



BUDGET BLINDS TRADE-MARKS CAN REMAIN ON THE REGISTER, FEDERAL COURT RULES IN EXPUNGEMENT CASE

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In a decision that highlights yet again the important trade-mark principle that small differences will serve to distinguish marks that have little or no inherent distinctiveness, Canada's Federal Court recently dismissed an application to expunge two trade-mark registrations for the mark BUDGET BLINDS registered for "distributorship and retail stores services in the field of window coverings" (*Budget Blind Service Ltd. v. Budget Blinds, Inc.*, 2007 FC 801 (F.C., Simpson J., July 31, 2007)).

Section 57 of Canada's *Trade-marks Act*, R.S.C. 1985, c. T-13 (hereafter: the "Act") gives Canada's Federal Court exclusive jurisdiction in deciding whether a registered trade-mark should be expunged. Subsection 57(1) thus provides:

The Federal Court has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.

On March 12, 2003, Budget Blinds, Inc. from Orange, California, the respondent in these proceedings, applied to register its two BUDGET BLINDS trade-marks for proposed use in association with "distributorship and retail stores services in the field of window coverings". These applications matured to registration on February 16, 2006. However, a declaration of use was filed for each trade-mark on January 24, 2006 as a last procedural step before registration.

On May 2, 2006, applicant Budget Blind Service Ltd., from Surrey, British Columbia, applied to the Federal Court for an Order expunging the BUDGET BLINDS trade-marks from the register on the basis of alleged confusion with its BUDGET BLINDS, BUDGET BLIND SERVICES and BUDGET BLIND CLEANING trade-marks that were

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allegedly in use in Canada prior to March 12, 2003 when Budget Blinds, Inc. applied to register its own trade-marks.

Prior to deciding the issue of confusion, Madam Justice Simpson had to determine whether the evidence supported the claim of prior use by Budget Blind Service Ltd. of the trade-mark BUDGET BLINDS (a trade-mark identical to the ones registered by Budget Blinds, Inc.) as opposed to the claim of prior use of the somewhat different BUDGET BLIND SERVICES and BUDGET BLIND CLEANING trade-marks. The Court reviewed the evidence and concluded it came up short to establish use of the trade-mark BUDGET BLINDS on/or before March 12, 2003. From the Court's reasons, it appears that the earliest documentary evidence supporting the alleged use of the trade-mark BUDGET BLINDS was a letter from the Better Business Bureau of April 20, 2004 which included a note from a customer who was delighted with Budget Blind Service Ltd.'s work in March of 2004 and described the corporate applicant as BUDGET BLINDS. However, this piece of evidence along with other documents (subsequently dated) could not establish a claim of use in March of 2003. Accordingly, the Court narrowed the issue of confusion on March 12, 2003 between the respondent's registered BUDGET BLINDS marks and the applicant's marks BUDGET BLIND SERVICES and BUDGET BLIND CLEANING.

Despite an obvious similarity between the parties' marks, the Court concluded that likelihood of confusion had not been established under the circumstances. Firstly, the Court concluded that BUDGET BLIND SERVICES and BUDGET BLIND CLEANING were weak names that had low inherent distinctiveness and that small differences (such as the ones existing in the marks before the Court) would serve to distinguish marks (such as these) that have little or no inherent distinctiveness. Under the circumstances, the addition of the words "services" and "cleaning" to the applicant's marks were sufficient to dispel any likelihood of confusion.

Additionally, the Court concluded that the parties were carrying on substantially different businesses. Indeed, on the one hand, the applicant was primarily involved in the cleaning and repairing of window blinds and other window coverings while on the other hand, the respondent's business was primarily the retail sale and installation of blinds and other window coverings. In its assessment of the situation, the Court concluded that the parties were in different businesses, albeit dealing with the same products: The applicant cleaned and repaired blinds while the respondent sold and installed them.

This recent case illustrates again how trade-mark law allows marks that have a low level of inherent distinctiveness to coexist as long as the differences between them are sufficient to enable consumers to make the appropriate inference as to the source of the parties' respective wares and services. The Court concluded that this was the case here.

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