and payable in a foreign city, makes it appear to me incredible that, if the transaction was an ordinary one, and the plaintiffs were holders in due course, they would not have taken the usual course of giving notice to the defendants and of protesting the note when it was not paid, and of making a demand upon the endorsers for payment. It appears to have been the intention from the first to look only to the makers for payment. . . . Having regard to the facts and circumstances disclosed in the case, I do not think that the plaintiffs stand in a better position than the Bates Machine Company. A holder of a note in due course is one who has become the holder before it was overdue or without notice that it has been previously dishonoured and who has taken the note in good faith and for value and has no notice of any defect in the title of the person who negotiated it. The title is defective when the note is obtained by fraud or other unlawful means, or when it is negotiated in breach of faith or in such circumstances as amount to fraud: Bills of Exchange Act, sec. 56. Here there can be no doubt that the Bates Machine Company committed a fraud; and, if the plaintiffs had no actual notice, as I think they had through Winterbotham, of this defect, there was sufficient suspicion cast upon the transaction to put upon the plaintiffs the duty of removing such suspicion and satisfying the Court that they were holders in good faith, which they have failed to do. . . .

[Reference to Union Investment Co. v. Wells (1908), 39 S.C.R. 625, 642, 643; London Joint Stock Bank v. Simmons, [1892] A.C. 201, 221; Jameson v. Union Bank of Scotland (1913), 109 L.T.R. 850; Earl of Sheffield v. London Joint Stock Bank (1888), 13 App. Cas. 333; Swaisland v. Davidson (1882), 3 O.R. 320, 325; Oakeley v. Ooddeen (1861), 2 F. & F. 656; Sheldon v. Cox (1764), 2 Eden 224; Commercial Bank of Windsor v. Morrison (1902), 32 S.C.R. 98, 105; Pym v. Campbell (1856), 6 E. & B. 370; Union Bank of Halifax v. Indian and General Investment Trust (1908), 40 S.C.R. 510, 520; In re Nisbet and Potts' Contract, [1905] 1 Ch. 391, 402, [1906] 1 Ch. 386, 404, 409, 410; sec. 58 of the Bills of Exchange Act; Falconbridge on Banks and Banking, 2nd ed., pp. 581, 584; Dickson v. Winch, [1900] 1 Ch. 736; Tweedale v. Tweedale (1857), 23 Beav. 341, 345.]

The note in question was given for a particular purpose, in pursuance of the arrangement commenced in 1907 and continued down to the making of the present note. The defendants had fully discharged their part of the agreement, and at the time