



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

**Citation: 2016 TMOB 26**  
**Date of Decision: 2016-02-09**

**IN THE MATTER OF AN OPPOSITION**

<b>Suzhou Parsun Power Machine Co. Limited</b>	<b>Opponent</b>
<b>and</b>	
<b>Western Import Manufacturing Distribution Group Limited</b>	<b>Applicant</b>
<b>1,400,143 for PARSUN</b>	<b>Application</b>

Introduction

[1] Suzhou Parsun Power Machine Co. Limited (the Opponent) opposes registration of the trade-mark PARSUN (the Mark).

[2] The original application was filed by Western Import Manufacturing Distribution Group Limited (the Applicant) on June 18, 2008.

[3] A revised application was filed on November 7, 2009. It covers the following goods and services:

- (1) Boats 230cm to 900cm, namely, rigid hull inflatable boats, aluminum boats.
- (2) Inflatable boats.
- (3) Motorized outdoor equipment, namely, outboard motors for boats.
- (4) Electric motors for use on boats.
- (5) Portable electrical generators.
- (6) Parts and accessories for outboard motors namely, portable fuel tanks and hoses

for outboards, protective covers for outboard motors, steering wheels and cables for outboard motors, outboard motor remote control boxes and cables, outboard motor flushers, outboard motor stabilizer plates or "fins", outboard motor remote tilt and trim units.

(7) Water pumps rated 10 gallons per minute capacity to 500 gallons per minute capacity.

(8) 1.6 hp to 40 hp non-electric motors for general use.

(9) Clothing, namely, hats and jackets.

(10) Signage.

(11) Outboard motor stands.

(12) Clothing, namely, t-shirts; brochures; shelving (the Goods); and

(13) Maintenance, repair, and repair work under warranty for motorized outdoor equipment, namely, 2.0 to 40 hp outboard engines, 800 to 9000 watt portable electrical generators, and water pumps.

(14) Operation of a business in the field of sales, distribution, rental, and after sales service of motorized outdoor equipment, namely, 2.0 to 40 hp outboard engines.

(15) Operation of a business in the field of sales, distribution, rental, and after sales service of motorized outdoor equipment, namely, 800 to 9000 watt portable, electrical generators (the Services).

[4] The application is based on proposed use in Canada on goods (1), (2), (7), (8) and (12) and on use in Canada since at least as early as:

September 15, 2006 on goods (3);

September 25, 2007 on goods (4);

January 15, 2008 on goods (5) and on services (15).

June 15, 2007 on goods (6), and (11);

December 30, 2006 on goods (9) and on services (13) and (14);

April 2007 on goods (10).

[5] The grounds of opposition pleaded are based on sections: 30(b) and (i) (requirements), 12(1)(d) (registrability), 16(1) and (3)(entitlement), and 2 (distinctiveness) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act). One of the main issues raised by the Opponent in its statement of opposition is the fact that the Applicant is simply a licensee and/or distributor of the Opponent's products manufactured by it in China and bearing the Mark.

[6] For the reasons explained below, I refuse the application.

### The Record

[7] The application was advertised in the *Trade-marks Journal* on July 18, 2012. The Opponent filed its statement of opposition on October 2, 2012. The Applicant filed and served a counter statement on June 14, 2013 in which it denied each ground of opposition pleaded by the Opponent.

[8] The Opponent filed as its evidence the statutory declaration of Mr. Jian Xia dated October 14, 2013. The Applicant elected not to file evidence.

[9] Only the Opponent filed a written argument; no hearing was held.

### Preliminary remarks

[10] Numerous interlocutory issues occurred during this opposition process. I do not need, for the purposes of my decision, to summarize each and every one of them. They all have been dealt with by the Registrar and well documented in interlocutory decisions included in the file. Suffice to say, at this stage, that subsequent to the issuance of an order for the cross-examination of Mr. Xia, the Applicant seemed to have lost interest in its application. It did not conduct such cross-examination. Subsequently, it did not file evidence, a written argument and did not request a hearing.

[11] Obviously, in the absence of evidence, a written argument and a hearing, it is difficult for me to outline the Applicant's position with respect to the grounds of opposition raised by the Opponent. However, I still have to determine if the Opponent has evidenced facts that support each of the grounds of opposition pleaded and if so, if they are well founded.

### The parties' respective burden or onus

[12] The legal onus is on the Applicant to show that its application does not contravene the provisions of the Act as alleged in the statement of opposition. This means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the Applicant. However, there is also an evidential burden on the Opponent to prove the facts inherent to its pleadings. The presence of an evidential burden on the Opponent means that in

order for a ground of opposition to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); *Dion Neckwear Ltd v Christian Dior, SA et al* 2002 FCA 291, 20 CPR (4th) 155; and *Wrangler Apparel Corp v The Timberland Company* 2005 FC 722, 41 CPR (4th) 223].

### The relevant dates

[13] Each ground of opposition must be assessed at various relevant dates. They are:

- Grounds of opposition based on sections 30(b) and (i): the filing date of the application (June 18, 2008) see [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) and *Tower Conference Management Co v Canadian Exhibition Management Inc* (1990), 28 CPR (3d) 428 (TMOB)].
- Ground of opposition based on section 16(1) of the Act: the alleged various dates of first use of the Mark which vary from September 15, 2006 to January 15, 2008 [see section 16(1) of the Act];
- Ground of opposition based on section 16(3) of the Act: the filing date of the application (June 18, 2008) [see section 16(3) of the Act]
- Ground of opposition based on lack of distinctiveness of the Mark: the filing date of the statement of opposition (October 2, 2012) [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* 2004 FC 1185, 34 CPR (4th) 317].

### The Opponent's evidence

[14] Mr. Xia describes himself as General Manager of the Opponent and has been employed by the Opponent since the beginning of 2006. He states that the Opponent is a Chinese company that develops and manufactures various products in China that are distributed and sold throughout the world, including Canada. Those products include: outboard engines, outboard engines spare parts and gasoline generators (the Opponent's products), all sold in association with the trade-mark PARSUN.

[15] Mr. Xia filed as exhibit JX-1 and JX-2 print outs of various web pages of the Opponent's former website and actual website illustrating the Opponent's products in association with the trade-mark PARSUN and giving some details on the Opponent's business.

[16] Mr. Xia explains that the Opponent's Products are sold in Canada through various distributors. Those distributors sell the Opponent's products to the Canadian consuming public or to various points of sale who then resell them to Canadian consumers. He filed as exhibit JX-3 print outs of the website of one of such Canadian distributors wherein the Opponent's outboard engines are illustrated in association with the trade-mark PARSUN.

[17] Mr. Xia alleges that the Opponent has been selling the Opponent's products in Canada to various distributors in association with the trade-mark PARSUN since as early as November 7, 2006. To substantiate such statement he filed as exhibit JX-4 copies of invoices, packing lists and bills of lading illustrating such sales. I note that one of the invoices filed was issued by the Opponent to an entity identified as 'Western Import Distribution Group Ltd.' located at the same address specified in the Applicant's original application. There is also a contact reference to 'S. Hudson'.

[18] In paragraph 15 of his statutory declaration, Mr. Xia provides the annual sales in Canada of the Opponent's products since 2006 to 2013 which total approximately 2 million dollars U.S.

[19] Mr. Xia affirms that, in order to increase the sales of the Opponent's products in Canada, it distributes sale and marketing material to its Canadian distributors, wholesalers and retailers in association with the trade-mark PARSUN. He filed as exhibit JX-8 samples of such commercial literature identifying the Opponent as the source of the goods advertised. Moreover, he also alleges that retailers, distributors or resellers of the Opponent's products in Canada also create and distribute their own sales and marketing material to promote the sales of these products. He filed as exhibit JX-9 samples of such material. Finally, resellers, distributors and retailers carry promotional and sales activities throughout Canada with the Opponent's permission and supervision. He filed pictures, as exhibit JX-11, of such marketing and sales activities.

[20] Mr. Xia mentions that he refers to 'resellers' to identify those entities that do not enjoy any kind of exclusivity in relation with a specify territory while a 'distributor' can have such

exclusivity with respect to a specific territory. He lists some of the Opponent's resellers, including the Applicant.

[21] Mr. Xia affirms that the Opponent has registered its PARSUN trade-mark in its country of origin (China) and in other countries around the world as a word mark and sometimes as a design mark, namely a stylized version of the word PARSUN. He lists the countries where such registrations were obtained and he filed as exhibit JX-12 a copy of some of these registrations.

[22] Mr. Xia asserts that in the past another Canadian distributor of the Opponent's products, namely MTI Canada Inc., filed an application to register the trade-mark PARSUN, application No. 1345320. He then goes on to state that such application was opposed by the Applicant, wherein the Applicant declared and even admitted that it was only a Canadian distributor. To support such allegation, Mr. Xia attached to his statutory declaration a copy of the statement of opposition filed by the Applicant in application No. 1345320 for the registration of the trade-mark PARSUN, as well a copy of the affidavit filed by Shelley Hudson on behalf of the Applicant in that opposition.

[23] I note that, in the Applicant's statement of opposition filed against application No. 1345320 and in the affidavit of Ms. Hudson in support of such opposition, the Applicant is described as the Opponent's licensee.

#### Ground of opposition based on section 30(i) of the Act

[24] Section 30(i) of the Act only requires an applicant to declare itself satisfied that it is entitled to use the mark applied for in Canada in association with the goods and services described in the application. Such a statement is included in the present application. An opponent may rely on section 30(i) in specific cases such as, for example, where bad faith on the part of the applicant is alleged or other exceptional circumstances that render the applicant's statement untrue [see *Sapodilla Co Ltd v Bristol Myers Co* (1974), 15 CPR (2d) 152 (TMOB)]. In *McCabe v Yamamoto & Co (America) Inc* (1989), 23 CPR (3d) 498 (FCTD), Mr. Justice Joyal discussed one such exception as follows:

23 What these cases make clear to me is that the law will preclude a distributor from appropriating and registering the trade mark of another, usually a

manufacturer, who is the owner of the mark in the country of origin. In the case before me, T-Line Golf was a manufacturer with a licence to use the trade mark. Thus, any use of the mark in Canada by the distributor could only be to the benefit of that person who owned or was licensed to use the trade mark.

[25] In its statement of opposition, the Opponent alleges that it was falsely that the Applicant declared itself satisfied that it was entitled to use the Mark in Canada in association with the Goods and Services for the reasons detailed in its statement of opposition. In fact, the Opponent alleged in its statement of opposition that it is the true owner of the Mark and that the Applicant simply resells in Canada the Opponent's products bearing the Mark.

[26] To meet its initial burden, the Opponent relies on the content of the Applicant's statement of opposition it filed against application No. 1345320 for the registration of the trade-mark PARSUN, as well as the affidavit filed by Ms. Hudson in support of such opposition. In that statement of opposition, the Applicant described itself as '...the Canadian exclusive licensee of PARSUN Power Machine Co. Ltd. [the Opponent in this opposition]....The Opponent [the Applicant in the present file], by virtue of said license, has the right to use the trade-mark PARSUN throughout Canada'. Moreover, as stated above, Ms. Hudson declared herself to be the President of Western Import Manufacturing Distribution Group Ltd. (the Applicant in this opposition) in the affidavit filed in application No. 1345320 in support of the aforesaid opposition. I reproduce hereinafter portions of such affidavit:

3. (...) Opponent's [the Applicant in our file] major marine power equipment product line comprises equipment supplied by Parsun Power Machine Co. Ltd [the Opponent in our file] whose head office is located at No. 18, Jinfeng Road, New & High-Tech Industrial Development Zone, Suzhou, Jiaingau, China. This equipment is sold by the [Applicant] under the trade-mark PARSUN ...

7. [Applicant] has been importing its product line and spare parts for its product line from [the Opponent] since at least as early as May 2007. (...)

9. [The Applicant] has been selling its product line under the Trade-mark [PARSUN] as a licensee of [the Opponent] (...)

10. As licensee of [the Opponent], [the Applicant] has been engaging, by way of sublicense, other resellers and distributors throughout Canada using a standard form agreement. (...) The Agreement was approved by [the Opponent] on or about October 2007. Attached hereto as Exhibit 'J' to this my affidavit is a chain of communication between [the Applicant] and [the Opponent] showing [the Opponent]

aware of the agreement and of [the Applicant's] intention to sublicense its rights to sell under the Trade-mark [PARSUN] to third parties.

[27] I am fully aware that the filing of Ms. Hudson's affidavit in this proceeding simply makes proof that it was filed in support of the Applicant's opposition in application No. 1345320. It does not make proof of the veracity of its content. However, the allegations contained in Ms. Hudson's affidavit seem to support Mr. Xia's contention concerning the Opponent being the true owner of the Mark.

[28] As mentioned earlier, the Applicant did not file evidence and a written argument. The allegations made by Mr. Xia concerning the relationship between the parties have not been contradicted. No reason has been provided by the Applicant to explain its prior position in application No. 1345320. Finally, I note that the present application was filed less than four months prior to the Applicant's filing of its statement of opposition in application No. 1345320.

[29] Given these particular circumstances, I am of the view that the un-contradicted allegations contained in Mr. Xia's statutory declaration as well as the reference to the allegations made by the Applicant in application No. 1345320, are at least sufficient to meet the Opponent's initial burden under section 30(i) ground of opposition.

[30] It is clear from the case law that licensees, distributors and the like should not be allowed to usurp their principle's trade-marks [see for example, *McCabe, supra* and *Royal Doulton Tableware Ltd v Cassidy's Ltd-Cassidy's Ltée* (1984), 1 CPR (3d) 214 (FCTD)].

[31] Considering the Applicant has not met its legal onus to show why the ground of opposition based on 30(i) should not be maintained, the Opponent succeeds under this ground of opposition with respect to all of the Goods and Services.

#### Ground of opposition based on section 30(b) of the Act

[32] The Opponent has an initial burden to file some evidence to support this ground of opposition. The initial burden of proof incumbent on an opponent regarding this ground of opposition is less onerous than under other grounds of opposition given that the relevant facts to



support such ground are more readily available to the applicant [see *Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)].

[33] The Opponent argues that any use of the Mark by the Applicant was under license. Therefore, through the provisions of section 50 of the Act, any use by the Applicant of the Mark accrues to the benefit of the Opponent. As such, there has been no use of the Mark in Canada by the Applicant in association with the Goods and Services within the meaning of section 4 of the Act. Consequently, the Applicant did not use the Mark at the various dates cited in its application.

[34] I agree with the Opponent. From the evidence described under the previous ground of opposition, the Opponent has met its light evidential burden. The Opponent has successfully raised the issue that any use of the Mark in Canada by the Applicant was as a licensee and/or a distributor of the Opponent's products. Such use of the Mark by the Applicant would be deemed use of the Mark by the Opponent.

[35] The Applicant has not filed any evidence to meet its legal onus to prove that it has used the Mark in Canada, within the meaning of section 4 of the Act, in association with the Goods and Services at each of the claimed date of first use alleged in its application. Therefore, this ground of opposition is successful, but only in so far as goods (3), (4), (5), (6), (9), (10) and (11) are concerned as well as the Services.

[36] As the application is based on proposed use for goods (1), (2), (7), (8) and (12), this ground of opposition cannot be maintained for them.

#### Other grounds of opposition

[37] In view of the apparent lack of interest on the part of the Applicant in its application as it has not filed any evidence, nor a written argument and did not request a hearing, coupled with the fact that the Opponent has been successful under one ground of opposition and partly successful under a second ground of opposition, I do not intend to discuss the other grounds of opposition raised by the Opponent.

Disposition

[38] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application, pursuant to section 38(8) of the Act.

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Jean Carrière  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD  
CANADIAN INTELLECTUAL PROPERTY OFFICE  
APPEARANCES AND AGENTS OF RECORD**

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No Hearing Held

Agents of Record

Lavery, de Billy

For the Opponent

None

For the Applicant