



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 140
Date of Decision: 2020-12-23

IN THE MATTER OF AN OPPOSITION

EAB Tool Company Inc.

Opponent

and

Norske Tools Ltd.

Applicant

**1,768,577 for TRADE-A-BLADE THE
ORIGINAL EXCHANGE SYSTEM &
Design**

Application

Overview

[1] Both parties in this opposition operate businesses which sell tools and items such as saw blades and drill bits alongside exchange systems which allow customers to return worn out products at the point of purchase for a credit towards their next purchase.

[2] The parties are known to each other. In 2015, Norske Tools Ltd. purchased the assets of a company called Sibkis Corporation a predecessor of which owned a trademark registration for TRADE-A-BLADE in Canada until 1996. Sibkis Trade-A-Blade products were distributed by Robert Forbes, now the President of EAB Tool Company Inc., in the late 70s. Prior to EAB Tool Company Inc. being incorporated and offering goods and services under the EXCHANGE-A-BLADE trademark in the 1980s, TRADE-A-BLADE products stopped being sold in Canada.

[3] In 2016, Norske Tools Ltd. filed an application for the trademark TRADE-A-BLADE THE ORIGINAL EXCHANGE SYSTEM & Design set out below (the Mark). Because Norske

Tools Ltd. had purchased the assets of Sibkis Trade-A-Blade Inc., its position is that its services are the original exchange system.



[4] EAB Tool Company Inc. has opposed the application on the basis that the Mark is (i) confusing with its EXCHANGE-A-BLADE trademarks and trade name and (ii) deceptively misdescriptive on the basis that the Applicant was not THE ORIGINAL EXCHANGE SYSTEM for sawblades in Canada due to the long period in which TRADE-A-BLADE products were not sold. For the reasons that follow, I refuse the application for the Mark on the basis that Applicant has failed to prove that it is not deceptively misdescriptive.

File History

[5] On February 19, 2016, Norske Tools Ltd. (the Applicant) filed the application to register the Mark based on its proposed use with:

Blades, namely, saw blades, diamond blades, oscillating blades; saws, namely, diamond hole saws, bi-metal hole saws, carbide tipped hole saws, jig and reciprocating saws; bits, namely, tile and masonry drill bits, router bits, auger and spade bits

[6] On June 8, 2016, the EAB Tool Company Inc. (the Opponent) filed a statement of opposition which was subsequently amended under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). The grounds of opposition as amended are based upon sections 30(i), 12(1)(b), 12(1)(d), 16 and 2 (distinctiveness) of the Act (as it read prior to June 19, 2020).

[7] As evidence in support of its opposition, the Opponent filed the affidavits of Robert Forbes, Danny J. Wright and Lindsay Heard. In support of its application, the Applicant filed the affidavits of Robert Johnston, Laurie Jaegge, Leo Trudgeon and David Russell. As evidence in reply, the Opponent filed a second affidavit of Robert Forbes. Mr. Forbes, Mr. Johnston, Mr. Russell and Mr. Trudgeon were cross-examined on their affidavits with Mr. Forbes'

examination covering both of his affidavits. For the purposes of this decision, I do not find it necessary to discuss the evidence of Ms. Heard, Mr. Wright, Mr. Russell or Ms. Jaegge. All of the evidence provided by these affiants is either not material or consistent with the evidence provided by Mr. Forbes, Mr. Trudgeon and Mr. Johnston.

[8] Both parties filed a written argument and the Opponent attended a hearing.

Onus

[9] The Applicant bears the legal onus of establishing on a balance of probabilities that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [*John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

The Evidence of the Parties

[10] The evidence of the following affiants will be discussed in this decision.

- Mr. Forbes – the President of the Opponent.
- Mr. Johnston – the Vice President and General Manager for the Applicant.
- Mr. Trudgeon – the former owner of the trademark TRADE-A-BLADE in the United States and Canada and Sibkis Trade-A-Blade Inc.

[11] In 1974, Mr. Trudgeon purchased the rights to a business called Trade-a-blade and incorporated Sibkis Trade-A-Blade Inc. (Trudgeon affidavit, para 2). This business offered customers a loyalty credit when used products were returned for new or reconditioned products at a discounted rate (Trudgeon affidavit, para 3). Mr. Forbes distributed the TRADE-A-BLADE products and exchange services of Mr. Trudgeon in or around 1974 (Johnston affidavit, para 8; Forbes reply affidavit, para 4). In 1978-1979, Mr. Forbes advised Mr. Trudgeon that he was going to go out on his own and sell his own blade products and accessories (Johnston affidavit, para 7; Forbes reply affidavit, para 5). A trademark application for TRADE-A-BLADE filed by

Mr. Trudgeon was approved and the trademark was registered in Canada in 1980 in association with “circular saw blades” (Jaegge affidavit, Exhibit C). Shortly after, Mr. Forbes stopped using the TRADE-A-BLADE trademark and began using the EXCHANGE-A-BLADE trademark (Forbes reply affidavit affidavit, para 8).

[12] Mr. Trudgeon confirms that between 1978-79 (when the relationship with Mr. Forbes was terminated) and 1996, there were no sales of TRADE-A-BLADE (Trudgeon cross-examination, Q52). Mr. Johnston explains that in 1996 when the TRADE-A-BLADE Canadian registration was up for renewal, Mr. Trudgeon elected not to renew the TRADE-A-BLADE trademark in Canada due to the fact that he no longer had any desire to sell the associated products in Canada (Johnston affidavit, para 7).

[13] For over 35 years, since the EXCHANGE-A-BLADE brand was introduced, the Opponent’s business has been manufacturing, recycling, and distributing power-operated tools and accessories in North America including blades, saws and bits under this trademark (Forbes affidavit, para 4). Worn products may be returned by the customer to the point-of-purchase and the customer is given a credit towards purchasing more of the Opponent’s power-operated tools and accessories (Forbes affidavit, para 4). The Opponent then remanufactures, reconditions or recycles the used products (Forbes affidavit, para 4).

[14] The Opponent’s goods and services are sold to consumers in over 2700 retail building supply stores in North America (a “heavy majority” of which are in Canada) including Rona, Home Hardware, Windsor Plywood, and Federated Co-operatives Limited (Forbes affidavit, para 11). Yearly sales in Canada of goods bearing the EXCHANGE-A-BLADE trademarks were over \$3.5 million between 1992-2016 (Forbes affidavit, para 20). From 2006-2016, the Opponent has spent over \$350,000 annually on advertising the EXCHANGE-A-BLADE brand in Canada (Forbes affidavit, para 25).

[15] Finally, the Applicant and the Opponent were both parties to litigation in the Federal Court commenced by the Opponent concerning the Applicant’s use of the Mark in Canada [*EAB Tool Company Inc. v Norske Tools Ltd.*, 2017 FC 898].

Analysis of the Grounds of Opposition

Section 12(1)(b) Ground of Opposition

[16] The Opponent has pleaded that the Mark is deceptively misdescriptive in the English language of the character and/or quality of the Goods in that the Mark states that the Goods are provided by the original sawblade exchange system. To determine whether a trademark is registrable under section 12(1)(b) of the Act, the Registrar must not only consider the evidence but also apply common sense; the decision that the mark is either clearly descriptive or deceptively misdescriptive is based on initial impression in light of the product or service in question [*Neptune S.A. v Attorney General of Canada* (2003), 29 CPR (4th) 497 (FCTD)]. To be deceptively misdescriptive, a trademark must mislead the public as to the character (a feature, trait or characteristic) or quality of the goods or services [*Atlantic Promotions Inc v Registrar of TradeMarks* (1984), 2 CPR (3d) 183 (FCTD)].

[17] The material date to assess a section 12(1)(b) ground of opposition is the filing date of the application, in this case February 19, 2016 [*Fiesta Barbecues Ltd v General Housewares Corp* (2003), 28 CPR (4th) 60 (FCTD)].

[18] The Opponent has met its initial evidential burden by pointing to the ordinary dictionary meaning of the words in the Mark. The Applicant must now prove on a balance of probabilities that its Mark is not deceptively misdescriptive.

[19] The Applicant submits that the use of “ORIGINAL” in the Mark means first, a claim which is not diminished by a gap having occurred in the offering of goods and an exchange system (Applicant’s Written Argument, para 44). The Applicant further submits that if Mr. Forbes was the first person to use the exchange system in Canada, the evidence is that he did so as a distributor and agent of Sibkis (the predecessor of the Applicant). Mr. Johnston’s evidence at para 11 is that:

Norske entered into the Asset Purchase so that it could, among other things, sell saw blade and related accessories in association with the TRADE-A-BLADE trademark, and so that it could rightfully claim to provide the “original exchange service” with respect to saw blades since it was Mr. Trudgeon who first offered this service in Canada described above.

[20] The Applicant fails to meet its legal onus as I find, on a balance of probabilities, the average purchaser of the Goods would find the Mark deceptively misdescriptive as it misleads consumers that the Applicant is the original trade or exchange a blade system in Canada since when sounded “THE ORIGINAL EXCHANGE SYSTEM” dominates the Mark.

[21] “Original” is an everyday word whose meaning would be readily known by the average consumer in Canada who would react as a matter of initial impression to the words THE ORIGINAL EXCHANGE SYSTEM as indicating that the Goods come from the source that originally operated an exchange system in Canada. The evidence, however, shows that neither the Applicant, nor its predecessor in title operated an exchange business in Canada from approximately 1979-2016. In this case, “the original exchange system” is deceptively misdescriptive as the “original exchange system” cannot be considered an accurate description given the 35 year period of non-use by the Applicant and its predecessor in title, and the intervening use by another party of a similar system. I am reinforced in my view by the Federal Court’s comments in para 61 of *EAB v Norske, supra* at, where the Court says, inter alia, “In my view, Norske cannot truthfully claim to be THE ORIGINAL EXCHANGE SYSTEM”. Accordingly, this ground of opposition succeeds.

Sections 12(1)(d), 16 & 2 Grounds of Opposition

[22] These grounds of opposition all turn on the issue of confusion between the Mark and one or more of the Opponent’s EXCHANGE-A-BLADE trademarks. The material dates to consider the issue of confusion are the date of the decision, with respect to the section 12(1)(d) ground of opposition; the filing date of the application, February 19, 2016, with respect to the section 16(3)(a) ground of opposition; and the date of opposition, June 8, 2016, with respect to the distinctiveness ground of opposition [for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v Canadian Retired Persons* (1998), 84 CPR (3d) 198 (FCTD)].

Test for Confusion

[23] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are all the

surrounding circumstances including those specifically mentioned in section 6(5)(a) to section 6(5)(e) of the Act.

Whether or not There is Confusion with the EXCHANGE-A-BLADE Trademark is Determinative

[24] I will compare the Mark to the Opponent's trademark EXCHANGE-A-BLADE (registration No. TMA324,393) as I consider this mark to be the best case scenario for the Opponent. If the Opponent does not succeed with respect to its pleading that there is a likelihood of confusion between the Mark and its use and registration of the trademark EXCHANGE-A-BLADE, it would not succeed with respect to the other trademarks pleaded in the statement of opposition. The EXCHANGE-A-BLADE trademark is registered for use with respect to the following goods and services:

Goods: (1) Remanufactured and resharpened circular saw blades, router bits and drill bits.

Services: (1) Remanufacturing circular saw blades; (2) Reconditioning and remanufacturing of saw blades, router bits and drill bits.

[25] As the Opponent's registration is extant it meets its burden with respect to its section 12(1)(d) ground of opposition. The Opponent's evidence of the trademark EXCHANGE-A-BLADE on its goods and credits along with the significant sales of its goods to Canadian retailers, is sufficient to meet its burden with respect to its section 16(3)(a) and 2 grounds of opposition (see Forbes affidavit, para 20 and, for example, Exhibits C,D,R, and V).

[26] Given the Opponent has met its evidential burden with respect to each of the grounds of opposition based on confusion, the legal onus is on the Applicant to show, on a balance of probabilities, that there is no reasonable likelihood of confusion, within the meaning of section 6(2) of the Act between the Mark and the Opponent's trademark EXCHANGE-A-BLADE.

Inherent Distinctiveness and Extent Known

[27] The parties' marks are both extremely weak marks as they are descriptive of the parties' goods and services, namely, that the associated goods including saw blades, drill bits and router bits can be used and then traded in or exchanged for new tools and accessories. As the Opponent

has evidenced yearly sales of its branded Goods and Services exceeding \$3M dollars and the Applicant has not provided evidence of the extent of its sales, these factors favour the Opponent.

Length of Time in Use

[28] This factor favours the Opponent who has evidenced use of its EXCHANGE-A-BLADE trademark since 1982 (Forbes affidavit, para 6). In contrast, the Applicant launched its products in association with the Mark on October 13, 2016 (Johnston affidavit, para 20). While there was evidence of use of the trademark TRADE-A-BLADE prior to 1982, as it was not used from 1982-2016, the historical use is not relevant to my assessment of this factor [*EAB v Norske*, *supra* at para 34].

Nature of the Goods, Business and Trade

[29] The nature of the parties' goods, services, businesses and trades are essentially the same. Further, the parties evidence is that the goods are distributed to the same retailers including RONA and Home Hardware (Forbes affidavit, para 11; Johnston affidavit, para 15).

Degree of Resemblance

[30] While the parties' trademarks resemble each other to some extent since they both share the component –A-BLADE, the degree of resemblance in sound and appearance is lessened by virtue of the differences in the first components of the trademarks TRADE and EXCHANGE. While the parties' trademarks EXCHANGE-A-BLADE and the Mark suggest the same idea, trading in a blade or exchanging a blade, there can be no monopoly in this idea [*American Retired Persons v Canadian Retired Persons*, *supra* at para 34].

Surrounding Circumstance: Jurisprudence Concerning Weak Trademarks

[31] The jurisprudence on weak trademarks supports the Applicant's position that the trademarks are not confusing. It is well accepted that comparatively small differences will suffice to distinguish between weak marks [*Boston Pizza International Inc v Boston Chicken Inc*, 2001 FCT 1024 at para 66]. In *Provigo Distribution Inc v Max Mara Fashion Group SRL*, 2005 FC 1550 at para 31(FCTD), de Montigny J. explains:

The two marks being inherently weak, it is fair to say that even small differences will be sufficient to distinguish among them. Were it otherwise, first user of words in common use would be unfairly allowed to monopolize these words. A further justification given by courts in coming to this conclusion is that the public is expected to be more on its guard when such weak trade names are used ...

[32] Finally, a party adopting a weak trademark has been held to accept some risk of confusion [*General Motors v Bellows* (1949), 10 CPR 101 at 115-116].

Surrounding Circumstance: Lack of Evidence of Actual Confusion

[33] In some cases, the absence of evidence of actual confusion between the parties' marks, despite an overlap of goods or the channels of trade, may lead to a negative inference about the strength of an opponent's case. However, as the Applicant has not evidenced the extent of its sales in Canada, the lack of evidence of actual confusion does not impact my assessment of confusion at the three different material dates. It may be that there have been no instances of actual confusion because even though the parties' products have been sold in the same retail chains they may not have been sold in the same stores or in proximal stores in a sufficient number of locations (Johnston cross-examinations Q248-250).

Surrounding Circumstance: Rebranding from EXCHANGE-A-BLADE to EAB

[34] The Applicant submits that in 2013-2014 the Opponent rebranded EXCHANGE-A-BLADE to EAB (Applicant's Written Argument, page 11). As, however, the evidence shows that the trademark EXCHANGE-A-BLADE appeared on the Opponent's goods after the rebranding, albeit as a secondary mark, I do not find this to be a significant surrounding circumstance [see *Groupe Procycle Inc v Chrysler Group LLC*, 2010 FC 918 at para 47 which confirms that the Act does not distinguish between primary and secondary trademarks].

Surrounding Circumstance: Mr. Forbes Choosing of EXCHANGE-A-BLADE

[35] I do not find the fact that Mr. Forbes chose the name EXCHANGE-A-BLADE to be different from TRADE-A-BLADE (Forbes cross-examination, Qs46-53) to be relevant given the length of time that has passed since the EXCHANGE-A-BLADE trademark was adopted and the material dates in this case.

Conclusion

[36] The question posed by section 6(2) of the Act is whether customers of the Goods provided with the Mark would believe that these goods are provided, authorized or licensed by the Opponent owing to its trademark EXCHANGE-A-BLADE. I have assessed this as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the Mark, at a time when he or she has no more than an imperfect recollection of the trademark EXCHANGE-A-BLADE, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

[37] Having regard to section 6(5), in particular the low inherent distinctiveness of the Opponent's trademark and the differences between the parties' trademarks and that small differences may suffice to distinguish between weak marks, I find that the Applicant has met the legal onus on it to show that, on a balance of probabilities, there is no reasonable likelihood of confusion between the Mark and the Opponent's trademark EXCHANGE-A-BLADE at each of the three material dates. Accordingly, the section 12(1)(d), section 2 and section 16(3)(a) grounds of opposition are rejected.

Section 16(3)(c) Ground of Opposition

[38] The Applicant highlights in its written submissions that in 2013 the Opponent changed its name from Exchange-A-Blade Ltd. to EAB Tool Company Inc. (Applicant's Written Argument, para 34). If the Opponent meets its evidential burden with respect to this ground of opposition, which alleges confusion of the Mark with its trade name EXCHANGE-A-BLADE, the Applicant would have met its legal onus for the same reasons as with respect to the grounds of opposition based on confusion. This ground of opposition is therefore rejected.

Section 30(i) Ground of Opposition

[39] Section 30(i) of the Act requires an applicant to include a statement in the application that it is satisfied that it is entitled to use the trademark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance can only be found where there are exceptional circumstances that render the applicant's statement untrue, such as

evidence of bad faith or non-compliance with a federal statute [*Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155; *Canada Post Corporation v Registrar of Trade-marks* (1991), 40 CPR (3d) 221 (FCTD)]. The Applicant has provided the necessary statement. I do not consider Mr. Forbes' evidence that the Opponent employed several of the Applicant's employees before these individuals resigned and commenced working for the Applicant (Forbes affidavit, para 68) impugns the Applicant's ability to state that it is entitled to use the Mark. There is nothing inherently improper in emulating a successful business model and hiring away a competitor's employees [*EAB v Norske, supra* at para 49]. Accordingly, this ground of opposition is rejected.

Disposition

[40] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(12) of the Act.

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: 2020-08-13

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