

**IN THE MATTER OF AN OPPOSITION BY
Caplan Industries Inc. a.d.b.a. Task Tools
and Abrasives and East-West Distributors
to application no. 726,630 for the trade-mark
SUPER-CUT filed by Unicorn Abrasives Limited**

On April 14, 1993, the applicant Unicorn Abrasives Limited, through its predecessor in title Unicorn Abrasives UK Ltd., filed an application to register the trade-mark SUPER-CUT based on use of the mark in Canada since at least as early as February 1987 in association with the following wares:

liquid coolants, liquids for application to grinding wheels, biocides in solid and liquid form, liquid cleaners for grinding wheels; machine tools; abrasive wheels; diamond wheels for use in grinding, polishing, edging, bevelling, seaming and drilling; drills; seamers; parts and fittings for all the aforesaid goods.

The application claims November 17, 1992 as a priority filing date, pursuant to Section 34 of the *Trade-marks Act*, based on the filing of a corresponding application, no. 1519835, in the United Kingdom.

The Examination Section of the Trade-marks Office objected to the application on the basis that the mark SUPER-CUT was not registrable pursuant to Section 12(1)(b) of the *Trade-marks Act*. In this regard, the Examination Section considered the mark SUPER-CUT to be clearly descriptive or deceptively misdescriptive of the applicant's wares. In order to overcome the Examination objection, the applicant submitted a revised application, dated March 11, 1998,

claiming the benefit of Section 14 of the *Act*, together with the affidavit of Michael C. Tracy sworn January 12, 1998. Section 14 of the *Act* is shown below:

(1) Notwithstanding section 12, a trade-mark that the applicant or the applicant's predecessor in title has caused to be duly registered in or for the country of origin of the applicant is registrable if, in Canada,

- (a) it is not confusing with a registered trade-mark;
- (b) it is not without distinctive character, having regard to all the circumstances of the case including the length of time during which it has been used in any country;
- (c) it is not contrary to morality or public order or of such a nature as to deceive the public; or
- (d) it is not a trade-mark of which the adoption is prohibited by section 9 or 10.

Trade-marks regarded as registered abroad

(2) A trade-mark that differs from the trade-mark registered in the country of origin only by elements that do not alter its distinctive character or affect its identity in the form under which it is registered in the country of origin shall be regarded for the purpose of subsection (1) as the trade-mark so registered.

Mr. Tracy's affidavit was submitted to show that the applied for mark was not without distinctive character in Canada and thereby satisfy the Examination Section's concerns that the mark was not registrable. As there were no other objections to the mark SUPER-CUT, satisfying Section 14(1)(b) would permit the applicant to overcome the objection to the mark based on Section 12(1)(b). The Examination Section, acting on behalf of the Registrar, was satisfied with Mr. Tracy's evidence and accepted the applicant's claim to the benefit of Section 14. The subject application was then advertised for opposition purposes in the *Trade-marks Journal* issue dated November 4, 1998. The application was opposed by Caplan Industries Inc. on December 16, 1998. A copy of the statement of opposition was forwarded by the Registrar to the applicant on February 15, 1999. The applicant responded by filing and serving a counter statement.

The first ground of opposition alleges that the subject application does not comply with Section 30(a) of the *Trade-marks Act* in that the wares are not stated in ordinary commercial terms. The next grounds of opposition, pleading Sections 30(b), 30(i) and 12(1)(b) of the *Act*, are based on the allegation that the applied for mark SUPER-CUT is a generic term, and whether written or sounded, is clearly descriptive or deceptively misdescriptive of the applicant's wares. Lastly, the opponent alleges that the applied for mark is not distinctive of the applicant's wares in view of the opponent's "use of the same term 'super-cut' to describe similar wares . . ."

The opponent's evidence consists of the affidavit of Michael Caplan, then President of the opponent company. The applicant's evidence consists of the affidavit of Thomas E. Delk, President and General Manager of Universal Superabrasives, Inc., a company that manufactures and sells SUPER-CUT products to quality standards set by the applicant. As its evidence in reply, the opponent submitted the affidavits of Craig Caplan, then President of the opponent company and Monica C. Martins, trade-mark searcher. Both parties submitted a written argument and both were represented at an oral hearing.

In its written argument and at the oral hearing, the applicant objected that the opponent's reply evidence was not admissible because it was not strictly confined to matters in reply. I must agree. Craig Caplan's affidavit is additional to the type of information contained in Michael Caplan's affidavit, while the Martins affidavit lists websites referencing the word "supercut." Both affidavits could have formed part of the opponent's evidence in chief and neither is in reply to the applicant's evidence. Accordingly, I will not have regard to the above-mentioned

affidavits.

Michael Caplan's affidavit evidence may be summarized as follows. The opponent is a British Columbia company operating since 1954. The opponent sells power saw blades under the name SUPER-CUT. The name is prominently displayed on the saw blades themselves or on labels or packaging. The average retail cost of SUPER-CUT saw blades ranges from \$10 to \$50. Total sales of the opponent's saw blades under the name SUPER-CUT amounted to about \$540,000 in 1992 rising to about \$932,000 in 1998. The opponent employs 20 full time sales people across Canada and the total number of employees is 55. Advertising costs were about \$40,000 in 1993 rising to about \$60,000 in 1998. Mr. Caplan's affidavit testimony, supported by documents attached as exhibits, support the conclusion that the term SUPER-CUT has acquired some recognition for indicating saw blades sold by the opponent.

I note that Mr. Caplan has been careful in his affidavit testimony not to claim that the term SUPER-CUT is used as a trade-mark: see, for example, paragraph 21 of his affidavit:

As a result of Caplan's promotion and sale since at least 1991 to date in association with the term SUPER-CUT in association with saw blades, such goods have become well known by such term.

I do not believe that the opponent can have it both ways. If the applicant's goods have become "well known" by the term SUPER-CUT, then the term is functioning as a trade-mark. Further, from my inspection of the exhibit material, an example of which is shown below, it certainly appears that the term SUPER-CUT (and also TASK DESIGN) has been adopted by the opponent as a mark for power saw blades:

The difficulty faced by the opponent is that its evidence is insufficient to establish that the term SUPER-CUT has acquired a secondary meaning in relation to its power saw blades.

Without such secondary meaning, the opponent cannot claim proprietary rights in the mark SUPER-CUT and cannot assert such rights to prevent others from using the mark SUPER-CUT.

In any event, it is no argument for the opponent to say that because it is not asserting trade-marks rights to the clearly descriptive term SUPER-CUT then others may not assert such rights.

Mr. Delk's affidavit evidence, filed on behalf of the applicant, may be summarized as follows. His company Universal Superabrasives, Inc. has been manufacturing and selling wares in Canada under the applicant's mark SUPER-CUT since 1989. The applicant Unicorn Abrasives

controls the nature and quality of the goods manufactured by Mr. Delk's company. The wares are sold to glass manufacturers and other industrial users. The mark has been in use in Canada beginning in the 1970's in association with diamond wheels for use in grinding, polishing, bevelling, drilling and the like. Sales of wares in Canada under the applicant's mark averaged approximately \$614,000 US annually for the period 1991 - 1995 inclusive, and averaged \$247,000 US annually for the period 1996 - 2000 inclusive. The exhibit material attached to Mr. Delk's affidavit supports his testimony that the mark SUPER-CUT is marked on the wares themselves or on the packages in which they are distributed and in catalogues showing the wares.

The opponent has noted, correctly, that Mr. Delk makes no reference to a license agreement between his company and the applicant Unicorn Abrasives, and that Mr. Delk does not explain why use of the mark is claimed for the activities of a third company appearing in Exhibit G of Mr. Delk's affidavit. I agree that Mr. Delk should have been more explicit in explaining his company's relationship to the applicant and to the "other companies that are members of the same group of companies as Universal Superabrasives" referred to in paragraph 2 of his affidavit. Nevertheless, in the absence of cross-examination of Mr. Delk and considering that his affidavit has been submitted on behalf of the applicant and that the applicant controls the quality of the wares manufactured by Mr. Delk's company, I am prepared to infer that a license agreement exists between the two entities. By virtue of Section 50(1) of the *Act*, Universal Superabrasives' use of the mark SUPER-CUT enures to the benefit of the applicant.

In accordance with the usual rules of evidence, there is an evidential burden on the

opponent to prove the facts inherent in respect of the allegations pertaining to each ground of opposition. The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist: see *Joseph E. Seagram & Sons v. Seagram Real Estate Ltd.* (1984), 3 C.P.R.(3d) 325 at 329-330 (TMOB), and see *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R.(3d) 293 at 297-300 (F.C.T.D.). I agree with the applicant that there is no evidence of record to support the opponent's first ground of opposition, which is therefore rejected.

The next three grounds of opposition stand or fall on whether the applicant can show that its mark SUPER-CUT is entitled to come within the exception provided to clearly descriptive marks provided by Section 14. As usual in opposition proceedings, the onus is on the applicant to establish, on a balance of probabilities, that its mark meets the requirements for Section 14. In this regard, I would note that there is a different onus during the examination process and it is not on the applicant, rather, it is on the Registrar. Section 37 of the *Act* provides that the Registrar shall refuse an application if he is satisfied that the mark is not registrable. In other words, if the balance of probabilities weigh evenly between a mark being registrable and not registrable, then the mark moves on to advertisement in the *Trade-marks Journal*. Thus, the Registrar's decision to advertise a mark claiming the benefit of Section 14 has little authoritative precedent value in opposition proceedings where a different onus resides with the applicant.

As noted in the recent Board decision *Zorti Investments Inc. v. Party City Corporation*

(dated January 12, 2004 concerning application no. 766,534, 2004, yet unreported), the material time to consider whether an applicant can claim the benefit of Section 14 is the date of filing the application, in this case November 17, 1992 (i.e., the priority filing date). As I understand the *Zorti* case, above, the applicant is required to establish two conditions extant at the material date namely, that the mark (i) was registered in the country of origin, and (ii) was not without distinctive character in Canada.

In the instant case, Exhibit A to Mr. Delk's affidavit shows that the applied for mark was not registered in the United Kingdom until April 1, 1997. Accordingly, the applicant has not met the first condition to claim the benefit of Section 14. I would add that, even had the mark been registered abroad at the time that the present application was filed or amended (or at the present time), then the second condition would likely not have been met regardless of what the material date is taken to be. In this regard, the threshold on an applicant to show that its mark "is not without distinctive character" for Section 14 is only somewhat lower than the threshold for establishing distinctiveness for Section 12(2). In other words, the onus on the applicant remains a heavy one: see *Supershuttle International, Inc. v. Registrar of Trade-marks* (2002), 19 C.P.R.(4th) 34 at 41 - 42 (F.C.T.D.). That heavy onus would likely not have been met by the applicant's evidence concerning use and advertising of its mark SUPER-CUT, particularly in the absence of evidence concerning the applicant's market share for its class of wares. The opponent therefore succeeds on the ground of opposition alleging non-registrability.

The last ground of opposition alleges that the applied for mark SUPER-CUT is not

distinctive of the applicant's wares for the reason that the opponent has used the same term SUPER-CUT in association with power saw blades. As noted by the opponent in its written argument, even if an applicant establishes that it is entitled to claim the benefit of Section 14, that does not relieve the applicant from proving that its mark is distinctive under Section 38(2)(d) and 2 of the *Act*: see *York Barbell Holdings Ltd. v. ICON Health & Fitness, Inc.* 13 C.P.R. (4th) 156 (TMOB). Circumstances can arise, for example, where there are multiple Canadian users of a foreign mark which has passed the threshold for Section 14.

In the instant case, the opponent uses the mark SUPER-CUT for power saw blades for cutting wood. The opponent's wares are for an application and technology very different from glass and ceramic cutting which is the focus of the applicant's wares. Regardless of the outcomes of the other grounds of opposition, the opponent would not have succeeded on the last ground. In this regard, the parties' channels of trade and target markets are dissimilar, and the reputation of the mark SUPER-CUT in relation to the opponent's wares is not so significant as to negate the acquired distinctiveness of the applicant's mark used in an unrelated industry.

The conclusions I have reached and the outcome of this case would not have changed had I taken into account the evidence provided by Craig Caplan and Monica Martins.

In its written argument and at the oral hearing, the opponent submitted that the grounds of opposition included or inferred a further allegation. In this regard, the opponent argued that the applied for mark was not registrable because the applicant could not avail itself of the benefit of

Section 14 for the reason that the wares specified in the Canadian application differed significantly from the wares specified in the foreign registration. The applicant took the position that if the opponent intended to raise such arguments, then the allegation should have been stated explicitly in the statement of opposition as originally filed or in an amended statement of opposition. I agree. The applicant cannot raise issues which have not been not pleaded: see *Imperial Developments ltd. v. Imperial Oil Ltd.* (1984), 79 C.P.R.(2d)12 at 21 (F.C.T.D.) .

In view of the above, the subject application is refused.

DATED AT VILLE DE GATINEAU, QUEBEC, THIS 1st DAY OF APRIL, 2004.

Myer Herzig,
Member,
Trade-marks Opposition Board