

Privy Council Appeal No. 49 of 1917.

Imperial Tobacco Company (Newfoundland)
(Limited) - - - - - *Appellants,*
v.
Michael A. Duffy - - - - - *Respondent,*

FROM

THE SUPREME COURT OF NEWFOUNDLAND.

JUDGMENT OF THE LORDS OF THE JUDICIAL COMMITTEE OF
THE PRIVY COUNCIL, DELIVERED THE 4TH DECEMBER, 1917.

Present at the Hearing :

LORD PARKER OF WADDINGTON.

LORD SUMNER.

LORD WRENBURY

[*Delivered by* LORD WRENBURY.]

The appellants are a company incorporated in Newfoundland and are dealers in tobacco. In 1910 they adopted and have ever since used upon tobacco which they placed upon the Newfoundland market a trade-mark consisting of a representation of a clover leaf, describing the goods as the "Clover" brand. In May or June 1915 the appellants found that the respondent was importing into and selling in Newfoundland tobacco which he bought from Messrs. Larus and Brother Company, a company incorporated in Virginia, United States of America, which bore a similar trade-mark, and was described as "Clover Leaf" tobacco. Thereupon, on the 21st June, 1915, the appellants registered their trade-mark in Newfoundland and commenced this action, claiming an injunction to restrain the defendant from infringing the plaintiffs' trade-mark.

Larus and Brother Company had for many years, from 1896 or thereabouts, used in America a trade-mark for tobacco similar to the plaintiffs' mark.

It was protected by law in the United States within the meaning of section 2 of the Newfoundland Trade-Marks Act, chapter 112 of the Newfoundland Consolidated Statutes (Second

Series), and of section 3 of the Merchandise Marks Act, 1887. They had not before 1915 used it in Newfoundland. The plaintiffs, when they adopted their mark, were in ignorance of the existence in America of the Larus mark.

The question for decision is whether the defendant, by extending to Newfoundland a user which prior to 1915 had been confined to the United States, was infringing the plaintiffs' trade-mark in Newfoundland. This has to be decided upon a consideration of the Newfoundland Act, chapter 112, and in particular of section 2 of that Act.

The definition of "trade-mark" in section 2 is in the following words:—

"The expression 'trade-mark' means a trade-mark registered in the register of trade-marks kept under the provisions of this chapter, and includes any trade-mark which, either with or without registration, is protected by law in any British possession or foreign State, to which the provisions of the one hundred and third section of the Imperial 'Patents, Designs, and Trade-Marks Act, 1883,' are under Order in Council for the time being applicable."

In their Lordships' opinion the antecedent to which the word "which" in the context "to which the provisions" is to be referred, is "British Possession or foreign State" (which is the last antecedent) and not "trade-mark," mentioned earlier in the section.

Section 103 of the Act of 1883 had provided by subsection (4) that the provisions of that section "shall apply only in the case of those foreign States with respect to which Her Majesty shall from time to time by Order in Council declare them to be applicable." It is to these words that section 2 of chapter 112 is referring.

Her Majesty had by Order in Council in 1887 declared that the provisions of section 103 should be applicable to the United States.

It results that for the present purpose section 2 of chapter 112 may be read as providing that the expression "trade-mark" in chapter 112 includes any trade-mark which either with or without registration is protected by law in America. It therefore includes the defendant's mark. From this the defendant argues that the plaintiffs are, under section 1 of chapter 112, committing a criminal offence by using the trade-mark or selling under the trade-mark in Newfoundland, and that they cannot in such circumstances be entitled to any injunction from the Court.

The Newfoundland statute is undoubtedly ill-expressed. It has taken two Imperial statutes, that of 1883 and that of 1887, and by combining the provisions of the latter as to fraudulent marks with the provisions of the former as to registration and protection, and giving in each case by definition the same meaning to "trade-mark" has produced the difficulty which has in the present case to be resolved.

It is plain that the plaintiffs being on the register in

Newfoundland are under section 31 of chapter 112 entitled to sue to restrain infringement. And their Lordships are unable to accede to the argument that in using in Newfoundland their own trade-mark the plaintiffs are so acting as to commit any offence within section 1 of chapter 112. The plaintiffs are not forging the defendant's mark. They are using their own. They are not falsely applying to goods any trade-mark so as to be calculated to deceive. They are by the mark indicating, as they had done for five years, that the goods are theirs.

Further, the plaintiffs are rightly on the register. It is strange, but it is the fact, that the Newfoundland statute contains no provisions for rectification of the register. Under these circumstances the defendant cannot, of course, be blamed for not taking proceedings for rectification. But it might be a defence to an action for infringement that the plaintiffs are not duly on the register. Assuming, however, this to be so, their Lordships hold that the plaintiffs are duly on the register. The definition in section 2 confers no rights in respect of a trade-mark. The rights are to be found elsewhere. Under sections 19 and 24 a proprietor is entitled to be registered. The plaintiffs availed themselves of those rights. They had, as was found by the trial Judge, adopted their mark in 1910 in ignorance of the existence in America of the defendant's mark, and in 1915 they registered it, as they were entitled to do. The ground of Mr. Justice Johnson's judgment is that the defendant has not used the plaintiffs' device. With this their Lordships cannot agree. If the words are intended to convey that the defendant while using the same pictorial representation was using it in his own right and not in breach of the plaintiffs' right, the answer is that he is not entitled to do so. The words cannot mean that the defendant has not used the same pictorial representation. It is common ground that he has.

The judgment of Horwood, C.J., is rested on the ground that the Larus mark is admittedly protected by law in the United States, and that consequently no action is maintainable by the appellants against the respondent for the acts complained of. For the reasons already assigned their Lordships do not find that the premiss supports the conclusion.

For these reasons their Lordships are of opinion that the appeal must be allowed, an injunction granted as asked, and the respondent ordered to pay the costs here and in the Court of First Instance and Court of Appeal, and they will humbly advise His Majesty accordingly.

In the Privy Council.

IMPERIAL TOBACCO COMPANY (NEW-
FOUNDLAND) (LIMITED)

v.

MICHAEL A. DUFFY.

DELIVERED BY LORD WRENBURY.