BETWEEN:

AARON HERSHBAIN ..... PLAINTIFF;

1959
May 14
Dec. 22

AND

WHITE SEWING MACHINE PRODUCTS LIMITED ..... DEFENDANT.

Trade Mark—Trade name—Infringement—Recovery of damages precludes an accounting—Trade Marks Act, S. of C. 1952-53, c. 49.

The plaintiff brought an action against the defendant for infringement of its trade marks "New Majestic" and "Majestic" used in connection with domestic sewing machines and claimed an injunction, damages in the sum of $10,000, or an accounting, as the plaintiff might elect. The defendant contended that if any infringement took place, which it did not admit but denied, it occurred in August 1955 when the defendant entered into a promotion scheme with The Robert Simpson Montreal Ltd., whereby it supplied that firm with sewing machines bearing the trade mark "Majestic Rotary" which the latter sold as its agent. That the plaintiff brought an action against the Simpson company in the Quebec Superior Court alleging the same grounds of complaint and seeking the same remedies as in the present action and was awarded damages and an injunction, and that pursuant to the Quebec civil law rules of "solidarity", linking the Simpson company and the defendant in a joint defence, the damages now claimed had been liquidated by the Superior Court judgment. The defendant further submitted that the present action should be dismissed as vexatious as the plaintiff could have taken a single action against both parties or added the present defendant as a defendant in the Superior Court action.

Held: That the Court was unable to perceive any connection between the case at bar and the civil laws of the Province of Quebec in relation to a trade mark offence. One statute only should be considered and applied, namely the *Trade Marks Act* S. of C. 1952-53, c. 49.

2. That the plaintiff having admitted it recouped all its actual damages in the Superior Court action was precluded on its own admission from now laying claim to an accounting.

3. That on the evidence and in view of defendant's admission of infringement, the injunction prayed for should be granted.

ACTION for infringement of trade mark.

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

Cuthbert Scott, Q.C., and *A. Feiner* for plaintiff.

André Forget, Q.C. for defendant.

DUMOULIN J. now (December 22, 1959) delivered the following judgment:

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This infringement of trade mark case is a less involved one than it threatened to be at trial, when several issues were stated, a few of which admittedly irrelevant were then and there abandoned.

A recital of facts, many of them uncontradicted, will, I hope, prove of assistance in avoiding unwarranted complications.

The plaintiff, Aaron Hershbain, under the firm name and style of: Hershbain Brothers Reg'd., carries on, from his Montreal office, the business of selling throughout Canada "sewing machine parts and accessories and a large variety of wares and equipment relating to sewing machines", (cf. Statement of Claim, para. 3).

Mr. Hershbain is the registered owner of trade mark No. N.S. 171/43740, dated August 13, 1952, ". . . registered pursuant to the provisions of *The Unfair Competition Act, 1932,* for the trade mark 'NEW MAJESTIC', used in association with domestic sewing machines" (cf. id. para. 4.(*a*)).

He also owns trade mark N.S. 98/25315, dated August 31, 1946, for the trade mark "MAJESTIC" ". . . used in association with tables and stands for sewing machines, etc." (id. para. 4.(*b*)).

Defendant, White Sewing Machine Products Ltd., a subsidiary organization with Canadian Head Office in the City of Toronto and its parent company at Cleveland, Ohio, purchases from the American firm sewing machines imported from Germany or Japan, and in turn sells them to wholesale dealers, or, on certain terms, to major department stores across Canada, according to the statement of defendant's manager, Mr. Kay, in his examination on discovery, many excerpts of which were read out in court.

Ownership of the trade marks just mentioned is admitted by defendant who launches a weak attack against their validity (cf. Statement of Defence, para. 4.), on the score, and I reproduce para. 5 of the defence, that:

> 5. The Plaintiff's use of the trade marks "Majestic" and "New Majestic", if it took place at all, was confined to sewing machines of the industrial or commercial type and accessories therefor and the Plaintiff never used the said trade marks on sewing machines of the domestic type in issue in the action herein.

In paras. 7 and 8 of the Statement of Claim, plaintiff had alleged his continuous use, since 1951, of the trade marks "New Majestic" and "Majestic" with the result that such trade names were favourably known throughout Canada, particularly in the Province of Quebec, and associated with his wares.

Paragraph 9 reproaches defendant with having,

> 9. . . . during the year 1955 commenced to manufacture and sell sewing machines not obtained from the Plaintiff, having attached thereto a label carrying the name "MAJESTIC" used as a trade mark in connection with the said goods, and the Defendant has sold, distributed and advertised or caused to be advertised the said sewing machines in association with the word MAJESTIC which is confusing with the Plaintiff's said registered trade marks and has thereby infringed the Plaintiff's exclusive right . . .

The Statement of Claim, para. 11, alleges confusion between plaintiff's and defendant's wares, and is next followed by plaintiff's claims for the customary injunctions against "Defendant, its officers, servants and agents . . ." and (*d*): "Damages in the sum of Ten Thousand Dollars ($10,000.00) or such greater sum as may be awarded or an accounting of Profits as the Plaintiff may elect".

This action was argued before the instant court on May 14, 1959. On the day preceding, May 13, Mr. Justice Batshaw, a Superior Court Judge in Montreal, delivered a judgment in an infringement suit, bearing number 379,899 of the local Superior Court records, between the selfsame plaintiff, Aaron Hershbain, and The Robert Simpson Montreal Ltd.

The grounds of complaint: infringement of plaintiff's two trade marks, the relief prayed for: injunctions and damages in a sum of $10,000 were identical in all respects with those submitted for my decision.

Both parties, after filing as exhibit A a certified copy of some of the proceedings and oral evidence in the Superior Court and a duly stamped copy of Mr. Justice Batshaw's pronouncement, as exhibit B, dealt at length with their respective interpretation of the law, relying largely upon the facts adduced before the learned Superior Court Judge.

It seems likely that the present claim never would have been instituted but for the information obtained in the suit against Robert Simpson Ltd., of Montreal.

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This initial phase of the dispute was aptly summarized by Mr. Justice Batshaw in the following terms (cf. ex. B, p. 2):

> On August 25th and 26th, 1955, the Defendant [Robert Simpson Ltd.] advertised in several Montreal papers the sale of Majestic Rotary sewing machines at $89.00 and $59.00 respectively, depending upon the model. These machines were manufactured by the White Sewing Machine Co. Ltd. and were being offered for sale as a result of a joint promotion between the two companies. It appears that the trade-mark "Majestic" as applied to sewing machines is the property of the White Sewing Machine Company in the United States, but not in Canada where it belongs to the Plaintiff. The latter objected to the infringement as soon as he became aware of the advertisement and applied for interim and interlocutory injunctions. The Defendant [Robert Simpson Ltd.], in a short delay, verified the Plaintiff's right to the trade-mark in Canada and discontinued the promotion, four hundred and fifty-four machines having been sold by it prior to such discontinuance.

The learned Judge goes on to say that:

> The task of the Court has been facilitated by the admission of the Defendant's counsel at the outset of the trial that an infringement had taken place and that the Plaintiff's request for a permanent injunction would no longer be opposed. The case proceeded then for the purpose of assessing the damages.

It will be seen further down that I have to solve a problem in every respect similar; allotting damages against the actual defendant for an infraction which at the trial before me was not denied, notwithstanding a strenuous argument on points of law.

Counsel for defendant contended that pursuant to the Quebec civil law rules of "solidarity", linking Robert Simpson Ltd. and White Sewing Machine Products in a joint offence, the damages claimed had been liquidated by the Superior Court, on May 13, 1959, in re: *Hershbain v. The Robert Simpson Montreal Ltd.*

Incidentally, this view of the matter, on defendant's part, was tantamount to a renewed acknowledgment of infringement, since it only can rest upon a joint or common offence by two or more tort feasors, as contemplated by art. 1106 Civil Code; hereunder:

> 1106. The obligation arising from the common offence or quasi-offence of two or more persons is joint and several.

I need not pursue this course of thought because I am unable to perceive any connection whatsoever between the case at bar and the civil laws of the Province of Quebec,

in relation to a trade mark offence. One statute only should be considered and applied, namely the *Trade Marks Act*, S. of C. 1952-53 1-2 Eliz. II, c. 49.

The deal between defendant and Robert Simpson Ltd. was to all intents a purely promotional one, a fact brought out by Mr. Justice Batshaw as follows on p. 3 of exhibit B:

> The Defendant [then: Robert Simpson, Montreal, Ltd.] had agreed with the manufacturer to retain only 10% of the gross selling price as its share of the profit on the promotion. Its total sales were $34,541.00, and upon deducting the ratio of overhead expenses involved in the handling of the merchandise to the total store sales, a small deficit of $217.38 resulted.

Examined on discovery in the suit against Robert Simpson Ltd., its "manager of offices", Reginald Edwards, had specified that (cf. ex. A, Edwards, p. 14):

> We sold 521 [sewing machines], and we had 67 returns, which made a net total of 454 machines sold.

Before this court, as previously noted, defendant's counsel made no attempt at denying his client's participation in the infringement complained of, but insisted upon plaintiff's abusive and costly duplication of legal proceedings, as set out in the Statement of Defence, para. 15, according to which it was:

> 15. . . . vexatious for the Plaintiff to commence two actions in different courts on the same facts to obtain substantially the same redress when the Plaintiff could have taken a single action against both parties or added the present Defendant as a defendant in the Superior Court action.

On p. 18 of exhibit A, Mr. Thos. Montgomery, of counsel for Robert Simpson Ltd., is reported as thinking he would: "admit that the defendant [i.e. Robert Simpson & Co.] received a registered special delivery letter from Messrs. Marcus & Feiner, dated August 26, 1955", denouncing the trade mark infringement. However, no corresponding acknowledgement of this letter, or a copy thereof having been forwarded to White Sewing Machine Products in Toronto, appears in either Mr. Edwards' or Mr. Paul Kay's examinations; the latter being defendant's office manager. Therefore it is not an unwarranted assumption that plaintiff became aware of defendant's complicity only at the trial of his suit before the Superior Court.

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Admissions were also volunteered on plaintiff's part when Mr. Cuthbert Scott, Q.C. agreed at trial that Aaron Hershbain ". . . really did recoup all actual damages ($1,000), in the Superior Court action against Robert Simpson & Co.", but persisted to ask: (*a*) an accounting of profits; (*b*) an injunction against White Sewing Machine Products Ltd.

Since the case before me was the concluding "heat" of a litigation begun in the Superior Court, reference must be had again to exhibit B, to the penultimate paragraph on page 2 and the top one on page 3. I quote:

> It is common ground that the Plaintiff in a case of this kind is generally entitled to have, at his election, either an accounting of profits made by the Defendant or the payment of damages suffered by reason of the infringement, and that these are alternative remedies at the choice of the Plaintiff, for he cannot have both.
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> . . . At the trial, Plaintiff's counsel conceded that he could not have both, but claimed that he would be entitled to the greater of the two after the calculation had been made in the light of the evidence.

"The greater of the two", we know, turned out to be a thousand dollar award for damages. Surely Plaintiff cannot alter his stand simply because he appears before another tribunal, especially after his statement in the Superior Court that he must elect between monetary compensation or an accounting, and the admission of fact, here, of having already received full pecuniary redress for loss suffered. The remedy of his choosing being granted, plaintiff became precluded, on his own recognition, from laying claim to the alternate one.

There remains a request for an injunction, the sole eventual relief left for my consideration. The evidence adduced, more particularly the defendant's admission at trial, uphold plaintiff's contention that ss. 7(*b*), (*c*), (*e*), 20 and 22(1) of the *Trade Marks Act* were infringed to his detriment by White Sewing Machine Products Ltd.

For the reasons above, the injunction prayed for is granted, with taxable costs in favour of the Plaintiff.

Judgment accordingly.