

HON. MR. JUSTICE SUTHERLAND:—Two companies had been incorporated under the laws of the Province of Ontario, one “The Automatic Electric Limited” and the other the defendant company incorporated later on the 13th February, 1909.

These companies entered into a written agreement dated the 9th March, 1909, wherein the Automatic Electric Limited is called the licensor, and the defendant company the licensee. It recites as follows:—

“Whereas the licensor is the owner of certain letters patent of the Dominion of Canada, dated the 24th day of December, A. D. 1907, granting a patent under No. 109300, for automatic transportation devices (mail car) issued originally to one William C. Carr of Fort Erie, in the Province of Ontario.

And whereas the licensor is the owner of all rights in and to certain other patents for which applications have been made by the said Carr to the Government of the Dominion of Canada, namely, &c.

And whereas the licensor is also the owner of the rights for the Dominion of Canada in and to certain other valuable inventions made or to be made by the said William C. Carr in connection with Automatic Transportation systems, &c.

And whereas the licensor has agreed to grant to the licensee an exclusive license within the Province of Ontario to use, manufacture, sell and lease the said inventions, the subject of the said letters patent, &c.

And whereas the licensee immediately before the execution of these presents shall allot to the licensor, or the trustee or trustees appointed by the licensor, 80,000 shares of fully paid up and non-assessable shares of the capital stock of the licensee company (the capital stock of which said company consists of 100,000 shares of \$10. each) such allotment being part of the consideration for the grant of this license.

It is therefore agreed as follows:—

1. The licensor hereby grants unto the licensee, its successors and assigns, for, throughout and within the limits of the Province of Ontario, license and authority to make, use, sell, . . . all and every of the said patented articles.

2. The licensee shall during the continuance of this license hereby granted to the licensor at the expiration of