



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 199

Date of Decision: 2023-11-29

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Emily Schultz Inc.

Registered Owner: Ralf Hütter

Registration: TMA1,011,616 for KRAFTWERK

INTRODUCTION

[1] This is a decision involving a summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) with respect to registration No. TMA1,011,616 for the trademark KRAFTWERK (the Trademark).

[2] The Trademark is registered for use in association with the following:

Goods

(1) Downloadable electronic publications in the fields of music and Fine Arts; computer games (programs for); accessories for video and computer games and for similar electronic apparatus, namely, fitted boxes for storing cassettes and floppy discs, games cassettes, floppy discs and cartridges for video and computer games; pre-recorded optical discs containing computer programs for games and musical compositions; mousepads (mousemats); Spectacles, spectacle frames, spectacle cases, 3D glasses, sports goggles.

(2) Clothing, namely, sportswear and leisurewear; headgear, namely, hats; cyclists clothing, namely, cycling shirts.

- (3) Fitness and sports equipment, namely, skateboards, games, namely, video games; electric and electronic games.
- (4) Pre-recorded optical discs containing videos and photos of musical performances, and books about musical performances; audio tape recordings containing musical performances and audiobooks about musical performances; video tape recordings containing musical performances.
- (5) T-shirts.
- (6) Skateboards.
- (7) Cycling jerseys; backpacks; pre-recorded DVDs containing musical performances.
- (8) Notebook cases; 3-D books.
- (9) Bicycle gloves and bottles; photo books; posters.

Services

- (1) Production, editing and publishing of musical performances, films, photos and books; publication and editing of brochures, sheet music, sheet music in printed form, books, posters, banners, film and video showings and sound presentations, and the organisation thereof.
- (2) Arranging and organisation of concerts and musical performances.

[3] For the reasons that follow, I conclude that the registration ought to be amended.

PROCEEDING

[4] At the request of Emily Schultz Inc. (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on February 17, 2022, to Ralf Hütter (the Owner), the registered owner of the Trademark.

[5] The notice required the Owner to show whether the Trademark was used in Canada in association with each of the goods and services 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. In this case, the relevant period for showing use is February 17, 2019, to February 17, 2022.

[6] In response to the Registrar's notice, the Owner furnished the affidavit of Günter Spachholz, sworn on September 19, 2022, to which were attached Exhibits A through U.

[7] Both parties submitted written representations and were represented at an oral hearing.

EVIDENCE OVERVIEW

[8] Detailed evidence pertaining to specific goods and services will be examined below. It is nevertheless helpful to have at the outset an overview of Mr. Spachtholz's evidence regarding the Owner's business, which is as follows:

- The Trademark is the name of a musical act, the band "Kraftwerk", founded by the Owner in 1970 in Germany, together with another individual, Florian Schneider. However, the Owner is the sole owner of the musical act [para 7].
- Since 1970, Kraftwerk has "consistently" toured the world, performing concerts in Europe and North America, including in Canada [para 8].
- Live concerts were scheduled for 2020 in Toronto, Montreal, and Vancouver, but postponed due to the Covid-19 pandemic [paras 7, 8 and 21, Exhibit S].
- The Owner was "only able to re-schedule the concerts for 2022", in June for Toronto and Montreal, and in July for Vancouver (after the relevant period) [para 22, Exhibit T].
- The band name "Kraftwerk" is displayed at live performances and used "to sell and promote its recordings, musical performances and associated goods" [para 24].
- The goods and services associated with Kraftwerk are sold and marketed by a company named Kling Klang Konsum Produkt GmbH (Kling Klang) [para 1].
- The Owner is the sole shareholder and managing director of Kling Klang. He has granted Kling Klang an oral license to use the Trademark, pursuant to which he has direct control over the character and quality of the associated goods and services [para 7].
- Mr. Spachtholz has been the manager of Kling Klang since 1997. In this role, he is directly involved in all aspects of the company's sales, marketing, and promotional efforts in Canada [paras 1-2].
- The majority of Kraftwerk branded goods are sold to attendees of live performances [para 24], but goods are also sold online, including notably via the Kraftwerk and Kling Klang websites [paras 11 to 20].

ANALYSIS AND REASONS FOR DECISION

[9] The relevant definitions of “use” in the present case are set out in section 4 of the Act as follows:

4(1) 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.

4(2) A trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[10] Where the registered 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.

[11] The purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for removing deadwood from the register. The evidence in a section 45 proceeding need not be perfect; the Owner need only establish a *prima facie* case of use within the meaning of sections 4 and 45 of the Act. This burden of proof is light; evidence must only supply facts from which a conclusion of use may follow as a logical inference [*Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184].

Use under licence

[12] In its representations, the Requesting Party argues that insufficient factual evidence is adduced to conclude or infer the existence of an oral license or of control by the Owner over the character and quality of the goods and services commercialized by Kling Klang.

[13] However, Mr. Spachholz provides a clear factual statement regarding the existence of an oral license between the Owner and Kling Klang [para 7]. This is sufficient for the purposes of a section 45 proceeding [*Mantha & Associés/Associates v Central Transport Inc* (1995), 64 CPR (3d) 354 (FCA)]. The same is true for the factual statement regarding the Owner’s control over the character and quality of the goods and

services [*Empresa Cubana Del Tabaco Trading v Shapiro Cohen*, 2011 FC 102, aff'd 2011 FCA 340].

[14] I therefore accept that any evidenced use of the Trademark by Kling Klang enures to the benefit of the Owner.

Use in association with services

Services (2): Arranging and organisation of concerts and musical performances

[15] The registration includes: “(2) Arranging and organisation of concerts and musical performances”. Mr. Spachholz states that although several concerts were planned in Canada during the relevant period, they had to be postponed due to the Covid-19 pandemic [paras 7-8 and 21, Exhibit S], and the Owner was only able to re-schedule them in June, 2022 in Toronto and Montreal, and in July 2022 in Vancouver [para 22, Exhibit T].

[16] Both parties agree that the re-scheduled concerts fall outside the relevant period, and much of the parties’ representations pertain to whether the Covid-19 pandemic constitutes a special circumstance excusing non-use of the Trademark in association with live musical performances.

[17] However, the services in question are not limited to live musical performances. In this respect, Mr. Spachholz attests that the Owner “arranged and organized concerts in [...] Canadian cities on the dates identified in Exhibit T in association with the Trademark” [para 22]. Exhibit T is a printout from a third-party website from November 2021 promoting Kraftwerk’s rescheduled North American tour, which lists concert dates and venues in Toronto, Montreal, and Vancouver, and mentions “Ticketmaster”. Moreover, Mr. Spachholz confirms that the “[rescheduled] performances were announced, and tickets went on sale in November 2021” [para 25].

[18] As such, during the relevant period, specific dates and venues in Canada were reserved, the summer 2022 concerts were being advertised and promoted, and tickets were being offered for sale. I find that these activities fall within the scope of “arranging and organisation of concerts and musical performances”.

[19] As the evidence demonstrates that the band name was displayed in association with the above-described activities, I find that the Trademark was used in association with the services “arranging and organisation of concerts and musical performances” within the meaning of sections 4(2) and 45 of the Act.

[20] In view of the foregoing, it is not necessary for me to consider whether the Covid-19 pandemic constituted a special circumstance excusing non-use with respect to these services; however, the issue of special circumstances more generally is discussed further below.

Services (1): Publication, etc.

[21] The registration also includes the following services: “(1) Production, editing and publishing of musical performances, films, photos and books; publication and editing of brochures, sheet music, sheet music in printed form, books, posters, banners, film and video showings and sound presentations, and the organisation thereof”.

[22] Although Mr. Spachholz’s affidavit contains a general assertion of use [para 9], he provides no further details about use of the Trademark with respect to services (1).

[23] Such a general assertion is insufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. I therefore find that the Owner has not demonstrated use of the Trademark in association with services (1) within the meaning of sections 4(2) and 45 of the Act.

[24] The issue of special circumstances will be discussed below.

Use in association with goods

Downloadable electronic publications

[25] The registration includes: “(1) Downloadable electronic publications in the fields of music and Fine Arts”, which Mr. Spachholz equates to downloadable books containing sheet music. His evidence is that these goods were available online via *amazon.ca*, and he includes an undated excerpt [Exhibit B]. He asserts that he “verily believe[s] that this book and other digital publications have been downloaded by

individuals in Canada during the Relevant Period”, indicating however that he does not “have access to the business records of the publisher” [para 10].

[26] The Requesting Party argues that the evidence is insufficient to show that any transfers which may have occurred were in Canada, noting that none of the reviews indicate being from Canada, or in Owner’s normal course of trade. The Owner argues that the website is directed to Canadians and that given his knowledge of the business, it is reasonable to assume that Mr. Spachtholz is knowledgeable about where digital publications have been sold.

[27] The excerpt from *amazon.ca* identifies the product as “Kraftwerk (PVG) (Songbook) (German Edition)” and identifies the Author/publisher as Bosworth Music. I note that although none of the reviews originate from Canada, there is a mention of “2 ratings from Canada” under the heading “Top reviews from Canada”.

[28] Although I disagree with the Requesting Party that the evidence is not sufficiently related to Canada given notably the .ca country code top-level domain and indication of ratings from Canada, I do agree that Mr. Spachtholz’s evidence is insufficient to show transfers in the Owner’s normal course of trade during the relevant period.

[29] Unlike Mr. Spachtholz’s evidence for almost all other goods, he does not clearly state that sales or transfers occurred, but rather that he believes this to be the case despite not having access to the publisher’s records. As such, there is neither a clear statement nor documentary evidence of transfers. Moreover, Mr. Spachtholz does not provide a sufficient factual basis to infer transfers, for example, revenues derived directly or indirectly from *amazon.ca*. As stated in *Saks & Co v Canada (Registrar of Trade Marks)* (1989), 24 CPR (3d) 49 (FCTD) at paras 53-54, “[a] mere expression of opinion by the user, without more, that the mark has been used in Canada does not suffice”.

[30] Moreover, even if I were to consider Mr. Spachtholz’s statements as evidence of transfers to customers in Canada, it is not clear from his evidence that any such transfers occurred in the normal course of trade during the relevant period. In this

respect, it is clear from the evidence that the normal course of trade for these products is different than those sold directly by Kling Klang, yet Mr. Spachtholz does not provide details beyond stating that the Owner “licenses the Trademark to publishers of books containing the music of the band Kraftwerk”. The evidence does not explain the relationship with these licensees generally nor specifically with Bosworth Music, the “author” identified by the *amazon.ca* excerpt. Mr. Spachtholz’s evidence is also silent as to control by the Owner of the character or quality of goods by any such licensees.

[31] Given the foregoing, I find that the Owner has not demonstrated use of the Trademark in association with the goods “downloadable electronic publications in the fields of music and Fine Arts” within the meaning of sections 4(1) and 45 of the Act.

Video game and video game accessory products

[32] The registration includes “(1) ... computer games (programs for); accessories for video and computer games and for similar electronic apparatus, namely, fitted boxes for storing cassettes and floppy discs, games cassettes, floppy discs and cartridges for video and computer games; pre-recorded optical discs containing computer programs for games and musical compositions”, and “(3) ... games, namely, video games; electric and electronic games”.

[33] Mr. Spachtholz’s evidence is that visitors can access the “Kling Klang Machine [...] a music-based video game” via the *Kraftwerk.com* website. He states that the game “has been accessed by Internet Protocol addresses which appear to be located in Canada”. He attaches a printout of the website which he states is “representative of how the Trademark appeared to consumers accessing the Kling Klang Machine video game during the Relevant Period” [para 11, Exhibit C].

[34] The Requesting Party argues that absent documentary evidence, the statement regarding internet protocol addresses evidence is a bald assertion insufficient to show use in Canada in the normal course of trade. The Owner argues that the statements in the affidavit pertaining to internet protocol addresses provide factual evidence based on review of business records and is sufficient in the context of section 45 proceedings.

[35] I agree with the Owner. Mr. Spachtholz's statement regarding internet protocol addresses does not constitute a bald statement, but forms part of his factual evidence to be considered as a whole.

[36] I find Mr. Spachtholz's evidence shows that during the relevant period, players accessed and played on devices in Canada, a music-based video game that displayed the Trademark. This is sufficient to demonstrate a prima facie case of use of the Trademark within the meaning of sections 4(1) and 45 of the Act in association with video games.

[37] However, section 45 requires use is to be shown with respect to each of the goods or services specified in the registration [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)]. Given the summary nature of section 45 proceedings, evidentiary overkill is not required and in certain instances it is not necessary to show direct or documented use for every registered good [*Saks & Co v Canada (Registrar of Trade Marks)* (1989), 24 CPR (3d) 49 (FCTD) and *Ridout & Maybee LLP v Omega SA*, 2005 FCA 306]. Nevertheless, a registered owner must provide sufficient facts or representative evidence to permit the Registrar to form an opinion on "use" for each of the registered goods within the meaning of the Act [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448].

[38] As Mr. Spachtholz's evidence is limited to video games, I find the evidence insufficient to demonstrate use of the Trademark within the meaning of sections 4(1) and 45 of the Act in association with the following goods: "(1) ... computer games (programs for); accessories for video and computer games and for similar electronic apparatus, namely, fitted boxes for storing cassettes and floppy discs, games cassettes, floppy discs and cartridges for video and computer games; pre-recorded optical discs containing computer programs for games and musical compositions" and "(3) ...electric and electronic games".

Pre-recorded media goods

[39] The registration includes: "(1) ... pre-recorded optical discs containing computer programs for games and musical compositions"; "(4) Pre-recorded optical discs

containing videos and photos of musical performances, and books about musical performances; audio tape recordings containing musical performances and audiobooks about musical performances; video tape recordings containing musical performances” and “(7) ... pre-recorded DVDs containing musical performances”.

[40] Mr. Spachtholz’s evidence is that the Owner “sells its music on optical discs and box sets which package books and optical discs together” via Kraftwerk’s website [para 12]. He includes excerpts from the website showing images of the products displaying the Trademark, which he states are representative of how they appeared during the relevant period [Exhibit D]. He also includes representative invoices for sales in Canada during the relevant period that identify the products as “The Catalogue BluRay-Box With 228 Pages Book” and “Catalogue CD-Box” [Exhibit E].

[41] Although the invoice identifying the product “The Catalogue BluRay-Box with 228 Pages Book” is outside the relevant period, given the representative nature of the invoices, the other invoice dated within the relevant period, and the clear statements of Mr. Spachtholz, I find that optical discs and box sets of optical discs displaying the Trademark were sold in Canada during the relevant period.

[42] The Requesting Party argues that since the invoices do not state the contents of the discs, they cannot be said to clearly correspond to any of the goods listed in the registration. I disagree. Mr. Spachtholz’s evidence is that the discs contain the owner’s music. I therefore find that the discs most logically correlate with the goods “(7) ... pre-recorded DVDs containing musical performances” and am satisfied that the Owner has demonstrated use of the Trademark within the meaning of sections 4(1) and 45 of the Act in association therewith.

[43] However, in the absence of clear and specific statements or more detailed evidence, documentary or otherwise, pertaining to each of the goods listed in the registration, I am not prepared to infer use of the Trademark in association with the other pre-recorded media goods as argued by the Owner. I reach this conclusion bearing in mind the principles that use evidenced in association with one specific good cannot generally serve to maintain multiple goods within the statement of goods, as the

Owner is required to provide evidence of use for *each* of the registered goods [see *John Labatt, Sharp Kabushiki Kaisha v 88766 Canada Inc* (1997), 72 CPR (3d) 195 (FCTD)]; and that where use in association with a specific good could potentially support two goods in a registration, the more specific registration will be maintained over the more generalized [*Sharp Kabushiki Kaisha* at paras 14-16; *88766 Canada Inc v Freedom Scientific BLV Group, LLC*, 2019 TMOB 129 at paras 30-31; *DLA Piper (Canada) LLP v Huer Foods Inc*, 2019 TMOB 62 at para 19].

[44] As Mr. Spachtholz's evidence is limited to the optical discs discussed above, I find the evidence insufficient to demonstrate use of the Trademark within the meaning of sections 4(1) and 45 of the Act in association with the following goods: "(1) ... pre-recorded optical discs containing computer programs for games and musical compositions"; and "(4) Pre-recorded optical discs containing videos and photos of musical performances, and books about musical performances; audio tape recordings containing musical performances and audiobooks about musical performances; video tape recordings containing musical performances".

Eyewear products

[45] The registration includes: "(1) ... Spectacles, spectacle frames, spectacle cases, 3D glasses, sports goggles".

[46] Mr. Spachtholz states that the Owner "sells 3D glasses and 3D books which bear the Trademark". He includes photographs and an excerpt from Kling Klang's website showing representative images of 3D glasses and a 3D book as they appeared during the relevant period, as well as a representative invoice dated during the relevant period showing a sale in Canada of what is listed as "Kraftwerk 3D Book with 3D Glasses" [para 14, Exhibits G-H].

[47] The evidence shows the cover of a book that displays the Trademark, includes the mention "3-D", and shows an image of 3D glasses, a physical pair of which is attached to the inside cover. I consider the close proximity between the physical pair of 3D glasses and the book cover which displays the Trademark, in addition to the

Trademark on the invoice explicitly describing the product as including 3D glasses, sufficient to provide notice of association between the Trademark and the 3D glasses.

[48] I am therefore satisfied that the Owner has demonstrated use of the Trademark within the meaning of sections 4(1) and 45 of the Act in association with “3D glasses”.

[49] As Mr. Spachtholz’s evidence is limited to 3D glasses, I find the evidence insufficient to demonstrate use of the Trademark within the meaning of sections 4(1) and 45 of the Act in association with the following goods: “(1) ... Spectacles, spectacle frames, spectacle cases, ... sports goggles”.

Mousepads (mousemats)

[50] The registration includes: “(1) ... mousepads (mousemats)”. At the hearing, the Owner acknowledged that the Trademark was not used in Canada during the relevant period in association with these goods but claims special circumstances excusing absence of use. This issue is discussed below.

Skateboards

[51] The registration includes: “(3) Fitness and sports equipment, namely skateboards” and “(6) Skateboards”. Mr. Spachtholz’s evidence is that the Trademark was not used in Canada during the relevant period in association with these goods, but that special circumstances excuse this absence of use. Again, the issue of special circumstances is discussed below.

Sportswear and leisurewear, etc.

[52] The registration includes: “(2) Clothing, namely, sportswear and leisurewear; headgear, namely, hats; cyclists clothing, namely, cycling shirts”; “(7) Cycling jerseys” and “(9) Bicycle gloves and bottles”.

[53] Mr. Spachtholz’s evidence is that the Owner “sells cycling clothing and accessories” via Kling Klang’s website. With regard specifically to Canada, he includes excerpts showing “representative pictures of how the Trademark appears on sportswear

and hats which have been sold in Canada during the Relevant Period”, as well as representative invoices demonstrating sales in Canada [para 15; Exhibits I, J and O].

[54] The Requesting Party argues that the invoices do not demonstrate use in association with all the goods and that notice of association between the Trademark and the goods has not been shown as they are sold via Kling Klang’s website. The Owner responds that the Trademark appears directly on the goods, that any use by Kling Klang enures to the Owner and that use has been shown for all the goods.

[55] Although I agree with the Owner that use by Kling Klang enures to the Owner and that the Trademark appearing directly on the goods disposes of the issue of notice of association, I also agree with the Requesting Party that use has not been demonstrated with all the goods in the registration.

[56] Mr. Spachtholz uses various descriptions in his evidence including “cycling clothing and accessories” and “sportswear and hats” [see para 15], however these descriptions are not the specific goods listed in the registration and no correlation was provided. Moreover, no clear statements were made attesting to the sales of each of the goods listed in the registration in Canada during the relevant period and the representative invoices do not mention each of the goods. For the reasons mentioned earlier, in the absence of any such evidence, I am not prepared to infer use of the Trademark in association with all the goods relating to sportswear, leisurewear and accessories.

[57] The website excerpts show the Trademark on cycling jackets, wind breakers and cycling jerseys as well as on cycling caps, cycling gloves and bottles, however the invoices show sales in Canada during the relevant period only of jackets and wind breakers for cycling, cycling jerseys and cycling caps. In view of the foregoing and Mr. Spachtholz’s statements, I find that the Owner has demonstrated use of the Trademark within the meaning of sections 4(1) and 45 of the Act only with regard to the latter items identified in the invoices, which most logically correlate to the following goods in the registration: “(2) Clothing, namely, sportswear; headgear, namely hats” and “(7) cycling jerseys”.

[58] In contrast, I find the evidence insufficient to demonstrate use of the Trademark within the meaning of sections 4(1) and 45 of the Act in association with the goods “(2) ... leisurewear; cyclists clothing, namely cycling shirts”, or “(9) Bicycle gloves and bottles”.

T-shirts

[59] The registration includes: “(5) T-shirts”. Mr. Spachtholz states that the Owner “sells t-shirts which prominently display the KRAFTWERK Trademark via the Website”. He includes photographs as well as website excerpts showing representative images of t-shirts clearly displaying the Trademark as well as invoices issued to customers in Canada during the relevant period specifically listing t-shirts [para 17, Exhibits L, M and O].

[60] In view of this evidence, I find that the Owner has demonstrated use of the Trademark within the meaning of sections 4(1) and 45 of the Act in association with t-shirts.

Backpacks

[61] The registration includes: “(7) ... backpacks”. Mr. Spachtholz’s evidence is that the Owner “sells backpacks which prominently display the Trademark via the Website”. He includes website excerpts showing representative images of different types of bags, including backpacks, which display the Trademark, as well as representative invoices “demonstrating sales of backpacks in Canada during the Relevant Period” [para 18, Exhibits N and O].

[62] The Requesting Party argues that the invoices identify the products as “shoulder bags”, not backpacks. However, as argued by the Owner, section 45 proceedings are summary in nature and are not the proper venue to debate technical distinctions between products which are highly analogous [*Countryside Cannery Co v Canada (Registrar of Trade Marks)* (1981), 55 CPR (2d) 25 (FC)].

[63] As such, considering Mr. Spachtholz’s assertion that the invoices pertain to backpacks, I find that the Owner has demonstrated a prima facie case of use of the

Trademark within the meaning of sections 4(1) and 45 of the Act in association with backpacks.

Books

[64] The registration includes: “(8) ... 3-D books” and “(9) ... photo books”. Mr. Spachtholz’s evidence with regard to 3-D books is discussed in the section regarding 3D glasses above. This evidence contains a clear statement that 3-D books have been sold in Canada during the relevant period and provides photographs and images from the website showing 3-D books displaying the Trademark as well as a representative invoice demonstrating a sale [para 14, Exhibits G-H].

[65] With regard to photo books, Mr. Spachtholz’s evidence includes website excerpts showing “representative pictures of how the KRAFTWERK Trademark appears on photo books which have been sold in Canada within the Relevant Period”, as well as two representative invoices [para 19, Exhibits P and Q].

[66] The Requesting Party argues that the invoices identify the products as “3-D books” and therefore do not show sales of photo books. Moreover, I note that one of the two invoices provided at Exhibit Q is a duplicate of the sole invoice provided at Exhibit H to support the sale of 3-D books.

[67] That being said, although I agree with the Requesting Party that the evidence is not ideal, it is well established that it need not be perfect. In this case, as argued by the Owner, there is a clear statement by Mr. Spachtholz that photo books were sold in Canada during the relevant period, various images of photo books displaying the Trademark, and a statement that the invoices, which are representative, pertain to photo books. I find this evidence sufficient to demonstrate a prima facie case of use of the Trademark in association with photo books within the meaning of sections 4(1) and 45 of the Act.

Posters

[68] The registration includes: “(9) ... posters”. Mr. Spachholz’s evidence is that the Trademark was not used in association with these goods during the relevant period, but that special circumstances excuse this absence of use [para 20].

Special circumstances

[69] The general rule is that absence of use will be penalized by expungement, but there may be an exception where the absence of use is excusable due to special circumstances [*Smart & Biggar v Scott Paper Ltd*, 2008 FCA 129].

[70] To determine whether special circumstances have been established, the Registrar must first determine, in light of the evidence, why in fact the trademark was not used during the relevant period. Second, the Registrar must determine whether these reasons for non-use constitute special circumstances [*Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)]. The Federal Court has held that special circumstances mean circumstances or reasons that are “unusual, uncommon, or exceptional” [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD) at para 29].

[71] If the Registrar determines that the reasons for non-use constitute special circumstances, the Registrar must still decide whether such special circumstances excuse the period of non-use. This involves the consideration of three criteria: (i) the length of time during which the trademark has not been in use; (ii) whether the reasons for non-use were beyond the control of the registered owner; and (iii) whether there exists a serious intention to shortly resume use [per *Harris Knitting Mills*].

[72] The relevance of the first criterion is apparent, as reasons that may excuse a brief period of non-use may not be sufficient to excuse an extended period of non-use; in other words, the reasons for non-use will be weighed against the length of non-use [*Harris Knitting Mills*]. All three criteria are relevant, but satisfying the second criterion is essential [*Scott Paper*].

[73] With regard more specifically to the Covid-19 pandemic, as has been recently stated in *The Wonderful Company LLC v Fresh Trading Limited*, 2023 TMOB 8 at para 37:

[...] while the pandemic may be an “uncommon, unusual or exceptional” circumstance, it will not automatically excuse non-use of a trademark. It is still necessary to demonstrate that non-use of a trademark is excused because of special circumstances within the framework set out by the Federal Court in *Harris Knitting*. Thus, where an owner submits that the pandemic amounts to special circumstances excusing non-use of its trademark, that owner must first show that non-use of a trademark is in fact due to the pandemic; in other words, it must provide sufficient evidence demonstrating that if not for the pandemic, it would have used the trademark. [...] it is not sufficient for an owner to refer to the pandemic generally without providing sufficient details regarding its impact on the owner’s operations.

[74] Mr. Spachtholz claims that there are special circumstances, namely the Covid-19 pandemic, excusing the absence of use of the Trademark during the relevant period. Although this statement is made generally with respect to all the goods and services for which there has not been use [paras 26-27], the Covid-19 pandemic is specifically claimed as the reason for not using the Trademark in association with:

- (a) Mousepads (mousemats) [para 13, Exhibits F and U];
- (b) Skateboards [para 16, Exhibit K]; and
- (c) Posters [para 20, Exhibits R and U].

[75] Mr. Spachtholz states that the majority of sales of products displaying the Trademark occur on tour at live performances which was not possible during the relevant period as the Owner’s planned concert dates in Canada had to be postponed due to the Covid-19 pandemic [paras 24-26].

[76] Mr. Spachtholz also states that the Owner had to stop selling goods in Canada in 2021 as global supply chains had been affected by the Covid-19 pandemic and shipping costs had dramatically increased [para 27]. With regard specifically to mousepads and skateboards, Mr. Spachtholz states that the Owner was sold out and has not sold any of

the products in Canada within the relevant period “due to supply shortages caused by the Covid-19 pandemic” [paras 13 and 16].

[77] With regard to the registered services, as noted at the outset, I find there to have been use of the Trademark in association with services (2), such that consideration of special circumstances is moot. I do note, however, that Mr. Spachtholz’s evidence regarding special circumstances contains no specific mention or details regarding the various production and publication services as set out in services (1).

[78] With regard to the registered goods, although I accept that the majority of sales of Kraftwerk branded products generally occur at live performances, Mr. Spachtholz’s evidence is also that almost all the goods in the registration were sold online “via the Website”. The evidence demonstrates that online sales, which remained possible throughout the Covid-19 pandemic, were an important part of the Owner’s normal course of trade. Indeed, Mr. Spachtholz specifically states that all three of the goods for which special circumstances excusing non-use are being claimed are sold online [paras 13, 16 and 20]. Postponement of the live performances therefore cannot be said to be the only reason for lack of use of the Trademark in association with these goods.

[79] With regard to lack of sales due to supply chain issues, the Requesting Party argues that it is insufficient to simply allege supply shortages “without further qualification or explanation”. The Owner argues that it has “explained how the Covid-19 pandemic [affected] its ability to operate its business and provided evidence that it has resumed selling these goods once it was able to”.

[80] I agree with the Requesting Party. Mr. Spachtholz’s evidence alleges supply chain issues and increased shipping costs but does not provide further details explaining how the Owner’s ability to operate was affected. For example, it is unclear if sourcing products was impossible despite important efforts, if supply shortages resulted in the Owner deciding to prioritize certain goods over others, or if the Owner made the voluntary business decision not to sell goods in Canada given increased product and shipping costs. This is of particular importance given that poor or unfavorable market conditions are generally not considered special circumstances [*Harris Knitting; Rogers,*

Bereskin & Parr v Registrar of Trade-marks (1987), 17 CPR (3d) 197 (FCTD); *Lander Co Canada Ltd v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)].

[81] In this regard, I note that sales in Canada for certain goods resumed very shortly “after shipping costs were lowered” [see para 27 and Exhibit U], from which evidence it is reasonable to infer that lack of use was the result of a business decision not to operate under unfavourable conditions.

[82] Moreover, it is important to note, as argued by the Requesting Party, that the pandemic did not cover the entire relevant period. In the present case, the Owner’s evidence provides no details explaining lack of use prior to the onset of the Covid-19 pandemic. However, “an owner must provide evidence of reasons (whether individual or cumulative) that prevented it from using a trademark for the entire relevant period” [*The Wonderful Company* at para 41].

[83] In view of the above, I do not consider the Owner’s evidence sufficient to demonstrate that the pandemic or any special circumstance was the reason for lack of use of the Trademark. As such, I find that the Owner has not established special circumstances excusing non-use with respect to any of the registered goods or services within the meaning of section 45(3) of the Act.

DISPOSITION

[84] 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 the following from the statement of goods and services:

Goods

(1) Downloadable electronic publications in the fields of music and Fine Arts; computer games (programs for); accessories for video and computer games and for similar electronic apparatus, namely, fitted boxes for storing cassettes and floppy discs, games cassettes, floppy discs and cartridges for video and computer games; pre-recorded optical discs containing computer programs for games and musical compositions; mousepads (mousemats); Spectacles, spectacle frames, spectacle cases, [...] sports goggles.

(2) [...] and leisurewear; [...] cyclists clothing, namely, cycling shirts.

(3) Fitness and sports equipment, namely, skateboards [...]; electric and electronic games.

(4) Pre-recorded optical discs containing videos and photos of musical performances, and books about musical performances; audio tape recordings containing musical performances and audiobooks about musical performances; video tape recordings containing musical performances.

(5) [...]

(6) Skateboards.

(7) [...]

(8) Notebook cases; [...]

(9) Bicycle gloves and bottles; [...] posters.

Services

(1) Production, editing and publishing of musical performances, films, photos and books; publication and editing of brochures, sheet music, sheet music in printed form, books, posters, banners, film and video showings and sound presentations, and the organisation thereof.

(2) [...]

[85] The amended statement of goods and services will read as follows:

Goods

(1) 3D glasses.

(2) Clothing, namely, sportswear; headgear, namely, hats.

(3) Games, namely, video games

(5) T-shirts.

(7) Cycling jerseys; backpacks; pre-recorded DVDs containing musical performances.

(8) 3-D books.

(9) Photo books.

Services

(2) Arranging and organisation of concerts and musical performances.

Emilie Dubreuil
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2023-09-26

APPEARANCES

For the Requesting Party: Richard Whissell

For the Registered Owner: Nathan Haldane

AGENTS OF RECORD

For the Requesting Party: Perley-Robertson, Hill & McDougall LLP

For the Registered Owner: Fasken Martineau Dumoulin LLP