to the Registrar of this Honourable Court for detention and preservation until trial or other disposition of this action the oxygen breathing device demonstrated to the said M Neiman in April 1968 by the Defendant at 86 Bloor Street West, City of Toronto, Province of Ontario, Canada.
- (i) an order under Rule 148(a) of the Rules of the Exchequer Court directing the Defendant to permit inspection by the Plaintiffs and their Counsel of all prototype oxygen breathing devices in the possession, power or control of the Defendant and either manufactured by the third Plaintiff, designed by the second Plaintiff, or obtained from the first Plaintiff, and further directing the Defendant to permit inspection by the Plaintiffs and their Counsel of the original photographs and photographic negatives from which the photographic illustrations appearing in the said leaflet of the Defendant referred to in the Statement of Claim herein were prepared, and further granting the Plaintiffs leave to conduct experiments and to make observations in respect of the articles so inspected for the purpose of obtaining full information and evidence therefrom.
- (j) and for such further or other order as this Honourable Court shall seem meet.

There are no patents issued or industrial design or trade mark registered by any of the plaintiffs although there are applications pending for this device of which it is alleged plaintiff Lothar Miczka is the inventor and author, Lothar Miczka K.G. is the manufacturer and Therapeutic Research Corporation Limited, a Canadian corporation, the assignee of the exclusive Canadian rights.

A leaflet put out by the defendant corporation, Exhibit MN 5, gave rise to the present proceedings by depicting thereon, by means of five photographs, an oxygen mask which the defendant states to be its product, in which it states it has an exclusive right and for which it indicates Canadian and foreign patents have been applied for.

The pictures of the mask which appear in this leaflet are admittedly not that of the defendant corporation but that of the plaintiffs with the label of the defendant corporation stuck over the label of the plaintiffs.

Igor Kaplan, President of the defendant corporation, in an affidavit of the 8th of July, 1968, explained that

Because of the delays of the development work in the LIFE Guard oxygen mask resuscitator, LIFE AID PRODUCTS LIMITED did

not have its prototype model ready at the time it was intended to release the promotional literature to introduce its LIFE GUARD OXYGEN MASK. As a result one of the units in our possession which I believe, although I cannot positively say, was the unit obtained from H. Simon in England was modified by removing the pull string valve arrangement and by applying the trade mark LIFE GUARD and design label to the cover and by changing the colouring of the device and photographs were taken of this unit and these photographs were used in the illustrations of the device to be marketed by LIFE AID PRODUCTS LIMITED.

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The unit which appears, however, in the leaflet, came out in the same colour as plaintiffs' product and the pull string valve which the defendant said it removed, is inside the breathing aperture and cannot be seen.

The above publicity leaflet, therefore, clearly contains a number of untrue and deceptive statements and representations which are calculated to indicate to persons reading the leaflet that the product depicted in the photograph has been manufactured either by or on behalf of the defendant and can be obtained from no one else, when in fact the product produced by the defendant corporation is somewhat different in construction and in colour and the cover is hexagonal instead of being oval shaped.

The statements and representations contained in defendant's publicity leaflets (of which, according to counsel, they still have six thousand) are, therefore, clearly deceptive and although such a course of action may not fall under the prohibition contained in subsections (a), (b), (c) or (d) of section 7 of the *Trade Marks Act* it is, in my view, covered by subsection (e) thereof in that such statements or representations constitute a deceptive practice as representing to the public as the defendant's device, a device which was produced by somebody else and which also is different from its own device. Such a deliberate and dishonest practice, in addition to being confusing, deceiving and misleading to the public is also contrary to honest commercial usage in this country.

One of the plaintiffs, Therapeutic Research Corporation Limited, the Canadian corporation, is in the process of searching for a Canadian outlet to the devices in which it has obtained the Canadian rights and the above deceptive statements may deter investors and other interested persons who may otherwise be prepared to invest substantial

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sums of money in the purchase of rights for the manufacture, distribution and/or sale of the plaintiffs' product from entering into business relations of any kind with the plaintiffs if the deceptive publicity of the defendant comes to their notice.

I consider that the balance of convenience in the instant case lies with the plaintiffs in that if defendant's circulars are allowed to circulate in the public, they may cause plaintiffs irreparable harm whereas the fact that defendant is restrained from so circulating them may only mean that it is only restricted from advertising its units by means of the objectionable printed circular for a short period of time.

There will therefore be an injunction as sought which, however, will be restricted to restraining the defendant from making any written pictorial or verbal representations or suggestions to the trade or to the public a) that the plaintiffs' devices are manufactured and/or sold by the defendant; b) that any patent rights or rights in any patent application in relation to or in respect of or concerning the oxygen breathing devices of the plaintiffs are owned by or will be owned or obtained by the defendant or any person other than the first plaintiff.¹

¹The pronouncement reads as follows:

Let an injunction go restraining the defendant by itself, its officers, servants or agents, until disposition of this action after trial or other disposition of this action from making any written pictorial or verbal representations or suggestions to the trade or to the public tending to suggest

- a) that the oxygen breathing devices manufactured by the third plaintiff are manufactured and/or sold by the defendant;
- b) that the oxygen breathing devices imported and/or sold by the first plaintiff are manufactured and/or sold by the defendant;
- c) that any patent rights or rights in any patent application in relation to or in respect of or concerning the oxygen breathing devices of the plaintiffs are owned by or will be owned or obtained by the defendant or any person other than the first plaintiff.

Order to contain usual undertaking by the plaintiffs in that the plaintiffs by their counsel undertake to abide by any order which this Court may make as to damages in case this Court should hereafter be of opinion that the defendant should have sustained any by reasons of this order which the plaintiffs ought to pay.

Costs in the cause.