



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2014 TMOB 46
Date of Decision: 2014-03-04

**IN THE MATTER OF TWO OPPOSITIONS by
Clarkson-Osborn Tools Ltd. to application
Nos. 1,360,515 and 1,360,516 for the trade-marks
CLARKSON and OSBORN, respectively, in the
name of YG-1 UK Holdings Limited**

APPLICATION No. 1,360,515 - CLARKSON

FILE RECORD

History of the Application

[1] On August 21, 2007, YG-1 UK Holdings Limited filed an application to register the trade-mark CLARKSON based on (i) use and registration of the mark in the United Kingdom and (ii) proposed use in Canada, in association with the following wares:

(1) power tools; cordless power tools; cutting tools; cutting tool blocks; cutting tips; drilling tools; drills for machine tools; drilling machines; drill bits, drill chucks, drill rods, all for machines; tips for tool bits; arbors, chucks, tool bits for use in machines and/or power operated hand tools; end mills; taps, being parts of machines; parts and fittings for all the aforesaid goods.

(2) hand-operated hand tools; cutting tools, bits, end mills, drills, taps, all being hand-operated; arbors, bits, chucks, drills, tips for tool bits, all for use in hand-operated tools; parts and fittings for all the aforesaid.

[2] On February 12, 2008, the Examination Section of the Canadian Intellectual Property Office ("CIPO," under whose aegis this Board operates) objected to the mark in the following terms:

The mark which is the subject of this application is considered to be primarily merely the surname of an individual who is living or has died

within the preceding thirty years. A search of the Canada 411 database showed 300 listings of CLARKSON in Canada.

In view of the provisions of Section 12(1)(a) of the *Trade-marks Act*, this mark does not appear registrable.

Any comments you may wish to submit will receive consideration.

[3] The applicant responded by noting that the surname “Clarkson” is rare in Canada, comprising less than .000009% of the population, that it is the name of a community (Clarkson Village), that it is used as a trade-mark in the grain industry and in the heavy duty control valve industry, and that it is also the name of a music theatre. The applicant therefore submitted that although the term CLARKSON was a surname, it was not primarily merely a surname.

[4] The Examination Section did not accept the applicant’s submissions and maintained its objection: see the Examination Section letter dated June 12, 2008. The applicant responded by relying on s.14 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, shown below, to overcome the objection based on s.12(1)(a):

14. (1) Notwithstanding section 12, a trade-mark that the applicant or the applicant’s predecessor in title has caused to be duly registered in or for the country of origin of the applicant is registrable if, in Canada,

(a) it is not confusing with a registered trade-mark;

(b) it is not without distinctive character, having regard to all the circumstances of the case including the length of time during which it has been used in any country;

(c) it is not contrary to morality or public order or of such a nature as to deceive the public; or

(d) it is not a trade-mark of which the adoption is prohibited by section 9 or 10.

[5] In support of its reliance on s.14, the applicant provided the Examination Section with an affidavit sworn by the CEO of the applicant, Mr. Chunsik You. He testified, among other things, that the applicant first began to use its mark CLARKSON in Canada in 1946 in association with machine tools such as cutter grinding machines, chucks and milling cutters. He provided sales revenues for CLARKSON and OSBORN branded

tools and accessories sold in Canada for the period 2004 – 2007 inclusive; such revenues averaged about \$1.3 million annually.

[6] The applicant concurrently revised its application to claim July 31, 2007 as a priority filing date, pursuant to s.34 of the *Trade-marks Act*. The priority filing date is the date of filing of the United Kingdom trade-mark application which resulted in the United Kingdom registration that the applicant is relying on as a basis for the subject Canadian application.

[7] The applicant's reliance on s.14 was accepted and the subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated January 12, 2011.

Opposition Commences

[8] The application was then opposed, on February 15, 2011, by Clarkson-Osborn Tools Ltd., located in Brampton, Ontario. The Registrar forwarded a copy of the statement of opposition to the applicant on March 3, 2011, as required by s.38(5) of the *Trade-marks Act*. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition. As will be seen, the parties to this opposition have had an on-going relationship, as did their predecessors. This proceeding arises from a dispute as to whether the rights in Canada to the marks CLARKSON and OSBORN were assigned to the opponent, or simply licensed to the opponent, pursuant to a supply agreement.

[9] The opponent's evidence consists of the affidavit of Glen Cunningham and a certified copy of the file wrapper for the subject application. The applicant's evidence consists of the affidavits of Michael Poole and Parneet Kahlon. No cross-examinations were conducted. Both parties filed written arguments and both parties were ably represented by counsel at an oral hearing held on February 19, 2014.

STATEMENT OF OPPOSITION

[10] The statement of opposition is succinctly pleaded and is set out in full below:

(a) The application does not comply with the requirements of 30(i) of the *Trade Marks Act* [sic] in that at the time the applicant filed its trade mark application, it could not have been satisfied that it was entitled to use the trade mark in Canada in association with the wares described in the application because the opponent was and still is the owner of the trade mark in Canada, having acquired it and the associated goodwill pursuant to an Asset Purchase Agreement made the 22nd day of January, 2004 between the opponent and a predecessor in title of the applicant, Hydra Canada Corp., and a Supply Agreement dated February 12, 2004 between the opponent and Hydra Clarkson International, Ltd., a predecessor in title of the applicant, knowledge of both of which agreements the applicant had at the time it filed its trade mark application.

(b) The applicant's trade mark is not registrable pursuant to s. 12(1)(a) of the *Trade Marks Act* [sic] in that it is primarily merely the surname of an individual who is living or has died within the preceding thirty years. Moreover, registrability cannot be recognized under s. 14 of the *Trade Marks Act* [sic] because the mark is without distinctive character in Canada, having regard to the opponent's ownership and prior use of the mark CLARKSON for the same or similar wares and of its trade name Clarkson-Osborn Tools Ltd., as well as the surname significance of the mark.

(c) The applicant is not the person entitled to registration of its trade mark, contrary to the provisions of s.16(3) of the *Trade Marks Act* [sic], in that on the Convention Priority filing date, July 31, 2007, its trade mark was confusing with the opponent's trade mark CLARKSON, which had been previously used in Canada in association with the same or similar wares as those in the applicant's trade mark application, and the opponent's previously used trade name Clarkson-Osborn Tools Ltd., both of which have been continuously used in Canada and not abandoned at any time by the opponent.

(d) The applicant's trade mark is not distinctive, having regard to s.38(2)(d) and s.2 of the *Trade Marks Act* [sic], in that it does not distinguish, nor is it adapted to distinguish, the applicant's wares from the same or similar wares of others; namely, those of the opponent provided in association with its trade mark CLARKSON and its trade name Clarkson-Osborn Tools Ltd.

OPPONENT'S EVIDENCE

Glenn Cunningham

[11] Mr. Cunningham identifies himself as President of the opponent company Clarkson-Osborn Tools Ltd. The opponent sells and distributes in Canada machine tools, cutting tools and components therefor used in the automotive, aerospace and other

industries. The opponent has operated in Canada since 2004 and previously through predecessor companies, as discussed below.

Corporate Histories

[12] In 1991, Mr. Cunningham became employed by Clarkson-Osborn Tools Ltd. (not the opponent company, which was not formed until 2003), a company owned by Clarkson Osborn International. In 1995 Clarkson Osborn International was acquired by FKI Industries Inc. Clarkson-Osborn Tools Ltd. then amalgamated with a subsidiary of FKI (called FKI Industries Canada Limited) after which Clarkson-Osborn Tools Ltd. (not the opponent) continued to operate as a division of the subsidiary.

[13] In 1999, various worldwide divisions of Clarkson Osborn International were acquired from FKI by Hydra Tools International PLC, forming Hydra Tools International Limited. As a result of the acquisition, the Canadian subsidiary of Hydra Tools International Limited became known as Hydra Canada Inc. It continued the business of the former FKI Industries Canada Limited division, importing cutting tools from Hydra Tools International Limited and selling the tools in Canada.

[14] Hydra Tools International Limited fell into administrative receivership in 2001. Its assets and those of its subsidiaries including Hydra Canada Inc. were purchased from the receiver by Jasco Tools Inc. A new company was created under the name Hydra Clarkson International Limited (“HCIL”). A new Canadian subsidiary, Hydra Canada Corp. was formed to carry on the Canadian operations of the former Hydra Canada, Inc.

[15] In 2003, Mr. Cunningham incorporated a new company namely, Clarkson-Osborn Tools Ltd, the opponent herein. The opponent was formed for the purpose of purchasing the assets of Hydra Canada Corp.

Asset Purchase Agreement with Hydra Canada Corp.

[16] On January 22, 2004 the opponent acquired the assets of Hydra Canada Corp. through an Asset Purchase Agreement. The assets acquired by the opponent included all

goodwill in Canada held by Hydra Canada Corp. Mr. Cunningham testifies that the goodwill included “the trade-marks associated with the company.” I have noted that the purchase agreement, attached as Exhibit B to Mr. Cunningham’s affidavit, refers specifically to “goodwill, including trade-agreements, customer lists, supplier agreements and distribution agreements . . .” However, the Asset Purchase Agreement with Hydra Canada Corp. does not specifically refer to any trade-marks nor does it explicitly refer to any assignment of trade-marks.

Supply Agreement with HCIL

[17] In paragraph 12 of Mr. Cunningham’s affidavit he explains that:

Since 2004, Clarkson-Osborn Tools has continued to import from Hydra Clarkson International Limited and its successors and sell in Canada cutting tools including tools showing the Mark [CLARKSON]. . .

[18] He further explains that on February 12, 2004, the opponent entered into a Supply Agreement (attached as Exhibit D his affidavit) with HCIL whereby HCIL agreed to supply the opponent with cutting tools for sale and distribution into Canada for a ten-year period. Section 11.1 of Article 11 of the agreement (shown in full in Appendix A to these reasons for decision) provides that HCIL:

conveys whatever rights, title, and interest it has in the ownership of the names, trade-names and trademarks in Canada with respect to the Products purchased. Such conveyance shall include, but not be limited to, those trademarks identified in Schedule 11.1 attached hereto and labeled "Canada" in the fifth column.

The mark CLARKSON is listed in Schedule 11.1 where it is further identified as Canadian “Registered Number” 102764.

[19] The effect of Section 11.1 is discussed in paragraph 15 of Mr. Cunningham’s affidavit:

Schedule 11.1 includes Canadian registered trade-mark number TMA102764 for the mark "CLARKSON" ("TMA102764"). TMA102764 expired on October 4, 2001 for non-renewal. Although TMA102764 had expired prior to the Supply Agreement, the Supply Agreement demonstrates that Hydra Clarkson International, Ltd. had agreed to transfer the rights and title in the CLARKSON trade-mark to Clarkson-Osborn Tools. Moreover, the Supply Agreement demonstrates that Hydra Clarkson

International, Ltd. had transferred the rights and title in the trade mark and trade name CLARKSON-OSBORN TOOLS to the opponent, Clarkson-Osborn Tools, because that trade mark and trade name was used in Canada in association with products being purchased by Clarkson-Osborn Tools. Neither Hydra Clarkson International, Ltd. nor any of its successors in title, including the applicant, has advised us of any breach or default under the Supply Agreement, and therefore none of the rights transferred to us has reverted to Hydra Clarkson International, Ltd. pursuant to section 11.2 of the Supply Agreement, and certainly not as of the Convention Priority filing date of July 31, 2007 for application number 1,360,515.

Use of the Trade-name CLARKSON-OSBORN

[20] Mr. Cunningham testifies that the opponent has used the trade-name CLARKSON-OSBORN continuously in Canada since 2004, which testimony is supported by documentation attached as Exhibits E to I of his affidavit. He further states, at para. 19 of his affidavit:

I know that the applicant has not used the trade name CLARKSON-OSBORN in Canada. YG-1 UK Holdings Limited has never distributed a product catalogue in Canada and does not advertise in the distributor catalogues that are distributed to customers in Canada under this trade name.

How the Opponent uses the mark CLARKSON

[21] From 2004 onward, the opponent purchased and imported cutting tools from HCIL, its successors and from third party suppliers. The imported tools are repackaged by the opponent before being sold to customers in Canada. The packaging in which the tools are sold to customers in Canada bears the mark CLARKSON and makes no reference to HCIL or its successors.

[22] In 2006 Mr. Cunningham was advised that the applicant YG-1 UK Holdings Limited acquired the assets of HCIL (other than Canadian business operations) and a new company, Clarkson Osborn International was formed. Mr. Cunningham explains further, at paras. 22, 23 and 27 of his affidavit, that

22. . . . Since 2006, Clarkson-Osborn Tools [the opponent] has continued to purchase cutting tools from Clarkson Osborn International for distribution and sale in Canada. In 2007, due to flooding at Clarkson Osborn International's factory in the United Kingdom, Clarkson Osborn International was unable to supply tools to Clarkson-Osborn Tools in the

quantities required by Clarkson-Osborn Tools to satisfy orders from its Canadian customers. In order to meet the demand, Clarkson-Osborn Tools, with the knowledge of Clarkson Osborn International, imported cutting tools from a third-party supplier and sold and distributed these cutting tools under the trade mark CLARKSON . . .

23. Clarkson-Osborn Tools [the opponent] has continued to purchase cutting tools from third party suppliers in order to meet its Canadian customers' demands, as the supply from Clarkson Osborn International alone has not been able to meet Clarkson-Osborn Tools' purchasing demands. These products that are sourced from third parties have been sold by Clarkson-Osborn Tools under the trade mark CLARKSON and with product packaging and labelling that bears the Mark.

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27. Over the years, Clarkson-Osborn Tools [the opponent] has purchased fewer tools from Clarkson-Osborn International and has relied more on importing cutting tools from third party suppliers. This is because Clarkson-Osborn International has reduced its product range over the last few years, and more importantly, no longer carries a complete range in stock, and has therefore been unable to supply tools to Clarkson-Osborn Tools in a timely manner.

[23] In the four-year period 2004 - 2007, the opponent purchased, on an annual average, about \$1,481,000 worth of cutting tools from Clarkson Osborn International; that figure declined to \$337,000 in 2008 and declined further to about \$142,000 for each of the years 2009 and 2010.

[24] In the five year period 2004 – 2008, the opponent sold, on an annual average, about \$6.3 million worth of cutting tools in Canada, including wares sold under its mark CLARKSON; that figure declined to about \$4.35 million for each of the years 2009 and 2010.

Advertising and Promotion

[25] In paragraphs 30 to 43 of his affidavit Mr. Cunningham describes the opponent's activities in advertising and promoting its trade-name CLARKSON-OSBORN, mostly through product catalogues, flyers, trade magazines and trade-shows. The average annual expenditure for such activities amounted to about \$86,000 for the six year period 2005 – 2010. Exhibits referred to in paragraphs 30 to 43 provide examples of such advertising.

Refuting the Applicant's s.14 Claim

[26] The remainder of Mr. Cunningham's affidavit refutes various statements made by Mr. You in support of the applicant's claim to the benefit of s.14 (see para. 5, above). In particular, Mr. Cunningham states that (i) the applicant did not attend any exhibitions in Canada to promote the applicant's tools and accessories, (ii) the only product catalogues distributed in Canada bearing the trade-name CLARKSON-OSBORN were published and distributed by the opponent and its predecessors in Canada, (iii) the website and domain name <www.clarkson-osborn.com> belong to the opponent, not to the applicant, and (iv) the applicant was at all material times aware of the opponent's activities in Canada.

Parneet Kahlon

[27] Mr. Kahlon identifies himself as a research student employed by the firm representing the applicant. In June 2012 he instructed the Toronto Reference Library to conduct a search of the Industrial Yellow Pages for any "tool" related references. A copy of the listings provided to him is attached as an exhibit to his affidavit. I consider that Mr. Kahlon's evidence is inadmissible hearsay. In any event, even it were admissible, it would not advance the opponent's case. In this regard, Mr. Kahlon's evidence is at best merely corroborative of Mr. Cunningham's evidence that the opponent was in fact operating in Canada under its trade-name Clarkson-Osborn Tools Ltd.

APPLICANT'S EVIDENCE

Michael Poole

General Background

[28] Mr. Poole identifies himself as the Corporate Secretary of the applicant company. He testifies that the mark CLARKSON was first used in the United Kingdom in 1937 by Clarkson (Engineers) Limited ("CEL") in association with machine tools such as cutter grinding machines, chucks and milling cutters. CEL began marketing their products in Canada under the mark CLARKSON in 1946.

[29] Canadian registration No. TMA102,764 for the trade-mark CLARKSON was granted to Clarkson International Tools Limited (presumably a reference to a successor-

in-title) in 1956 for “cutter grinding machines” and accessories. The registration was ultimately expunged for non-renewal, however, Mr. Poole states that “use continued despite the expungement, which was not due to intentional abandonment.”

[30] In 1961 CEL changed its name to Clarkson Machine Tools Limited which in turn changed its name, in 1971, to Clarkson International Tools Limited (“CITL”). In 1989 “the Osborn branch of the company was acquired.”

[31] Clarkson International Tools Limited changed hands numerous times including an acquisition by Hydra Tools International Limited in 1999 and finally an acquisition by the applicant YG-1 UK Holdings Limited in 2006.

[32] The applicant owns registrations for the trade-mark CLARKSON in various countries including, for example, Australia, Japan, France, Germany and the United States of America. The applicant’s tools and accessories are marked with the trade-mark CLARKSON and/or delivered to its customers world-wide in packaging bearing the trade-mark CLARKSON. I have noted that several of the CLARKSON registrations referenced by Mr. Poole, including registration No. TMA102,764, are also listed in Schedule 11.1 of the Supply Agreement mentioned in para. 18, above.

Did the Asset Purchase Agreement convey rights in the mark CLARKSON to the Opponent?

[33] Mr. Poole’s testimony concerning the Asset Purchase Agreement (referred to in paragraph 16, above) is found at paragraphs 18 to 20 of his affidavit, shown below:

18. To the best of my knowledge, at the time of the closing of the Asset Purchase Agreement Hydra Canada Corp. was a Canadian subsidiary of Hydra Clarkson International Limited, which was a subsidiary of Jasco, a US company.

19. The Applicant acquired Hydra Clarkson International Limited from Jasco in 2006 and changed its name to Clarkson Osborn International Limited.

20. To the best of my knowledge and belief, Hydra Canada Corp. never owned any rights to the trade-mark CLARKSON in Canada, but was supplied from the UK with tools under the CLARKSON trade-mark from Hydra Clarkson International Limited, which became Clarkson Osborn International Limited.

[34] In my view the Asset Purchase Agreement does not evidence an assignment of any trade-marks to the opponent for the reasons set out in para. 16, above. Thus, the issue of proprietary rights to the mark CLARKSON in Canada is of little import as regards the Asset Purchase Agreement. However, proprietary rights to the mark CLARKSON in Canada are crucial as regards the Supply Agreement, discussed below.

Did the Supply Agreement Convey Rights in the mark CLARKSON to the Opponent?

[35] Mr. Poole's comments in respect of the Supply Agreement are found at paragraph 23 of his affidavit:

23. . . . It says in section 11.1 that Hydra Clarkson International Limited conveys "whatever rights it has . . . in Canada . . . with respect to the Products purchased." (emphasis added) To the best of my knowledge, Hydra Clarkson International Limited never had any ownership rights to any of the trade names or trade-marks referred to in the Supply Agreement but only had, at most, some kind of license permitting it to distribute products into Canada. In support of this I note that section 11.2 states that if the opponent is in default of specified provisions of the Asset Purchase Agreement, then the "conveyance" in section 11.1 is void *ab initio*. Further, the Opponent would have been purchasing those Products for resale under the CLARKSON trade-mark. Finally, I do not understand how ownership of a trade-mark expressly limited to products purchased, but presumably not with respect to anything else, such as advertising of those products or related products for sale, makes any sense, but a license does.

[36] I must disagree with Mr. Poole that the Supply Agreement does not evidence an assignment of trade-marks to the opponent. In my view, having regard to section 11 of the Supply Agreement in its entirety, and having regard to Schedule 11.1 of the Supply Agreement, it is apparent on its face that HCIL (i) is holding itself out as the proprietor of the mark CLARKSON in Canada and (ii) is assigning its rights to the mark in Canada to the opponent. Of course, section 11.2 may carry unintended consequences that are potentially prejudicial to HCIL, that is, distinctiveness issues concerning the mark CLARKSON would arise in the event of the opponent defaulting on the Asset Purchase

Agreement. However, such eventualities do not affect the clear words of assignment of the mark CLARKSON to the opponent.

[37] Another issue raised by Mr. Poole is whether HCIL in fact had any rights in Canada to the mark CLARKSON to assign. In my view that is mere speculation as there is simply insufficient evidence to question HCIL's proprietary claims. Further, as mentioned earlier, in Schedule 11.1 of the Supply Agreement HCIL purports to be the owner of several registrations for the mark CLARKSON in various jurisdictions where Mr. Poole has asserted ownership of the mark by the applicant: see para. 32, above. If HCIL was not in fact the owner of the marks it claimed to own, then Mr. Poole, speaking for HCIL's apparent corporate successor, appears to be well positioned to demonstrate past misrepresentations by HCIL. No such evidence has been forthcoming.

Has the Applicant Evidenced Use of its mark CLARKSON in Canada?

[38] Mr. Poole testifies that internationally sales of CLARKSON branded tools by the applicant and its predecessors in title have exceed \$100 million in the period 1999 to 2007. He then provides the same sales revenue figures for "CLARKSON and OSBORN branded tools" sold in Canada that Mr. You provided to the Examination Section: see para. 5, above.

[39] Mr. Poole disputes Mr. Cunningham's assertion that the ability of the applicant to supply the opponent was unduly impacted due to flooding. According to Mr. Poole, revenues from sales to the opponent for the five-year period 2003 – 2007 averaged about \$750,000 annually while revenues for the four-year period 2008 – 2011 averaged about \$82,000 annually. According to Mr. Poole the drop in sales beginning in 2008 "is primarily due to the Opponent's lesser volume of purchases from the Applicant."

[40] The concluding paragraphs of Mr. Poole's affidavit are shown below:

27. As far as the Applicant was aware, all supplies of tools under the trade-mark CLARKSON into Canada were related to packaging to which Hydra Clarkson International Limited, and not the Opponent, affixed the trade-mark CLARKSON. My understanding of the more recent situation in Canada, and the current situation, had been that the Opponent sells tools in

Canada under the CLARKSON trade-mark, and that those tools were sold to the Opponent by Clarkson Osborn International Limited, which does not manufacture those tools but instead acts as a distributor for tools from the Applicant which tools are made in China and Korea.

28. To my knowledge, the Applicant, in permitting any use of the trade-mark CLARKSON by the Opponent, has never intended that such use be anything other than use under license.

29. The trade-mark CLARKSON is a distinctive trade-mark of the Applicant and is so regarded not only throughout Canada but also in the United Kingdom and numerous countries throughout the world. I verily believe that the use of the word CLARKSON or any confusingly similar word by any competitor of the Applicant except under license from the Applicant would lead to confusion and deception in the trade and of the public.

[41] In my view, regardless of what HCIL's intention might have been in January 2004, the Supply Agreement it entered into with the opponent cannot, on a fair reading, be interpreted merely as a license agreement. The agreement conveys trade-marks rights although, no doubt, in an unorthodox manner. At the oral hearing counsel for both parties concurred that the Supply Agreement was likely drafted by someone with a limited knowledge of Canadian trade-marks law.

[42] Mr. Poole also implies that the acquired distinctiveness of the mark CLARKSON in Canada, owing to sales of cutting tools by the opponent, inures to the benefit of the applicant rather than to the benefit of the opponent. In my view the weight of the evidence does not support such a conclusion.

FINDINGS

[42] At the oral hearing, counsel for the applicant argued persuasively that deficiencies in the opponent's evidence, together with ambiguities in the Supply Agreement, must result in a finding that the opponent has failed to meet its evidential burden to put the grounds of opposition into issue. While I recognize that such lacunae and ambiguities exist, nevertheless, on the weight of the evidence of record I find that (i) the opponent acquired the mark CLARKSON from HCIL in 2004 and was never thereafter divested of the mark, (ii) the acquired distinctiveness of the mark CLARKSON, owing to sales and advertising of cutting tools by the opponent since at least 2004, inures to the benefit of

the opponent. Similarly, the weight of the evidence indicates that the acquired distinctiveness of the trade-name CLARKSON-OSBORN in Canada, since at least 2004, inures to the benefit of the opponent.

[43] Accordingly, I find that:

1. The opponent succeeds on the first ground of opposition. In this regard, I find that at the time that the applicant filed its trade-mark application and at the priority filing date, the applicant was aware, or should have been aware, of the opponent's proprietary rights to the mark CLARKSON in Canada.

2. The opponent succeeds on the second ground of opposition. In this regard, the applicant's claim to the benefit of s. 14 cannot be sustained. I agree with the opponent that the applied-for mark is without distinctive character in Canada having regard to (i) the opponent's ownership and use of the mark CLARKSON for the same or similar wares as those of the applicant, and (ii) the opponent's use of its trade-name CLARKSON-OSBORN. I would add that counsel for the opponent argued, in some detail, that the applicant could not rely on the benefit of s.14 for technical reasons having to do with the applicant's deemed registration date in the UK. However, it is not necessary for me to deal with that issue to decide this case.

3. The opponent succeeds on the third ground of opposition. In this regard, I find that at all material times the applied-for mark was confusing with (i) the opponent's trade-mark CLARKSON which had been previously used in Canada in association with the same or similar wares as those in the applicant's trade-mark application, and (ii) the opponent's trade-name CLARKSON-OSBORN.

4. The opponent succeeds on the fourth ground of opposition. In this regard, I find that at all material times the applicant's trade-mark did not distinguish, nor was it adapted to distinguish, the applicant's wares from the same or similar wares as those of the opponent sold (i) in association with its trade-mark CLARKSON and (ii) sold in association with its trade-name CLARKSON-OSBORN.

[44] It follows that the subject application for the mark CLARKSON must be refused.

APPLICATION No. 1,360,516 - OSBORN

[45] The application and file history for the mark OSBORN parallels the CLARKSON application and file history in all respects. The issues, evidence and material dates in the OSBORN opposition are entirely analogous to the CLARKSON opposition, discussed above, with one notable exception namely, the mark OSBORN is not listed in Schedule 11.1 of the Supply Agreement. However, nothing turns on whether the marks in issue appear in Schedule 11.1 as the weight of the evidence still favours the opponent. My conclusions regarding ownership and use of the mark CLARKSON (and use of the trade-name CLARKSON-OSBORN by the opponent) are equally applicable to the mark OSBORN and I make the same findings for the mark OSBORN as for the mark CLARKSON. The subject application for the mark OSBORN must therefore be refused.

DISPOSITION

[46] Application Nos. 1,360,515 and 1,360,516 for the marks CLARKSON and OSBORN, respectively, are refused. These decisions have been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

[47] I would add that ordinarily there is no issue with a trade-mark application being based on (i) proposed use of a mark in Canada and (ii) use and registration of the mark abroad, as two independent, non-contradictory bases for registration - as was the case for the instant applications as initially filed. However, once the applicant took the position that it had used its marks in Canada, in order to benefit from s.14, then of course there was a contradiction with the proposed use basis for registration. However, given my disposition of the cases, it is moot to address this issue further.

Myer Herzig, Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Appendix A

ARTICLE 11. CONVEYANCE OF TRADEMARKS AND TRADENAMES

Section 11.1 Conveyance. Subject to Section 11.2 herein, HCIL hereby conveys whatever rights, title, and interest it has in the ownership of the names, trade-names, and trademarks in Canada with respect to the Products purchased. Such conveyance shall include, but not be limited to, those trademarks identified in Schedule 11.1 attached hereto and labeled "Canada" in the fifth column.

Section 11.2 Obligations Under Asset Purchase Agreement. Notwithstanding anything to the contrary contained herein, in the event that the Company [the applicant] breaches any of its obligations under the Asset Purchase Agreement or under any debt instrument created in connection with or pursuant to the Asset Purchase Agreement, or in the event that any representation or warranty of the Company contained in the Asset Purchase Agreement, found to be materially inaccurate or untrue, the conveyance in Section 11.1 of this Agreement shall be considered null and void *ab initio*.

Section 11.3 Further Documentation. HCIL hereby agrees to sign all documents reasonably required by the Company to affect the transfer of the names, tradenames and trademarks in Canada.

Section 11.4 Survival. The Company's rights to the names, tradenames and trademarks conveyed in this Article 11 shall survive the termination of this Agreement.