

Federal Court



Cour fédérale

Date: 20150213

Docket: T-1360-14

Citation: 2015 FC 185

Ottawa, Ontario, February 13, 2015

PRESENT: The Honourable Mr. Justice Manson

BETWEEN:

**THE BLACK & DECKER CORPORATION
AND STANLEY BLACK & DECKER
CANADA CORPORATION**

Applicants

and

PIRANHA ABRASIVES INC

Respondent

JUDGMENT AND REASONS

I. Background

[1] The Applicant, the Black & Decker Corporation [B&D Corporation], owns the Canadian trademark registrations for PIRANHA (TMA330,222), PIRANHA & Design (TMA330,223) and PIRANHA & Design (TMA452,371) [the Applicants' PIRANHA trademarks]. TMA330,222 and TMA330,223 were registered on July 17, 1987, with declarations of use filed May 6, 1987 in

association with “saw blades for power saws and circular saw blades”. TMA452,371 was registered on December 29, 1995, with a declaration of use filed November 14, 1995 in association with “saw blades for power saws and circular saw blades”.

[2] Copies of the Applicants’ PIRANHA & Design trademarks are shown below:



TMA330,223



TMA452,371

[3] It is the Applicants’ position that the earlier PIRANHA & Design trademark (TMA330,223) for power saws and circular saw blades [the predecessor PIRANHA Design mark] has continued to be used by virtue of the subsequent use of the later registered PIRANHA & Design trademark (TMA452,371) [the successor PIRANHA Design mark]. However, there is no evidence of use of the predecessor PIRANHA & Design mark before the Court and during the hearing, counsel for the Applicants agreed that the Applicants were prepared to rely on the PIRANHA word mark and the successor PIRANHA Design mark. In my opinion, that is a prudent choice, as the argument that the successor PIRANHA Design mark constitutes use of the predecessor PIRANHA Design mark has no merit.

[4] For the purposes of this application, I shall refer to the Applicants’ two trademarks in issue (the PIRANHA word mark and the successor PIRANHA Design mark) as the “Applicants’ PIRANHA marks”.

[5] The Applicants' PIRANHA marks have been in association with saw blades for power saws and circular saw blades without limitation on the type or form of circular saw blades or power saw blades. Their products range in price from \$10 to \$30, and are available in steel, carbide or carbide plus, and are recommended for general purpose jobs, fast cutting, and finishing job applications involving wood, plywood, MDF, particle board, plastic and composite. They can be used on a range of power saws.

[6] The Applicant, Stanley Black & Decker Canada Corporation [B&D Canada], has been licensed to use the PIRANHA trademarks in Canada by B&D Corporation. Circular saw blades and jigsaw blades bearing the Applicants' trademarks have been sold through well-known national retailers and hardware stores across Canada since May 1987 (for the PIRANHA word mark) and November 1995 (for the successor PIRANHA Design mark), the Applicants' PIRANHA marks having acquired an alleged reputation and goodwill in association with these products.

[7] Sales of the Applicants' PIRANHA products in Canada have been steadily declining in recent years. They reached a high of \$606,583 in 2004 but have dropped to \$55,823 in 2013 and to an extrapolated \$9,273 in 2014.

[8] While the Applicants' current use may be for circular saw blades and saw blades for power saws primarily designed to be used on wood or wood related materials, the registrations permit the Applicants to use the PIRANHA marks in association with circular saw blades and

saw blades for power saws intended for use on any materials, including marble, granite, glass, porcelain, tile or concrete.

[9] The Applicants' PIRANHA circular saw blades are sold in association with the Applicants' BLACK & DECKER brand. The Applicants also sell abrasive circular saw blades for use on concrete, stone and tile under the Applicants' BLACK & DECKER, deWALT and ABMAST brands. In 2012, the Applicants' corporate parent acquired Abmast Inc., a Canadian manufacturer of abrasive circular saw blades, and has, allegedly, the intention to sub-brand the Abmast abrasive circular saw blades with the Applicants' PIRANHA marks in Canada. However, this proposed use is, at this time, speculative.

[10] Not only are the Applicants' Registered Wares and the Respondent's wares both circular saw blades for use on power saws, but they are also sold at a similar price point, sometimes in similar channels of trade, and potentially to the same consumers.

[11] The Applicants' range of PIRANHA circular saw blades cost between \$10 and \$30. The average price of the Respondent's blade is uncertain as the Respondent does not distinguish sales of its abrasive saw blades from its other products sold in Canada.

[12] Both the Applicants' PIRANHA branded blades and the Respondent's PIRANHA branded blades are circular saw blades that can be used on some of the same power tools.

[13] Both the Applicants' PIRANHA branded circular saw blades and the Respondent's PIRANHA ABRASIVE circular saw blades are available for purchase at home improvement, building supply and hardware stores. In some cases, the Applicants' and the Respondent's blades may be available from the same retailers, such as TIM-BR-MART and Home Hardware (Home Hardware stores include Danforth Lumber, Cooksville Lumber Co. and New Canadians Lumber). However, at some locations, the only manner of purchases would be by special order.

A. *Discovery of the Alleged Infringement*

[14] The Applicants discovered Piranha Abrasive Inc.'s [Piranha Abrasives] use of the trade name Piranha Abrasives, their websites, and an applied for PIRANHA ABRASIVES & Design trademark used on the Respondent's abrasive saw blades, in January of 2014. A copy of the Respondent's PIRANHA ABRASIVES Design trademark ["the PIRANHA ABRASIVES Design Mark"] is shown below. The Applicants made multiple requests that the Respondent cease their use on the basis that such use is likely to be confusing with the Applicants' registered trademarks, constitutes passing off and depreciates the value of the goodwill in the Applicants' PIRANHA trademarks.



[15] After receiving these requests, on February 3, 2014 the Respondent filed an application for registration of PIRANHA ABRASIVES & Design, shown above, application 1,662,383, claiming use in Canada since at least May 2010 in association with “diamond abrasive cutting, polishing and grinding tools” as well as “cutting machines, electric polishing machines, milling machines, sharpening machines for sharpening diamond and stone cutting tools, sharpening wheels of sharpening machines for sharpening tools and soldering and welding of cutting, polishing and grinding tools”, on a proposed use basis. The Respondent also commenced section 45 cancellation actions against the Applicants’ trademarks. The evidence of use provided for the Respondent’s PIRANHA ABRASIVES Design Mark shows that it is primarily used in association with diamond abrasive circular saw blades, and associated products.

B. *The Respondent’s Business*

[16] Piranha Abrasives Inc. [the Respondent] was incorporated in May of 2010, and operates out of Mr. Pino Cannarozzo’s (Mr. Cannarozzo) home in Toronto, Ontario. It employs three full-time workers, (Mr. Cannarozzo, his wife, and son), and two part-time workers.

[17] The Respondent has designed and sold its high quality diamond abrasive blades, grinding cups, polishing pads and core bits for use with granite, marble, porcelain, tile, glass and concrete to companies which sell these stone materials and building supplies in association with its PIRANHA ABRASIVES Design mark.

[18] The Respondent sells multiple sizes of the circular-shaped diamond abrasive blades used for cutting granite, marble, porcelain, tile, glass, stone and concrete, which display the

Respondent's PIRANHA ABRASIVES Design mark. These blades are available for sale at stores specializing in flooring, stone, and tile, as well as some more general hardware and home building supply stores. The average cost of a blade is uncertain, as the Respondent does not distinguish sales of its abrasive saw blades from its other products sold in Canada.

[19] The Respondent's diamond abrasive blades are professional grade and the actual blades are coloured with various bright colours. The Respondent's grinding cups are specialized products for use for grinding hard materials, mostly concrete and granite, for stripping concrete and for concrete floor preparation. The Respondent's polishing pads are used for polishing marble and/or granite and/or engineered stone. The Respondent's core bits are used to removed a cylinder of material [the "core"], for example, a core bit would be used to make a hole in a slab of granite in order to insert a faucet.

[20] The Respondent commenced use of the PIRANHA ABRASIVES Design mark in May of 2010.

[21] Mr. Cannarozzo also owns the domain names www.piranhaabrasives.com, www.piranhaabrasives.ca, and www.piranhapowertools.com. His son, Matteo Cannarozzo owns the PIRANHA ABRASIVES facebook page.

[22] The Respondent submitted evidence of a Delta Diamond circular saw blade branded with the term "piranha" purchased in Canada by Mr. Snooks from a Californian distributor. However, it was admitted that in twenty-five years working in the bathroom renovation industry,

Mr. Snooks had never used this product and did not know if it was available on the Canadian market. Mr. Aloia on behalf of the Respondent also submitted evidence of a Husqvarna diamond scraper floor insert branded with the term “piranha”, but admitted that in twenty-five years of experience in the field, he had never heard of or used this product, nor does it bear any resemblance to circular saw blades. This evidence of third party use of Piranha is of little weight or relevance.

[23] The evidence shows that both the Applicants’ and the Respondent’s blades can be purchased and used by the same consumer, for use in the same project, although for different purposes. Further, saw blades designed for use on wood and those designed for use on tile or stone can be used on the same power tool, but not for the same purpose.

II. The Applicants’ Claim

[24] The Applicants seek:

- a. A declaration that the Respondent has:
 - i. Infringed the Applicant, B&D Corporation’s registered trademarks PIRANHA ® (TMA330222), PIRANHA & DESIGN ® (TMA452371) and PIRANHA & DESIGN ® (TMA330223) (as more particularly defined herein and hereinafter referred to as the PIRANHA Trademarks, contrary to section 19 and 20 of the *Trademarks Act* [the *Act*];
 - ii. Directed public attention to its wares, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time it commenced so to direct public attention to them, between its wares, services or business and the wares, services or business of the Applicants, or either of them, contrary to subsection 7(b) of the *Act*; and
 - iii. Used the Applicant, B&D Corporation’s, PIRANHA Trademarks, in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto, contrary to subsection 22(1) of the *Act*.

- b. Permanent injunctive relief;
- c. Delivery up or destruction of all materials making use of PIRANHA, PIRANHA ABRASIVE & Design (the PIRANHA ABRASIVE trademarks);
- d. Withdrawal of Canadian Trademark Application 1,662,383;
- e. Transfer to the Applicant, The Black & Decker Corporation, ownership and all rights of access, administration and control for and over any domain name(s) owned or controlled by the Respondent that makes use of the PIRANHA ABRASIVES Trademarks as or as part of their domain name, including but not limited to piranhapowertools.ca, piranhapowertools.com, piranhaabrasives.ca, piranhaabrasives.com and the PIRANHA ABRASIVES Facebook ® page, and all similar web pages that reference the PIRANHA ABRASIVES Trademarks, or any of them;
- f. The Applicants' damages from or an accounting of the Respondent's profits for its trademark infringement, passing-off and depreciation of goodwill;
- g. Pre-judgment and post-judgment interest in accordance with the *Federal Courts Act*;
- h. The Applicants' costs of this application on a solicitor and client scale, plus HST;
- i. Such further relief as this Honourable Court may deem just.

[25] For the reasons that follow, I find:

- a. The Respondent has infringed the Applicant B&D Corporation's trademarks PIRANHA and PIRANHA & Design and trademark registrations TMA330,222 and TMA452,371 in respect thereof;
- b. The Applicant B&D Corporation has not established a reputation in its PIRANHA trademarks to support a valid claim in passing-off;
- c. The Applicant B&D Corporation has not established depreciation of goodwill in its registered trademarks by virtue of the Respondent's use of its PIRANHA

ABRASIVES Design mark and Piranha Abrasives trade name, contrary to section 22 of the *Act*.

III. Applicant's Evidence

A. *Affidavit of Jonathan Chong*

[26] Mr. Chong is a summer law student at Gowling Lafleur Henderson LLP. He purchased three of the Applicants' saw blades bearing the trademark "PIRANHA" on May 29, 2014, from a Walmart located at 450 Terminal Ave, Ottawa, Ontario. The saw blades were identified as "PIRANHA, Premium Carbide, 10" Circular Saw Blade(s)"; each was priced at \$32.98. Mr. Chong also purchased four more of the Applicants' saw blades identified as "PIRANHA, Carbide, 7 1/4" Circular Saw Blade", priced at \$15.98 each.

B. *Affidavit of Anthony Kunkel*

[27] Mr. Kunkel is a licensed private investigator hired by Gowling Lafleur Henderson LLP in May of 2014 to investigate the Respondent, Piranha Abrasives. He was instructed to determine the nature of their business and products, the length of time they have been active, and to purchase one of their saw blades

(1) Cross-examination

[28] Mr. Kunkel determined that the Respondent's abrasive saw blades using the PIRANHA ABRASIVES Design Mark were for sale at Gianni's Tile Gallery. He did not recall seeing any

Black & Decker products there, nor did he ask for any. He also did not recall seeing any wood, or wood products for sale there. He did not do any research into any other Piranha Abrasives distributors.

C. *Affidavit of Greg Weston*

[29] Mr. Weston is Commercial Marketing Manager, Fastening & Accessories for B&D Canada. His evidence is that the Applicants' Piranha brand saw blades, including circular and jigsaw blades, are manufactured for use by both professionals and non-professionals, are made from different materials (steel, Carbide, Carbide Plus), and depending upon the intended use of the blade, range in strength and have different numbers of teeth (from 16 to 60).

[30] The Applicants' PIRANHA brand products have been sold in stores as well as online, throughout Canada. They have been advertised in Canada over the years as well; however, Mr. Weston only included a July 1999 advertisement which appeared in Hardware Merchandising, as well as a PIRANHA branded water bottle wrap previously used as a promotion in Canada, with no specific date of distribution or use.

[31] Mr. Weston included a table showing the sales in Canada of Piranha branded blade products from 1999 to 2014 (up until April 30, 2014).

[32] After becoming aware of Piranha Abrasives Inc., Mr. Weston reviewed their list of distributors and noted the following examples of common distributors to both the Applicants and the Respondent:

- Cooksville Lumber Co., Ltd., Mississauga;
- Danforth lumber, Toronto;
- Dragona Flooring Supplies, Mississauga;
- Dragona Flooring Supplies, Ottawa;
- New Canadians Lumber, Toronto;
- Proline Hardware Ltd., Vaughan.

(1) Cross-examination

[33] Mr. Weston clarified that paragraph five of his original affidavit should have specified that the Black & Decker PIRANHA circular saw blades are not made to cut stone, masonry, concrete or tile. Those sorts of products are sold through another product line called Diamond Abrasives, and are DEWALT and ABMAST branded. The particular blades sold under the Applicants' PIRANHA trademarks are intended for use on wood, wood-related products, and sometimes plastics. These blades all bear the Black & Decker logo, black and orange colours and a picture of wood, signifying what material they are meant to be used on. They also include a warning that they are not to be used on masonry, concrete, fibre, cement or metal.

[34] Mr. Weston also admitted that he would not use the above-mentioned B&D Piranha blades on anything other than wood.

[35] In providing his list of distributors that were common to the Applicants and the Respondent, Mr. Weston admitted he had not confirmed whether or not they had specifically purchased the Applicants' PIRANHA brand saw blades, except for New Canadian Lumber.

[36] Mr. Weston also confirmed that the 1999 advertisement, to the best of his knowledge, outside of their website, was the last advertisement for the Applicants' PIRANHA saw blades in Canada.

(2) Re-examination

[37] Mr. Weston clarified that while professionals would not usually purchase Black & Decker PIRANHA blades from Walmart, they would likely purchase them from TIM-BR Mart and Home Hardware, among other distributors, where available.

IV. Respondent's evidence

A. *Affidavit of Pino Cannarozzo*

[38] Mr. Cannarozzo is the Director of Piranha Abrasives Inc. and has been the sole director since its incorporation in May of 2010. From 1988 until 2010, he was a full-time contractor in the stone and tile industry, then a contractor building homes and managing large commercial projects specializing in stone installation, as well as high-end residential projects, throughout the Toronto area.

[39] Mr. Cannarozzo's evidence is that the Respondent's products consist of high quality diamond abrasive blades, grinding cups and accessories for use with granite, marble, porcelain, tile, glass and concrete [Piranha Abrasives' products]. The Respondent sells to companies which sell granite, marble, porcelain, tile, glass and concrete and/or building supplies. These products primarily cater to professional use. They have never sold any blades made for use with wood.

[40] Piranha Abrasives' products bearing the PIRANHA ABRASIVES Design Mark and Piranha Abrasives trade name have coexisted in the Canadian market with Black & Decker PIRANHA circular saw wood blades since 2010. Mr. Cannarozzo found websites of various companies who sell blades in the United States with the trademark PIRANHA, none of which are for wood cutting. He has never been made aware of any actual confusion between Piranha Abrasives' diamond abrasive blades and other products, and the Applicants' circular saw blades bearing the PIRANHA trade marks.

[41] In his twenty-six years of experience as a builder, contractor, and diamond abrasive tool designer, he did not use or know of any Black & Decker blades or other products bearing a PIRANHA trademark. He is not aware of any company or store that sells both the Applicants' and Piranha Abrasives' products.

[42] Mr. Cannarozzo insists that he came up with the PIRANHA ABRASIVES & DESIGN trademark to describe his own blades for use with tile and stone materials. The company has always sold its products associated with the words PIRANHA ABRASIVES and not PIRANHA alone.

[43] The design of Piranha Abrasives' diamond abrasive blades has taken twelve years. It is essential to use the right blade for cutting stone and concrete materials, since an improper blade could break the material being cut, create an uneven cut edge, break the blade, or cause injury to the tool operator. The company's grinding cups, polishing pads, and core bits have been sold in association with the PIRANHA ABRASIVES Design mark since 2010.

[44] Each Piranha Abrasives blade has real or synthetic diamonds for cutting. They range from 1 inch in diameter to 5 feet, the most expensive of which sells for approximately \$5,000.

[45] The outer “diamond segment” of each blade is comprised of a variety of metals with industrial diamonds, specifically correlated to the hardness of the material to be cut. This segment is entirely different from the corresponding segment on a blade for cutting wood, which has teeth made of carbide, a material not suitable for cutting stone.

[46] Mr. Cannarozzo asserts that construction professionals would always assure that the blade they are using is appropriate to the material being cut, and cannot imagine a layperson purchasing a blade without looking carefully to see what its purpose is.

[47] It is Mr. Cannarozzo’s position that the packaging of the Applicants’ PIRANHA brand products clearly display Black & Decker’s name, a picture of wood, and the distinctive orange and black colours associated with Black & Decker products. They also include a warning on the front directing readers to consult the back of the packaging, where it is clearly stated that the blades are not to be used with masonry, concrete, fiber, cement or metal.

(1) Cross-examination

[48] When asked about its distributors, Mr. Cannarozzo admitted that they offer goods and services to both professionals and non-professionals.

[49] When shown images of websites for Danforth and New Canadian Lumber depicting one of the Applicants' Piranha products, being sold along with a saw listed as available online and in store, Mr. Cannarozzo confirmed that this signified Black & Decker Piranha products were available at least at two locations he had listed as his distributors.

[50] Regarding the trade name and brand PIRANHA ABRASIVES, he confirms that he came up with it himself, and did not consult a trademark attorney, nor did he conduct a trademark search. He filed a trademark application for PIRANHA ABRASIVES & Design only after a complaint was lodged against him by Black & Decker.

(2) Re-examination

[51] On re-examination, Mr. Cannarozzo reviewed the printouts from the Danforth and New Canadian Lumber websites and confirmed that below where it highlights the products depicted are available online and in stores, it further states "not all items shown are stocked in store, but can be special ordered."

B. *Affidavit of Michael Stephan*

[52] Mr. Stephan is a Senior Investigator with Canpro King-Reed LP, an investigative firm retained by Counsel for the Respondent, to attend certain stores (Cooksville Lumber, Danforth Lumber, Dragona Flooring (Mississauga), New Canadians Lumber and Proline Hardware), to ascertain the types of Piranha Abrasives branded products on display and whether they are sold

in proximity to any Black & Decker brands, as well as to make a purchase of a PIRANHA ABRASIVES brand product.

[53] In conducting this investigation, Mr. Stephan found that Piranha Abrasives' blades of dry/wet cut masonry, porcelain, glass and marble were displayed at each store, some of which carried the blades and others required special orders. No Stanley Black & Decker blades were noted at any of the stores he was asked to visit.

(1) Cross-examination

[54] Mr. Stephan confirmed that he was asked to attend only the above-listed stores. At each store, he did not ask for any Black & Decker circular saw blades, nor did he see or ask for any circular saw blades for cutting wood, or for any Black & Decker or Dewalt circular saw blades for cutting tile, stone or concrete.

[55] Mr. Stephan was shown the same images from the Danforth and New Canadians Lumber websites as Mr. Cannarozzo. He confirmed that the image depicting the Applicants' Piranha blade being sold along with one of their saws, and the inclusion of wording that it is available online and in stores, would lead him to believe that he could purchase those blades at that store or online through their website.

C. *Affidavit of Ercole Aloia*

[56] Mr. Ercole (“Eric”) Aloia owns Aloia Bros. Concrete Contractors Ltd. Since approximately 1988, this company has provided exterior curbs, sidewalks and done municipal road work throughout southern Ontario. He has twenty-six years of experience working in the concrete industry, and has used Piranha Abrasives concrete cutting blades since approximately 2010.

[57] Mr. Aloia is a friend of Mr. Cannarozzo, and at his request placed an order for Husqvarna Piranha diamond scraper inserts at Concord Hardware in Concord, Ontario. Prior to this request he had never heard of this product, or of Black & Decker or Stanley tools products associated with the word “piranha”.

(1) Cross-examination

[58] Mr. Aloia admitted that he knew what a circular saw blade looked like, and that his business uses them regularly. He further confirmed that at times, both a wood blade and a concrete blade might be used in the same project, but for different applications.

D. *Affidavit of Craig Snooks*

[59] Mr. Snooks has been the owner of a Bath Fitter franchise located at 803 Arrow Road, Toronto, Ontario for approximately fifteen years. His company installs custom-molded bathtubs

over existing or damaged tubs, as well as custom-molded shower installations. Bath Fitter locations can be found across the United States and Canada. He is a friend of Mr. Cannarozzo.

[60] He has approximately twenty years of experience in bathroom remodelling. He has never used any products, tools or blades of the Applicants. Before Mr. Cannarozzo informed him of the matter at hand, Mr. Snooks had never heard of any other blade or tool of any type sold under a trademark containing the word “piranha”, other than Piranha Abrasives products.

[61] He also stated that anyone purchasing a blade will consult the packaging to determine what materials it can be used on, and that wood and stone blades are completely different visually.

(1) Cross-examination

[62] Mr. Snooks admitted that it might be possible to use both a wood circular saw blade and a circular saw blade for cutting tile or stone on the same power tool, but that he had not personally done it.

E. *Affidavit of Edgar Gabriel*

[63] Mr. Gabriel has been the Chief Executive Officer and Manager of New Canadians Lumber since approximately 2003. His company has sold lumber, ceramic tile, paint and other renovating and decorating materials and tools to professionals and non-professionals in the Greater Toronto Area for over forty years. He has been a Piranha Abrasives’ customer for

approximately three years, selling their diamond abrasive blades out of New Canadians Lumber's ceramic tile department, which is located in a separate building from its main store.

[64] Mr. Gabriel stated that his company does not sell any B&D Canada circular saw blades, although they do sell other blades used for cutting wood. He was unaware of a PIRANHA line of products from Black & Decker, until recently informed of the current matter. His customers and employees have not made him aware of any confusion between the Respondent's products and those of the Applicants' PIRANHA line.

[65] He attested to obvious differences between abrasive blades and wood blades, and the danger of using wood blades to cut granite, marble, porcelain, glass or concrete.

(1) Cross-examination

[66] Mr. Gabriel confirmed that his store, formerly known as New Canadians Lumber, is now a Home Hardware. When asked if he sold Black & Decker PIRANHA circular saw blades he stated he did not, but when shown the images of a Black & Decker saw sold with a PIRANHA blade from his company's website, he clarified that his location does not stock them, but they can be ordered into his store if available at the Home Hardware warehouse.

[67] Mr. Gabriel also admitted that the same person might purchase both circular saw blades for wood and circular saw blades for tile to be used on the same project.

(2) Re-Examination

[68] Mr. Gabriel confirmed that under the images shown to him by counsel for the Applicants of the Home Hardware website, it is stated “not all items shown are stocked in store, but can be special ordered. Please contact your local Home store for more information...”.

F. *Affidavit of Ross Keltie*

[69] Mr. Keltie has been the Vice President, Sales and Marketing at Centura Limited, a supplier of floor and wall materials with fourteen locations across Canada, since 1984. Centura has been a customer of Piranha Abrasives since approximately 2012, but does not sell any of the Applicants’ products.

[70] In his many years of experience in the industry, he has never been confused between Black & Decker products and those of Piranha Abrasives.

(1) Cross-examination

[71] Mr. Keltie clarified on cross-examination that of the fourteen locations, only approximately 60% would sell limited amounts of product to the public, since they generally sell to commercial contractors, as well as stores.

[72] Further, they stopped selling hardwood between one and a half and two years ago. They still sell some professional tools associated with hardwood installation, but they would be unlikely to have them in stock.

[73] When asked if he was familiar with circular saw blades sold under B&D Canada's brands, such as Dewalt, Black & Decker and Abmast, he admitted that until he was presented with information before submitting his affidavit, he had no idea that Dewalt was owned by Black & Decker, or that Stanley was a part of Black & Decker. He knew they offered wood blades, but not that they were involved in distributing and selling ceramic tile blades.

V. Trademark Infringement

[74] Section 19 of the *Act* provides the Applicants, as the owner and licensee of the PIRANHA marks in Canada, with the right to the exclusive use of the PIRANHA marks throughout Canada, in association with the goods covered by each registration. Section 20 deems this right to be infringed by a person not entitled to its use who sells, distributes or advertises wares or services in association with a confusing trademark or trade name. Subsection 7(b) of the *Act* provides a prohibition against passing-off, by directing public attention to a party's wares, services or business in such a way as to cause or be likely to cause confusion in Canada with the wares, services or business of another.

[75] When assessing confusion, the test to be applied is a matter of first impression in the mind of a casual consumer, somewhat in a hurry. As stated by the Supreme Court of Canada in *Masterpiece Inc v Alavida Lifestyle Inc*, 2011 SCC 27 at para 40 [*Masterpiece*]:

40 At the outset of this confusion analysis, it is useful to bear in mind the test for confusion under the *Trademarks Act*. In *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23, [2006] 1 S.C.R. 824, Binnie J. restated the traditional approach, at para. 20, in the following words:

The test to be applied is 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 [prior] trademarks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

Binnie J. referred with approval to the words of Pigeon J. in *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.*, [1969] S.C.R. 192, at p. 202, to contrast with what is not to be done -- a careful examination of competing marks or a side by side comparison.

[76] The question of confusion is whether the ordinary consumer will, on seeing the Respondent's PIRANHA ABRASIVES Design Mark as used with Respondent's goods or services, infer as a matter of first impression that the goods or services emanate from or are associated with the Applicants, in that the use of both the Applicants' PIRANHA marks and the Respondent's PIRANHA ABRASIVES Design Mark in the same area would be likely to lead to the inference that the wares or services associated with these trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class (subsection 6(2) of the *Act*; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20 [*Veuve Clicquot*]; *Mattel Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 51 [*Mattel*]).

[77] Subsection 6(5) of the *Act* sets out the required approach to analyzing confusion:

6. (5) In determining whether trademarks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(a) the inherent distinctiveness of the trademarks or trade-names and the extent to which they have become known;

(b) the length of time the trademarks or trade-names have been in use;

(c) the nature of the goods, services or business;

(d) the nature of the trade; and

(e) the degree of resemblance between the trademarks or trade-names in appearance or sound or in the ideas suggested by them.

6. (5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;

b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;

c) le genre de produits, services ou entreprises;

d) la nature du commerce;

e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.

[78] The Respondent argues that there is no evidence of actual confusion between the Applicants' PIRANHA marks and the Respondent's PIRANHA ABRASIVES Design Mark, despite over four years of co-existence. The Respondent's affiants in the stone, tile and cement industries, respectively, have never been confused between the Respondent's Wares in association with the Respondent's Mark and the Applicants' Wares in association with the

Applicants' Marks. Some of the Respondent's distributors, Centura and New Canadians, have never had any consumer or employee complain of confusion.

[79] I do not agree that on the facts of this case a negative inference should be drawn, simply because there is no evidence of actual confusion, as this is not a case where evidence of actual confusion "would readily be available if the allegation of likelihood of confusion was justified" (*Mattel*, above, at para 55).

[80] Moreover, the Respondent states that the Applicants' Marks are always used with the BLACK & DECKER and ORANGE and BLACK trademarks. As a matter of first impression, the Respondent submits, the public would not perceive the Applicants' Marks as forming distinct trademarks. The Applicants' Marks do not stand out and therefore it cannot be concluded that it would create a separate impression in the minds of the public. Rather, if noticed, the public would view the Applicants' Marks as being tied to the more prominent mark BLACK & DECKER. Consequently, the public would perceive the trademarks "BLACK & DECKER" and possibly "BLACK & DECKER PIRANHA" or "BLACK & DECKER PIRANHA & Design" as being used, but not PIRANHA or PIRANHA & Design.

[81] While a factor to be considered, I do not accept that simply because a house brand or trademark, such as BLACK & DECKER, is used in association with a product brand or trademark, such as PIRANHA or PIRANHA and Design, and may be somewhat more prominent, it results in a subjugation or erosion of the distinctiveness of the product trademark. It

is certainly not the case here. The distinctive PIRANHA marks and length of use, as well as the degree of overlap, weigh against such a finding, for reasons that follow.

[82] The Respondent also urges me to limit the statement of goods covered by the Applicants' trademark registrations in issue to cover only circular saw blades used in cutting wood or plastic, and not abrasive diamond saw blades as used by the Respondent for cutting granite, marble, porcelain, tiles, glass, stone and concrete.

[83] I disagree with the Respondent's approach to likelihood of confusion on this front. The proper focus is what the Applicants' registered trademarks authorize the Applicants to have the exclusive right to do, in using their registered trademarks in Canada, not what the Applicants happen to be doing at the current time (*Masterpiece*, above, at para 53).

[84] When one considers the factors of subsection 6(5) of the *Act*, in my view, it is reasonably clear on a balance of probabilities that there is a likelihood of confusion between the Applicants' PIRANHA trademarks as registered, and the Respondent's PIRANHA ABRASIVES and Design Mark, as used by the Respondent in association with abrasive circular saw blades.

A. *Inherent Distinctiveness of the trademarks or trade name and the Extent Known*

[85] The Applicants' PIRANHA marks are inherently distinctive as used in association with the goods covered by PIRANHA registrations. The Applicants' PIRANHA brand circular saw blades have been sold in Canada since 1987 and continue to be sold, albeit in a diminished way, in several major retail locations across Canada.

[86] While the Respondent has offered evidence that its PIRANHA ABRASIVES Design Mark and Piranha Abrasives trade name have been used in Canada since 2010, the use is relatively recent compared to the longstanding use of the Applicants' PIRANHA trademarks.

[87] The Respondent has attempted to undermine the distinctiveness of the Applicants' PIRANHA Trademarks by pointing to third party use of the word "piranha" in association with identical or related wares, namely a wet tile blade sold by Delta Diamond and a floor scraper insert sold by Husqvarna. The evidence provided, however, relates to usage outside of Canada, or to usage in association with different kinds of wares.

[88] There is no evidence that these third parties are selling piranha brand wares in Canada, other than the possibility to order such goods online from Canada, for which no evidence was provided, except in the context of doing so for this litigation, or that the products have been sold, distributed or are known to any extent in Canada.

B. *Length of Time in Use*

[89] The Applicants' PIRANHA Trademarks have been registered and in use in Canada since July 1987 (PIRANHA word mark) and 1995 (PIRANHA & successor Design mark). In contrast, the Respondent's Trademark has only been in use since May 2010.

C. *Nature of Wares and Trade*

[90] As stated above, the Applicant B&D Corporation's trademark registrations (TMA 330,222 and TMA 452,371) provide the Applicants, as owner and licensee, with the exclusive right to use these trademarks in association with saw blades for power saws and circular saw blades. There is no limit on the type of saw blades or circular saw blades, or the form of use.

[91] The Respondent has used its PIRANHA ABRASIVES & Design trademarks on diamond abrasive cutting, polishing and grinding tools for use with marble, granite, glass, porcelain, tile and concrete, including diamond abrasive circular saw blades, for use on power saws.

[92] When engaging in a confusion analysis, the Court must refer to the exclusive rights granted by the registration. While "actual use is not irrelevant...it should not be considered to the exclusion of potential uses within the registration" (*Masterpiece*, at paras 56-59).

[93] While the Applicants' current use may be for circular saw blades and saw blades for power saws primarily designed to be used on wood or wood related materials, the registrations permit the Applicants to use the PIRANHA marks in association with circular saw blades and saw blades for power saws intended for use on any materials, including marble, granite, glass, porcelain, tile or concrete.

[94] Not only are the Applicants' circular saw blades and the Respondent's abrasive circular saw blades for use on power saws, but some of their respective circular saw blades are also sold at a similar price point, in similar channels of trade, and potentially to the same consumers.

[95] Again, these factors favour the Applicants.

D. *Degree of Resemblance*

[96] This is the factor that is often likely to have the greatest effect on the confusion analysis and, in this case, the degree of resemblance is high (*Masterpiece*, at para 49).

[97] In *Masterpiece*, at para 84, the Supreme Court acknowledged that the dominant or most striking component of a mark affects the overall impression on an average consumer, and this fact should be taken into consideration when assessing the trademark as a whole:

However, considering a trademark as a whole does not mean that a dominant component in a mark which would affect the overall impression of an average consumer should be ignored: see *esure Insurance Ltd. v. Direct Line Insurance plc*, 2008 EWCA Civ 842, [2008] R.P.C. 34, at para. 45, per Arden L.J. This is because, while the consumer looks at the mark as a whole, some aspect of the mark may be particularly striking. That will be because that aspect is the most distinctive part of the whole trademark.

[98] When one considers the use of PIRANHA and the piranha fish design by the Respondent and the same PIRANHA word mark and quite similar fish design covered by the Applicants' PIRANHA trademark registrations, I have little trouble finding a significant degree of resemblance.

[99] As stated above, the Respondent has also argued that given there has been no actual confusion for over three to four years of coexistence, and given the clear instructions and warnings on each party's packaging not to use their respective saw blades for purposes other than each one's specific applications (wood and plastic for the Applicants; stone, tile, glass and concrete for the Respondent), there is no likelihood of confusion.

[100] While certainly factors to be considered, I have addressed that argument above and do not find this factor to be persuasive. Once again, the proper test for likelihood of confusion is whether the use by the Respondent of PIRANHA ABRASIVES & Design trademark is likely to be confused with the goods covered by the Applicants' trademark registrations for PIRANHA and PIRANHA & Design circular saw blades and blades for power saws, such that the relevant consumer would likely be confused as to the source of the goods, or as to an association or connection between the Applicants and Respondent as the source of those goods.

[101] I find that the Respondent's use of the PIRANHA ABRASIVES & Design trademark on abrasive circular saw blades is likely to be confusing with the Applicants' registered PIRANHA marks and infringes the Applicants' PIRANHA registered trademarks TMA330,222 and TMA452,371.

VI. Passing Off

[102] The three necessary components of a passing-off action are (1) the existence of goodwill or a reputation associated with a plaintiff's/applicant's good or services; (2) deception of the

public due to a misrepresentation; and (3) actual or potential damage to the plaintiff/applicant caused by the misrepresentation (*Ciba-Geigy Canada Ltd v Apotex Inc*, [1992] 3 SCR 120).

[103] As the Respondent points out, the Applicants' goods are always sold in association with the Applicants' BLACK & DECKER and ORANGE and BLACK trademarks. There is no evidence of the extent of an independent reputation having been established in the Applicants' PIRANHA trademarks, no third party evidence of any reputation, and given the diminished sales and lack of advertising to support such a reputation, I find that the Applicants have not made out a case for passing off, on the evidence before me.

[104] As stated by Justice de Montigny in *Hayabusa Fightwear Inc v Suzuki Motor Corporation*, 2014 FC 784 at para 46:

[46] I agree with counsel for the Applicant that when comparing the likelihood of confusion between two trade-marks, the approach to be taken will significantly differ depending on whether the comparison is made with a registered or unregistered mark. When dealing with a registered trade-mark, one must consider the entire scope of rights granted under the registration, and its potential use must be considered as well as its actual use: *Masterpiece Inc. v Alavida Lifestyles Inc.*, 2011 SCC 27 at para 59, [2011] 2 SCR 387. The comparison will be much narrower when comparing an offending mark with an unregistered trade-mark, and will be restricted to the actual use of that mark, as the Federal Court of Appeal recently confirmed in *Marlboro Canada Limited v Philip Morris Products S.A.*, 2012 FCA 201 at paras 55-56:

Justice Marshall Rothstein, writing for the Court made it very clear that, when considering the degree of resemblance between marks, the approach differed depending on whether they were registered or not.

For unregistered marks, a court should only consider the manner in which they have actually been used. However, for registered marks, a court

must consider the trade-mark registration according to its terms to reflect the entire scope of the rights granted under the latter.

[105] The requisite reputation to establish a case of passing off has not been shown on the evidence before me.

VII. Depreciation of Goodwill

[106] The Supreme Court of Canada has set out the four elements of section 22 of the *Act*:

Section 22 of our Act has received surprisingly little judicial attention in the more than half century since its enactment. It seems that where marks are used in a confusing manner the preferred remedy is under s. 20. Equally, where there is no confusion, claimants may have felt it difficult to establish the likelihood that depreciation of the value of the goodwill would occur. Be that as it may, the two statutory causes of action are conceptually quite different. Section 22 has four elements. Firstly, that a claimant's registered trade-mark was used by the defendant in connection with wares or services -- whether or not such wares and services are competitive with those of the claimant. Secondly, that the claimant's registered trade-mark is sufficiently well known to have significant goodwill attached to it. Section 22 does not require the mark to be well known or famous (in contrast to the analogous European and U.S. laws), but a defendant cannot depreciate the value of the goodwill that does not exist. Thirdly, the claimant's mark was used in a manner likely to have an effect on that goodwill (i.e. linkage) and fourthly that the likely effect would be to depreciate the value of its goodwill (i.e. damage).

Veuve Clicquot, above, at para 46

[107] On the evidence before me, there is no basis to find depreciation of goodwill in the Applicants' trademarks, having regard to the Respondent's activities and use of the PIRANHA ABRASIVES & Design trademark or trade name.

[108] The Applicants submit that given the lack of control over the Respondent's use of the PIRANHA ABRASIVES & Design trademark and Piranha Abrasives trade name, that in-and-of itself, results in depreciation of goodwill.

[109] While it is one factor to consider, there is no evidence showing that the Applicants have suffered any loss of reputation or customers due to the activities of the Respondent. The high quality of the Respondent's abrasive saw blades is not disputed and given the lack of evidence of the Applicants' own reputation in its PIRANHA marks as used with its circular saw blades, other than a use over an extended period of time with its BLACK & DECKER trademarks, with little or no advertising for many years, and substantially diminished sales for the past five years, I do not find any evidence of depreciation of goodwill on the evidence before me.

VIII. Remedies

[110] While I have decided there is trademark infringement resulting from the Respondent's use of its PIRANHA ABRASIVES & Design trademark and trade name as used in association with abrasive circular saw blades, I do not find there is any such infringement by the Respondent's use of its PIRANHA ABRASIVES & Design trademark or trade name with its other products. I also have not found any passing off or depreciation of goodwill by virtue of the Respondent's activities.

[111] As such, I find that the Applicants' are not entitled to lost profits, but only to nominal damages in respect of trademark infringement, As well, an injunction should only issue with

respect to the use of PIRANHA ABRASIVES & Design on its abrasive circular saw blades and associated packaging and other materials used with such saw blades.

[112] The Respondent's pending trademark application 1,662,383 should be amended to delete diamond abrasive cutting tools.

[113] Given my findings above, I do not find that the Respondent's domain names www.piranha abrasives.com or www.piranhaabrasives.com, should be transferred. While I might have found otherwise with respect to the www.piranhapowertools.com domain name, I agree with the Respondent that given the domain name owner is not a party to this proceeding, the appropriate relief may be through domain name dispute proceedings, not this proceeding.

[114] Further, the Respondent will have ninety (90) days from the date of this Judgment to sell off any infringing inventory of the abrasive circular saw blades and otherwise shall destroy or deliver up any remaining infringing inventory of these saw blades to the Applicants.

JUDGMENT

THIS COURT'S JUDGMENT is:

1. The Respondent Piranha Abrasives Inc. has infringed the Applicants' Black & Decker Corporation's registered trademarks PIRANHA and PIRANHA & DESIGN and trademark registrations TMA330,222 and TMA452,371, respectively, by use of the trademark PIRANHA ABRASIVES & Design and trade name PIRANHA ABRASIVES INC. in association with abrasive circular saw blades and associated packaging and other materials, contrary to sections 19 and 20 of the *Trademarks Act*;
2. The Respondent may sell off existing infringing inventory of PIRANHA ABRASIVES products and associated materials, for a period of ninety (90) days and thereafter is enjoined from using PIRANHA or PIRANHA ABRASIVES & Design on abrasive circular saw blades or any packaging or other materials associated with abrasive circular saw blades. Any remaining infringing materials shall be delivered up for destruction or destroyed, with proof of destruction by affidavit, to be provided to the Applicants;
3. The Respondent's pending trademark application 1,662,383 is to be amended to delete diamond abrasive cutting tools;
4. The Applicants are entitled to nominal damages in the amount of Ten Thousand (\$10,000) Dollars;

5. The Applicants are entitled to costs in the amount of \$20,000.
6. The Applicants' application is otherwise dismissed.

"Michael D. Manson"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

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PIRANHA ABRASIVES INC

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