

IN THE MATTER OF AN OPPOSITION by TELPRO INVESTMENTS INC. to application No. 685,194 for the trade-mark HEMINGWAY'S filed by HEMINGWAY'S RESTAURANT LTD.

On July 3, 1991, the applicant, HEMINGWAY'S RESTAURANT LTD., filed an application to register the trade-mark HEMINGWAY'S based on use of the trade-mark in Canada since at least as early as January 1982 in association with "restaurant and bar services".

The present application was advertised for opposition purposes in the *Trade-marks Journal* of November 5, 1997 and the opponent, TELPRO INVESTMENTS INC., filed a statement of opposition on April 3, 1998, a copy of which was forwarded to the applicant on April 15, 1998. The applicant served and filed a counter statement in response to the statement of opposition on May 4, 1998. The opponent submitted as its evidence the affidavits of Lorna Rankine, Martin Shore McSkimming and Elizabeth Anne (Lizanne) Bertrand, as well as two affidavits of Giovanna Zumbo dated December 2 and December 3, 1998. The applicant filed as its evidence a certified copy of registration No. 390,505 for the trade-mark HEMINGWAY'S AN ADVENTURE IN SALOON SOCIETY Design. The opponent requested and was granted leave to amend its statement of opposition pursuant to Rule 40 of the *Trade-marks Regulations* and the applicant then requested and was granted leave to amend its counter statement. Also, on March 31, 1999, the opponent requested leave to further amend its statement of opposition and the applicant was invited to make its submissions concerning the opponent's request. As the Opposition Board never ruled on the opponent's second leave request and since the applicant did not raise any objections to the request, this will confirm that the opponent has been granted leave to further amend its statement of opposition. Finally, both parties submitted written arguments and neither party requested an oral hearing.

The following are the grounds of opposition asserted by the opponent in its amended statement of opposition of March 31, 1999:

- a) The present application does not comply with the requirements of subsection 30(i) of the *Trade-marks Act* in that the applicant cannot be satisfied that it is entitled to use the trade-mark HEMINGWAY'S in Canada in view of prior use by

the opponent and its predecessor by amalgamation of the trade-mark and trade-name HEMINGWAY'S in Canada;

b) The present application does not comply with the requirements of subsection 30(b) of the *Trade-marks Act* in that the application does not set out the date from which the applicant has so used the trade-mark HEMINGWAY'S, as the applicant claims that the trade-mark has been used in Canada "... by the applicant in association with all the specific services ... since at least as early as January, 1982" and the applicant corporation did not exist in 1982;

c) The applicant is not the person entitled to registration of the trade-mark HEMINGWAY'S in that, contrary to paragraph 16(1)(a), at the date of filing the present application, the applicant's trade-mark was confusing with a trade-mark that had previously been used in Canada or made known in Canada by any other person and, in particular, with the trade-mark HEMINGWAY'S as used by the opponent and its predecessor by amalgamation in the operation of a restaurant, tavern and dining lounge in Canada since at least as early as May 26, 1980. The opponent and its predecessor by amalgamation have not abandoned the use of the trade-mark;

d) The applicant is not the person entitled to registration of the trade-mark HEMINGWAY'S in that, contrary to paragraph 16(1)(c), at the date of filing the present application, the applicant's trade-mark was confusing with a trade-name that had previously been used in Canada by any other person and, in particular, with the trade-name HEMINGWAY'S used by the opponent and its predecessor by amalgamation in association with the operation of a restaurant, tavern and dining lounge in Canada since at least as early as May 26, 1980. The opponent has not abandoned its use of the trade-name;

e) The trade-mark HEMINGWAY'S is not distinctive of the applicant in that, contrary to section 2, it does not actually distinguish nor is it adapted to distinguish the wares and services of the applicant from the wares and services of others and, in particular, from those which the opponent and its predecessor by amalgamation have advertised and performed under the trade-mark and trade-name HEMINGWAY'S.

Considering the first two grounds of opposition, and while there is a legal burden is on the applicant to show that its application complies with subsections 30(b) and 30(i) of the *Trade-marks Act*, there is an initial evidential burden on the opponent in respect of these grounds [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330]. To meet the evidential burden on it in relation to a particular issue, the opponent must adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. Further, the material time for considering the circumstances respecting the issue of non-compliance with section 30 of the *Trade-marks Act* is the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R.(3d) 469, at p.475].

With respect to the subsection 30(i) ground, the opponent has asserted that the applicant cannot be satisfied that it is entitled to use the trade-mark HEMINGWAY'S in Canada in view of

prior use by the opponent and its predecessor by amalgamation of the trade-mark and trade-name HEMINGWAY'S in Canada. Thus, the success of the subsection 30(i) ground turns on the determination of the applicant's entitlement to registration and, indirectly, on the issue of the applicant's compliance with subsection 30(b) of the *Trade-marks Act*. I will therefore consider the subsections 30(b) and 16(1) grounds of opposition in turn.

With respect to the subsection 30(b) ground, the opponent has alleged that the applicant corporation did not exist in 1982 and, in this regard, asserts the following in its written argument:

“14. The Applicant corporation (Ontario Corporation No. 853836) is the result of an amalgamation of Hemingway's Restaurant Limited (Ontario Corporation No. 488732) and 846625 Ontario Limited. Pursuant to Section 179(d) of Ontario's *Business Corporations Act*, the statute under which these corporations were incorporated, Articles of Amalgamation are deemed to be the Articles of Incorporation of the amalgamated corporation. Thus the act of amalgamating corporations creates a new corporate entity, which is assigned a new corporation number, after which the amalgamated corporation assumes the assets and liabilities of the prior existing amalgamating corporations.

15. Accordingly, the Applicant corporation did not exist in 1992 [sic.], and the application for the registration of the trade-mark as submitted by the Applicant did not name any predecessors in title, and therefore the Application did not comply with Section 30(b) of the *Trade-marks Act*.”

The issue arises, therefore, as to whether an amalgamating corporation under the *Business Corporations Act*, R.S.O. 1980, c. B16, qualifies as a predecessor in title for the purposes of subsection 30(b) of the *Trade-marks Act*. Under section 174 of the *Business Corporations Act* of Ontario, two or more corporations, including holding or subsidiary corporations, may amalgamate and continue as one corporation. Moreover, under section 179(b) of the *Business Corporations Act*, upon the articles of amalgamation becoming effective, an amalgamation results in the amalgamated corporation possessing all the property, rights, privileges and franchises and is subject to all liabilities, including civil, criminal, and quasi-criminal, and all contracts, disabilities and debts of each of the amalgamating corporations.

The provisions of sections 174 and 179 of the *Business Corporations Act* of Ontario, including the provisions of section 179(d) which deem the articles of amalgamation to be the articles of incorporation of the amalgamated corporation, are analogous to those set forth in sections 181 and 186 of the *Canada Business Corporations Act*. In *Molson Breweries, A Partnership v. John*

Labatt Ltd., 56 C.P.R. (3d) 107, Board Member Martin considered the issue as to whether an amalgamating corporation under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, is a predecessor in title for the purposes of subsection 30(b) and commented as follows at pages 112 to 114:

“... Section 181 of the Canada Business Corporations Act provides that amalgamating corporations continue as one corporation. The applicant's agent relied on the decision in *R. v. Black & Decker Mfg. Co. Ltd.* (1974), 13 C.P.R. (2d) 97, 43 D.L.R. (3d) 393, 15 C.C.C. (2d) 193, [1975] 1 S.C.R. 411, which dealt with the amalgamation provisions in the Canada Corporations Act which are very similar to the amalgamation provisions in the successor statute, the Canada Business Corporations Act. In *Black and Decker*, the Supreme Court of Canada held that an amalgamation under such provisions does not create a new corporation and it does not extinguish any of the amalgamating corporations; amalgamating corporations continue in the amalgamated corporation. Section 186(b) of the Canada Business Corporations Act specifically provides that the property of each amalgamating corporation continues to be the property of the amalgamated corporation and this would include any trade mark rights: see the opposition decision in *Nabisco Brands Ltd. v. Perfection Foods Ltd.* (1985), 7 C.P.R. (3d) 468 (Opp. Bd.-T.M.) at p. 472; affirmed 12 C.P.R. (3d) 456 (F.C.T.D.).

Thus, an amalgamation does not constitute a transfer or an assignment of trade mark rights; such rights simply continue as the property of the amalgamating corporations in the amalgamated corporation. There is no specific transfer of rights from one separate entity to another. An amalgamation is, as Mr. Justice Dickson characterized it in the *Black and Decker* case, like a river formed by the confluence of two streams.

In my view, the words "predecessor in title" appearing in s. 30(b) of the Trade-marks Act do not encompass an amalgamating corporation under the Canada Business Corporations Act. *Black's Law Dictionary*, 5th ed. (St. Paul Minn.: West Publishing Co., 1979), defines "predecessor" as follows:

One who goes or has gone before; the correlative of "successor." One who has filled an office or station before the present incumbent. Applied to a body politic or corporate, in the same sense as "ancestor" is applied to a natural person.

The Dictionary of Canada Law defines the word as "one person who preceded another". Webster's New Collegiate Dictionary defines "predecessor" as follows:

one that precedes; 'esp': a person who has previously occupied a position or office to which another has succeeded.

All of these definitions define a predecessor as being a separate person or entity. Since an amalgamating corporation and an amalgamated corporation are not separate entities, it follows that an amalgamating corporation is not a predecessor in title for the purposes of s. 30(b) of the Act and does not need to be named in a trade mark application where the amalgamated corporation is claiming use through the amalgamating corporation. It would seem that the amalgamation situation is more analagous [sic.] to a corporate change of name than a transfer or an assignment where the transferor or assignor is a separate entity and must be named as a predecessor in title. I am somewhat uneasy with this conclusion since, as a matter of public interest, it might be preferable to require an applicant to detail its claimed chain of use by specifying any intervening amalgamations and to specifically identify the amalgamating corporations through which it is claiming use of its mark. In any event, the applicant has clarified the situation respecting the claim to use in its application and the inclusion of two former names in the identification of the original applicant in the original application is not inconsistent with those corporations having been amalgamating corporations. The applicant has therefore satisfied the legal burden on it to show its compliance with s. 30(b) of the Trade-marks Act. Thus, the first ground of opposition is unsuccessful.”

In view of the above, I find that the effect of the above provisions of the *Business Corporations Act* of Ontario is that the amalgamating corporations do not form a new corporation but rather continue to exist as one. Consequently, the amalgamating corporations, Hemingway's Restaurant Limited (Ontario Corporation No. 488732) and 846625 Ontario Limited, are not predecessors in title of the applicant. As the opponent has failed to meet the evidential burden on it in respect of the subsection 30(b) ground, this ground of opposition is unsuccessful. Nevertheless, while the present application technically meets the requirements of subsection 30(b) of the *Trade-marks Act*, the applicant ought to have detailed its claim to use of its trade-mark by identifying in its application the amalgamating corporation, Hemingway's Restaurant Limited (Ontario Corporation No. 488732), through which it is claiming use of its trade-mark in Canada since January 1982.

As for the third and fourth grounds, there is an initial burden on the opponent in view of subsections 16(5) and 17(1) of the *Trade-marks Act* to establish its use of its trade-mark and trade-name HEMINGWAY'S in Canada prior to the applicant's claimed date of first use [January 31, 1982], as well as to show that it had not abandoned its trade-mark and trade-name as of the date of advertisement of the present application [November 5, 1997]. In his affidavit, Martin Shore McSkimming, President, director and shareholder of the opponent and of its predecessor by amalgamation Telpro Investments Inc. (Ontario Corporation No. 426439), states that from the commencement of business on May 26, 1980, the opponent and its predecessor by amalgamation have continuously operated at 142 Cumberland Street, Toronto under the trade-name and trade-mark HEMINGWAY'S as displayed on the signs and on menus. According to Mr. McSkimming, prior to opening under the trade-mark and trade-name HEMINGWAY'S, the opponent's predecessor by amalgamation undertook renovations including changing the plastic fascia sheets for the existing sign box in front of the restaurant from "TRATTORIA ROMANA" to "HEMINGWAY'S", as shown in Exhibit K-1 to the affidavit. In paragraph 14 of his affidavit, Mr. McSkimming sets forth the annual sales from such premises under the trade-mark and trade-name HEMINGWAY'S from May 26, 1980 to April 30, 1998 with the sales up to June 30, 1981, that is, as of the end of last fiscal year for the opponent's restaurant prior to the applicant's claimed date of first use, exceeding \$970,000. The

opponent has therefore established its prior use and non-abandonment of its trade-mark and trade-name HEMINGWAY'S in Canada. Accordingly, the legal burden is on the applicant in respect of each of these grounds.

The applicant submitted a certified copy of registration No. 390,505 for the trade-mark HEMINGWAY'S AN ADVENTURE IN SALOON SOCIETY Design as applied to restaurant and bar services, the registration including a disclaimer of the right to the exclusive use of the words HEMINGWAY and SALOON apart from the trade-mark. As pointed out by the hearing officer in *Coronet-Werke Heinrich Schlerf GmbH v. Produits Menagers Coronet Inc.*, 4 C.P.R. (3d) 108, at p.115, section 19 of the *Trade-marks Act* does not give the owner of a registration the automatic right to obtain any further registrations no matter how closely they may be related to the original registration [see also *Groupe Lavo Inc. v. Proctor & Gamble Inc.*, 32 C.P.R. (3d) 533, at p.538]. While the decision of the hearing officer was reversed on appeal [see *Produits Menagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH*, 10 C.P.R. (3d) 482], it was on the basis of new evidence filed on appeal that the applicant had used its previously registered trade-mark in Canada. As a result, I do not consider the existence of the applicant's registration noted above to be of any relevance to the determination of the subsection 16(1) grounds.

In view of the above, and as the applicant's trade-mark is identical to the opponent's trade-mark and trade-name and is applied to the same services, I find that the applicant is not the person entitled to registration of the trade-mark HEMINGWAY'S. Thus, the third and fourth grounds of opposition are successful.

The final ground relates to the alleged non-distinctiveness of the applicant's mark, the opponent alleging that the applicant's trade-mark HEMINGWAY'S does not distinguish its services from the wares and services of the opponent and its predecessor by amalgamation which have been advertised and performed under the trade-mark and trade-name HEMINGWAY'S. The material time for considering the circumstances regarding the issue of distinctiveness is the date of the opposition, that is, April 3, 1998 [see *Re Anders Wines Ltd. and E.&J. Gallo Winery*, 25 C.P.R. (2d) 126 (F.C.A.), at p.130; *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.*, 37

C.P.R.(3d) 412 (F.C.A.), at p. 424; and *Molson Breweries, a Partnership v. Labatt Brewing Company Limited*, 82 C.P.R. (3d) 1, at p. 15)]. Furthermore, while the legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services from those of others throughout Canada [see *Muffin Houses, Inc. v. Muffin House Bakery Ltd.*, 4 C.P.R.(3d) 272 (T.M.O.B.)], there is an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness [see *Clarco Communications Ltd. v. Sassy Publishers Inc.*, 54 C.P.R.(3d) 418, at p. 431 (F.C.T.D.)].

The opponent has established that it had used its trade-mark and trade-name HEMINGWAY'S as applied to restaurant and bar services in Canada prior to and as of the date of opposition. As a result, the legal burden is on the applicant to show that its trade-mark in fact distinguished its services from those of the opponent as of that date. However, the only evidence furnished by the applicant was a certified copy of registration No. 390,505 for the trade-mark HEMINGWAY'S AN ADVENTURE IN SALOON SOCIETY Design, the existence of which is of no relevance to the non-distinctiveness ground. Thus, I find that the applicant has failed to meet the legal burden on it in respect of non-distinctiveness ground and that it too is successful.

Having been delegated by the Registrar of Trade-marks by virtue of subsection 63(3) of the *Trade-marks Act*, I refuse the applicant's application pursuant to subsection 38(8) of the *Trade-marks Act*.

DATED AT HULL, QUEBEC THIS 9th DAY OF NOVEMBER, 2000.

G.W.Partington,
Chairperson,
Trade-marks Opposition Board.