



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 231

Date of Decision: 2022-11-29

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Montréal Production Inc.

Registered Owner: H-D U.S.A., LLC

Registration: TMA701,942 for HARLEY

INTRODUCTION

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA701,942 for the trademark HARLEY.

[2] The subject trademark is registered for use in association with the following goods:

Clothing, namely, t-shirts for men, women and children; knit tops for women and girls; children's shirts; boots, and sweatshirts.

[3] For the reasons that follow, I conclude that the registration ought to be amended to delete “boots” from the statement of goods.

THE RECORD

[4] At the request of Montréal Production Inc. (the Requesting Party), the Registrar of Trademarks issued a notice pursuant to section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) to H-D U.S.A., LLC (the Owner).

[5] The notice required the Owner to show whether the trademark HARLEY was used in Canada in association with each of the goods specified in the registration at any time within the three-year period immediately preceding the date of the notice and, if not, the date when it was last in use and the reason for the absence of such use since that date. Where the Owner has not shown use, the registration is liable to be expunged or amended, unless there are special circumstances that excuse the absence of use.

[6] As the notice was sent to the Owner on July 7, 2020, the relevant period for showing use in this case is between July 7, 2017 and July 7, 2020.

[7] The relevant definition of “use” is set out in section 4(1) of the Act as follows:

A trademark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

[8] In response to the Registrar’s notice, the Owner submitted the declaration of Adraea Brown, Vice President and Assistant General Counsel for the Owner, solemnly declared on March 3, 2021, together with Exhibits AB-1 to AB-6.

[9] Both parties filed written representations, but only the Owner was represented at an oral hearing. In this respect, while the Requesting Party was scheduled to make representations, the Registrar received an email from the Requesting Party the morning of the hearing indicating that it was unable to attend the hearing due to an emergency. However, as the Requesting Party did not explain the nature of its emergency and neither explicitly requested a rescheduling of the hearing nor attempted to obtain the Owner’s consent to any such rescheduling, the hearing proceeded as scheduled [*per the practice notice Practice in section 45 proceedings*].

[10] The hearing in this proceeding was held concurrently with the hearings in summary expungement proceedings with respect to registration Nos. TMA294,796, TMA574,523, TMA649,923, TMA665,193, TMA669,509, TMA671,782, and TMA975,878 for various other HARLEY-formative trademarks. Separate decisions will issue for those registrations.

SUMMARY OF THE EVIDENCE

[11] Ms. Brown explains that the Owner's main activity is the manufacture and sale of motorcycles, and that the Owner's activities also extend to a "vast area of products and services ancillary to motorcycling such as clothing, jewelry, finance and insurances, touring and servicing."

[12] In her declaration, Ms. Brown defines the registered goods as "the Goods" and asserts that, during the relevant period, "at least one unit" of each of the Goods bearing "the Trademark" was sold in Canada in the normal course of trade, and that "the Trademark" was associated with the Goods at the time of their transfer.

[13] I note here that Ms. Brown references "the Trademark" throughout her declaration. However, virtually all of the evidenced materials display variations of the subject trademark, such as the word mark HARLEY-DAVIDSON and related design marks, rather than HARLEY *per se*. Furthermore, Ms. Brown misidentifies "the Trademark" in her declaration as being the trademark HARLEY-DAVIDSON, rather than the subject trademark HARLEY. It is therefore clear that Ms. Brown's numerous references to "the Trademark" do not necessarily refer to the trademark HARLEY *per se*. Consequently, and for greater clarity, references to "the Trademark" in this decision are in quotation marks to indicate that the term is Ms. Brown's rather than my own.

[14] With respect to licensees, Ms. Brown states that the Owner markets its products and services in Canada under "the Trademark" either directly or through licensees and distributors. She attests that, during the relevant period, the Owner exercised direct or indirect control over the character or quality of the Goods associated with "the Trademark".

[15] As Exhibit AB-2 to her declaration, Ms. Brown attaches product catalogues from the Owner's licensees, namely SGI Apparel Group, Harley-Davidson, Inc. and Harley-Davidson Motor Company. She explains that the catalogues were "available and distributed" in Canada during the relevant period and "used to select and order the Goods". The catalogues depict clothing items, including shirts, t-shirts, tops and sweatshirts for men, women and children.

[16] While Ms. Brown asserts that the exhibited catalogues illustrate the way "the Trademark" is affixed to the Goods, she points to no specific examples of such display. Based on my review of the exhibited catalogues, the vast majority of the depicted products bear the trademark HARLEY-DAVIDSON, or a stylized form of that mark such as the design mark reproduced below (the Cycles Logo):



[17] As Exhibit AB-3 to her declaration, Ms. Brown attaches webpage screenshots from websites of the Owner's licensees and authorized dealers. She explains that, despite the date when they were captured, the exhibited webpages were "accessible and accessed" and "used to select and order the Goods" during the relevant period in Canada. The exhibited webpages offer various items for sale including boots, as well as shirts, tank tops and t-shirts for men, women and children.

[18] Though the image quality of the screenshots is poor, the trademark HARLEY *per se* does not appear to be displayed on the exhibited webpages, whether on the depicted products themselves or the webpages, aside from a website tab titled "Harley for the Home" and one webpage offering a product named MY DADDY RIDES A HARLEY! 2 PIECE ONESIE SET.

[19] To further illustrate how "the Trademark" was affixed to the Goods during the relevant period, Ms. Brown attaches as Exhibit AB-4 to her declaration a document that

she describes as a “short review of some of the Goods bearing the Trademark and the corresponding URL address of [the Owner’s] Canadian licensees and authorized dealers”. The exhibited document is a list of clothing products together with an image of each product and a URL address. The images depict various types of tops namely t-shirts, tank tops and hooded sweatshirts as well as a baby onesie. The products are identified in the document as “t-shirts for men”, “t-shirts for women”, “knit tops for women”, “knit tops for girls”, “children’s shirts” and “sweatshirts”. Each of those depicted products bears the trademark HARLEY.

[20] I also note that a pair of gloves depicted in this document is listed as “clothing” and another unidentifiable product is listed as a “Pboot”. Due to the poor image quality, it is not possible to determine whether these products bear any trademark, let alone the trademark HARLEY.

[21] As evidence of transfers, Ms. Brown attaches representative invoices as Exhibits AB-5 and AB-6 to her declaration; these invoices were issued by the Owner’s licensees Harley-Davidson Canada LP and FCP Brands, Inc, respectively. She states that the exhibited invoices show sales of the Goods bearing “the Trademark” to the Owner’s licensees and authorized dealers in Canada.

[22] The Exhibit AB-5 invoices are dated within the relevant period and show sales of clothing such as sweatshirts, shirts and tees to dealerships in Canada. The trademark HARLEY is not displayed on the invoices, aside from its display as part of the design mark reproduced below (the Company Logo), which is similar to the Cycles Logo albeit with the word COMPANY replacing the word CYCLES:



[23] The Exhibit AB-6 invoices are also dated within the relevant period and show sales of clothing such as camisoles, leggings, shorts, turtlenecks, scoop necks and crew necks to dealerships in Canada. I note a few invoiced items identified with the trademark HARLEY, including THE ORIGINAL HARLEY S/S SCOOP NECK and HARLEY?HERITAGE S/S SCOOP NECK.

[24] According to Ms. Brown, annual retail sales of the Goods bearing “the Trademark” were not inferior to \$14 million in 2017 (for the period of time within the relevant period), \$28 million in 2018, \$26 million in 2019 and \$9 million in 2020 (for the period of time within the relevant period).

ANALYSIS

[25] At the hearing, the Owner confirmed that it only asserts use of HARLEY *per se*. In this respect, the Owner agreed that the trademark HARLEY-DAVIDSON is not a minor deviation of the subject trademark and, therefore, that display of HARLEY-DAVIDSON does not constitute display of the subject trademark as registered. Indeed, in applying the principles set out in *Canada (Registrar of Trade Marks) v Cie internationale pour l’informatique CII Honeywell Bull SA*, 1985 CanLII 5537, 4 CPR (3d) 523 (FCA), I find that neither the display of the HARLEY-DAVIDSON word mark, nor the Cycles Logo or the Company Logo, constitutes display of the subject trademark *per se*.

[26] The Owner further confirmed that there is no specific evidence showing HARLEY *per se* marked on, or otherwise associated with, the registered goods “boots”. However, it argued that the representative invoices and the sales figures together with Ms. Brown’s statement that “at least one unit” of each of the Goods was sold, are sufficient to establish use of the subject trademark in association with boots. I disagree.

[27] Without evidence relating to sales of boots specifically, Ms. Brown’s assertion of sales and accompanying sales figures amounts to a bald assertion of sales of the registered goods in general, rather than a statement of fact showing use of the subject trademark in association with boots. Indeed, while her assertion is accompanied by annual sales figures, the figures are not broken down by item and could therefore be associated to sales of only one or some of the registered goods.

[28] Although there is no particular type of evidence that needs to be furnished in a section 45 proceeding, it would not have been an unreasonable burden on the Owner to provide specific evidence, such as the Exhibit AB-5 and AB-6 invoices, regarding all of the registered goods actually sold. As such, even if I were prepared to infer that HARLEY *per se* was marked on boots in the same manner as that shown in the Exhibit AB-4 document, I find that the evidence falls short of establishing transfers of boots during the relevant period or at any time.

[29] In view of the above, I am not satisfied that the Owner has shown use of the trademark HARLEY within the meaning of sections 4 and 45 of the Act in association with the registered goods “boots”. As there is no evidence of special circumstances excusing the absence of use, the registration will be amended accordingly.

[30] On the other hand, the evidenced sales to the Owner’s licensed dealers, together with the evidenced display of the subject trademark on clothing, are sufficient for me to conclude that the subject trademark was used in association with the remaining goods.

[31] Indeed, contrary to the Requesting Party’s submissions, the Owner is not required to show sales to end consumers. It has been established that a sale to a wholesaler or distributor can be a sale in the normal course of trade and that if any part of the chain takes place in Canada, it is considered to be use in Canada [*Philip Morris Inc v Imperial Tobacco Ltd et al* (1987), 13 CPR (3d) 289 (FCTD); *Lin Trading Co v CBM Kabushiki Kaisha* (1998), 21 CPR (3d) 417, 1988 CanLII 9341 (FCA)]. In this case, the exhibited invoices evidence sales of goods by the Owner’s licensees to the Owner’s licensed dealers in Canada, and I have no reason to doubt that these were *bona fide* sales in the Owner’s normal course of trade as described by Ms. Brown.

[32] Before concluding, I will also briefly address the Requesting Party’s argument that the Exhibit AB-6 invoices do not show sales in the normal course of trade because they are in the amount of zero dollars. First, I note that a registered owner need not sell its goods strictly for monetary profit for such sales to be considered “in the normal course of trade” [*Cosmetic Warriors Limited v Riches, McKenzie & Herbert LLP*, 2019 FCA 48 at paras 22-30 for a recent discussion on the subject]. That being said,

I disagree that the Exhibit AB-6 invoices show sales in the amount of zero dollars – instead, that amount corresponds to the “balance due” after payment. In other words, the invoices were paid in full and there remained no balance owed at the time of printing the invoices.

[33] Having regard to the above, I am satisfied that the Owner has shown use of the subject trademark HARLEY within the meaning of sections 4 and 45 of the Act in association with “Clothing, namely, t-shirts for men, women and children; knit tops for women and girls; children's shirts; ... and sweatshirts.”

DISPOSITION

[34] Pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, the registration will be amended to delete “boots, and” from the statement of goods.

[35] The statement of goods will now read as follows:

Clothing, namely, t-shirts for men, women and children; knit tops for women and girls; children's shirts; sweatshirts.

Eve Heafey
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: July 7, 2022

APPEARANCES

For the Requesting Party: No one appearing

For the Registered Owner: Charlotte MacDonald

AGENTS OF RECORD

For the Requesting Party: No agent appointed

For the Registered Owner: Gowling WLG (Canada) LLP