

ESTTA Tracking number: **ESTTA220592**

Filing date: **06/26/2008**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91177156
Party	Plaintiff H-D Michigan, Inc.
Correspondence Address	LINDA K. MCLEOD FINNEGAN, HENDERSON, FARABOW GARRETT & DUNNER LLP, 901 NEW YORK AVENUE NW WASHINGTON, DC 20001-4413 UNITED STATES
Submission	Plaintiff's Notice of Reliance
Filer's Name	Linda K. McLeod
Filer's e-mail	docketing@finnegan.com, linda.mcleod@finnegan.com, susannah.klank@finnegan.com
Signature	/Linda K. McLeod/
Date	06/26/2008
Attachments	Signed Not of Rel. No. 6 with Exhibits.pdf (39 pages)(1209232 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

<p>H-D MICHIGAN, INC.,</p> <p style="text-align:right">Opposer</p> <p style="text-align:center">v.</p> <p>BRYAN BROEHM,</p> <p style="text-align:right">Applicant.</p>	<p>Opposition No.: 91177156</p> <div style="text-align:center"></div> <p>Mark: Serial No.: 78896325 Filed: May 30, 2006</p>
--	--

OPPOSER'S NOTICE OF RELIANCE NO. 6

H-D Michigan, Inc. ("Opposer") submits of record in connection with this opposition proceeding decisions of the Trademark Trial and Appeal Board and United States Court of Appeals for the Federal Circuit in *Harley-Davidson, Inc. v. Ronda Ag (Ronda S.A.) (Ronda Ltd.)*, Cancellation No. 18,908 (TTAB Aug. 10, 1995 and Feb. 5, 1996), *aff'd, Ronda Ag (Ronda S.A.) v. Harley-Davidson, Inc.*, 1997 U.S. App. LEXIS 3597, No. 96-1297 (Fed. Cir. Feb. 28, 1997) (attached as Exhibits A-C).

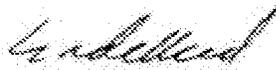
The Federal Circuit has adopted Rule 32.1 that allows the citation of non-precedential decisions, such as *Ronda Ag (Ronda S.A.) v. Harley-Davidson, Inc.* The Board has adopted a similar practice of allowing citation of non-precedential decisions in certain circumstances. See "Citation of Opinions to the Trademark Trial and Appeal Board," *Official Gazette*, January 23, 2007.

In *Ronda Ag (Ronda S.A.) v. Harley-Davidson, Inc.*, the Federal Circuit affirmed the Board's order granting summary judgment to Harley-Davidson, Inc. on the grounds of priority of use and likelihood of confusion against Ronda's registration of the mark HARLEY for watches. 1997 U.S. App. LEXIS 3597, *4. Both the Board and the Federal

Circuit recognized Harley-Davidson, Inc.'s prior registrations and use of the marks HARLEY-DAVIDSON and HARLEY in connection with motorcycles, clothing, jewelry, and watches. *Id.* at *3-4. In affirming the Board, the Federal Circuit specifically held that "HARLEY-DAVIDSON is a well-known and famous trademark." *Id.* at *3.

In this case, Opposer has submitted the same and more substantial and compelling evidence of the fame of its HARLEY-DAVIDSON, HARLEY, and BAR & SHIELD marks. Accordingly, the Board should consider these prior decisions, coupled with the evidence of record, as compelling evidence of the fame of Opposer's marks.

Respectfully Submitted,



Date: June 26, 2008

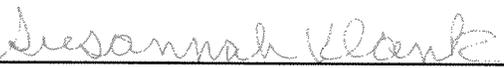
David M. Kelly
Linda K. McLeod
Jonathan M. Gelchinsky
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.
901 New York Avenue, NW
Washington, DC 20001-4413
Telephone: (202) 408-4000
Facsimile: (202) 408-4400

Attorneys for Opposer
H-D Michigan, Inc.

CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing OPPOSER'S NOTICE OF RELIANCE NO. 6 was served by first class mail, postage prepaid, on this 26th day of June 2008, upon Bryan Broehm at the following address:

Bryan Broehm
331 Gazetta Way
West Palm Beach, FL 33413-1053



U.S. Trademark Opposition No. 91177156
H-D Michigan, Inc. v. Bryan Broehm
Serial No. 78896325

Mark: 

Exhibit A

McLeod



AUG 10 1995

PAT. & T.M. OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Cancellation No. 18,908

Harley-Davidson, Inc.

21376

v.

Ronda AG (Ronda S.A.)
(Ronda Ltd.)

Before Rice, Simms, and Seeherman, Administrative Trademark
Judges.

By the Board:

Harley-Davidson, Inc. filed a petition to cancel the Supplemental Registration of Ronda AG (Ronda S.A.) (Ronda Ltd.) for the mark HARLEY used in connection with mechanical and quartz watches, mechanical and quartz movements and watch parts.¹ As grounds for cancellation petitioner asserts that respondent's mark (as shown below),

Harley

¹ Registration No. 1,197,062 issued June 1, 1982 on the Supplemental Register, asserting a date of first use of August 23, 1979 and date of first use in commerce of June 5, 1980. Section 8 affidavit accepted.

when applied to respondent's goods, so resembles petitioner's trademarks HARLEY-DAVIDSON and/or HARLEY used in connection with a wide variety of goods, including motorcycles, jewelry, clocks, watches, pins, earrings, necklaces, bracelets, belt buckles, sunglasses, wallets, tote bags and clothing, as to be likely to cause confusion. Petitioner alleges that it has sold the aforementioned goods in the same channels of trade and to the same customers as respondent, and that purchasers are likely to assume that respondent's goods originated with petitioner. Petitioner further alleges that it has priority of use of the HARLEY and/or HARLEY-DAVIDSON marks; that it has used HARLEY-DAVIDSON on motorcycles since 1906, and on jewelry items since at least as early as 1923. Petitioner claims ownership of several trademark registrations for the HARLEY and HARLEY-DAVIDSON marks.² Petitioner asserts that the term HARLEY is the dominant

² Petitioner claims ownership of the following registrations (current status and title copies were filed in support of petitioner's motion for summary judgment):

Registration No. 507,163, HARLEY-DAVIDSON issued March 1, 1949 on the Principal Register under Section 2(f) for clothing, namely, motorcycle shirts, sweaters, breeches, neckties, coveralls, rain coats and hats, jackets, helmets, caps and boots. Renewed March 1, 1989.

Registration No. 522,500, HARLEY-DAVIDSON issued March 21, 1950 on the Principal Register under Section 2(f) for jewelry, namely, pins, cap badges and finger rings. Renewed March 21, 1990.

Registration No. 1,001,189, HARLEY-DAVIDSON and design issued January 7, 1975 on the Principal Register for, among other things, key rings, lapel pins, strings of pennants and T-shirts. Section 8 affidavit accepted & Section 15 affidavit filed.

Registration No. 1,205,380, HARLEY-DAVIDSON MOTOR COMPANY and design issued August 17, 1982 on the Principal Register for motorcycles and clothing items. Section 8 affidavit accepted & Section 15 affidavit filed.

Registration No. 1,223,355, HARLEY-DAVIDSON issued January 11, 1983 on the Principal Register for jewelry, namely, necklaces, pins, finger rings and earrings. Section 8 affidavit accepted & Section 15 affidavit filed.

Cancellation No. 18,908

portion of its HARLEY-DAVIDSON marks and that since prior to respondent's alleged date of first use, the media has used HARLEY-DAVIDSON and HARLEY interchangeably to identify petitioner and its products. Petitioner also asserts that respondent has abandoned use of the HARLEY mark, with no intent to resume use, for at least two consecutive years.

Respondent, in its answer, denied all the salient allegations of the petition to cancel, but admitted that its date

Registration No. 1,234,404, HARLEY-DAVIDSON issued April 12, 1983 on the Principal Register for, among other things, sunglasses, helmets and clothing. Section 8 affidavit accepted & Section 15 affidavit filed.

Registration No. 1,263,936, HARLEY-DAVIDSON MOTOR CYCLE and design issued January 17, 1984 on the Principal Register for a wide variety of goods, including, jewelry, namely, necklaces, rings and key fobs, and clothing. Section 8 affidavit accepted & Section 15 affidavit filed.

Registration No. 1,352,679, HARLEY issued August 6, 1985 on the Principal Register for motorcycles. Section 8 affidavit accepted & Section 15 affidavit filed.

Registration No. 1,365,211, HARLEY issued October 15, 1985 on the Principal Register for various motorcycle parts and accessories. (Total cancellation under Section 8 on May 29, 1992).

Registration No. 1,406,876, HARLEY issued August 26, 1986 on the Principal Register under Section 2(f) for clothing. Section 8 affidavit accepted & Section 15 affidavit filed.

Registration No. 1,450,348, HARLEY-DAVIDSON issued August 4, 1987 on the Principal Register for a wide variety of goods, including various clothing items, necklaces, earrings, pins, clocks and watches. Section 8 affidavit accepted & Section 15 affidavit filed.

Registration No. 1,660,539, HARLEY-DAVIDSON MOTOR CYCLES and design issued October 15, 1991 on the Principal Register for, among other things, various clothing items; motorcycles and parts therefor; ankle bracelets, bracelets, earrings, necklaces, rings, tie tacks, watch bands, watches, wall clocks, ornamental lapel pins, and stick pins.

Registration No. 1,681,490, HARLEY-DAVIDSON issued April 7, 1992 on the Principal Register for ankle bracelets, necklaces, bracelets, tie tacks and watch bands.

of first use was August 23, 1979. Respondent also raised the affirmative defenses of laches and acquiescence.

This case now comes up for consideration of the parties' cross-motions for summary judgment. The motions have been fully briefed by the parties.

Petitioner argues that there are no genuine issues of material fact for trial in this case as to the issues of priority and likelihood of confusion. Specifically, petitioner contends that it has priority of use of the HARLEY-DAVIDSON mark for clocks, jewelry and clothing based upon its earlier issued registrations and affidavit averments. Petitioner further maintains that confusion is likely because HARLEY-DAVIDSON is a famous mark with substantial sales revenues for a wide variety of products and because respondent's HARLEY mark is identical to the dominant portion of petitioner's HARLEY-DAVIDSON marks. Petitioner contends that consumers, the print media, the financial community and petitioner itself use the term HARLEY to identify petitioner and its products. Petitioner also argues that the goods of petitioner and respondent are closely related because they share the same channels of trade and class of purchasers.

As evidence in support of its motion for summary judgment petitioner offered, among other things, the declarations, with accompanying exhibits, of several Harley-Davidson, Inc. employees, including, Thomas C. Bolfert, director of advertising and promotions for parts and accessories; Thomas G. Parsons, director of trademark licensing; Linda S. Drake, assistant

secretary and assistant general counsel; Steve Bruno, manager for mechanical accessories; Dennis J. Stepleton, product manager; and Kenneth Ehle, manager of the Harley's Owners Group. Petitioner also submitted the declaration of Jerome Renner, owner of The House of Harley-Davidson motorcycle dealership; status and title copies of several Harley-Davidson, Inc. registrations; various discovery requests and responses thereto; books; company publications and catalogs; advertisements; general circulation newspaper articles, and magazine articles.

In opposition to petitioner's motion, and in support of its own cross-motion for summary judgment, respondent argues that summary judgment should be granted in its favor because petitioner is barred from asserting likelihood of confusion under the equitable doctrine of laches. Respondent maintains that petitioner had notice of respondent's mark at least as early as 1985, but that petitioner did not object to respondent's use of the mark until filing the petition to cancel. Respondent contends that it has continuously used the HARLEY mark and has accumulated millions of dollars of sales thereunder.

Respondent also argues that judgment should be granted in its favor on the issues of likelihood of confusion and priority. Specifically, respondent argues that petitioner has not established priority of use of HARLEY and/or HARLEY-DAVIDSON on watches specifically. Respondent also contends that petitioner has not proven the fame of its marks in connection with watches or timepieces; that HARLEY is a common surname and/or given name;

that the parties' respective goods are distinguishable; and that there have been no instances of actual confusion.

In support of its motion, respondent submitted the declarations of Irving Wein, president of Benrus Watch Co.; Ingrid Moenckert, vice-president of Hempden Watch Co.; Eduard Rebmann, vice-president of Tropex Inc.; and Jay Meiselman, president of Timely Innovations Ltd. Respondent also provided various discovery requests and responses thereto; a copy of a notice of reliance submitted in connection with a prior Board proceeding involving petitioner (Opposition No. 70,159); and the declaration of Paul Sutter, general manager of Ronda Watch Corporation America (and accompanying exhibits, including sample catalog pages, invoices, marketing contracts and advertisements).

In response to the cross-motion for summary judgment on the issue of laches, petitioner maintains that laches is not a defense in a cancellation proceeding involving a Supplemental Register registration. Furthermore, petitioner argues that it is not guilty of laches; and that although it first became aware of respondent's registration shortly after October 31, 1985, it did not take action against respondent because it believed respondent only used the term HARLEY in connection with watch movements and parts which are placed in cases made by other watch manufacturers. Petitioner argues that respondent's registration first became an issue when it was cited against petitioner's pending trademark application. Petitioner also argues that respondent has presented no proof that it relied to its detriment on an act or omission on the part of petitioner.

A party is entitled to summary judgment when it has demonstrated that there are no genuine issues as to any material fact, and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c); see *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S. Ct. 2548 (1986). A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. See *Opryland USA Inc. v. Great American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992); *Old Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992). The evidence must be viewed in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993); *Opryland USA*, *supra*.

A. Laches

Turning first to the defense of laches, the burden is on respondent, as the party asserting laches, to prove: (1) petitioner's knowledge of respondent's registration; (2) petitioner's delay in seeking cancellation of respondent's registration, and (3) respondent's prejudice resulting from the delay. See *National Cable Television Association, Inc. v. American Cinema Editors Inc.*, 937 F.2d 1572, 1581, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991).

As an initial matter, we reject petitioner's contention that laches is not a valid defense in a cancellation proceeding involving a mark registered on the Supplemental Register.

Where, as here, petitioner alleges likelihood of confusion as a ground for cancellation of a Supplemental Register registration, the respondent may assert laches as a valid defense. Section 19 of the Trademark Act, 15 U.S.C. § 1069, explicitly provides that "[i]n all inter partes proceedings equitable principles of laches, estoppel, and acquiescence, where applicable may be considered and applied." See *National Cable, supra*; *Ralston Purina Company v. Midwest Cordage Company, Inc.*, 373 F.2d 1015, 1018, 153 USPQ 73, 75-76 (CCPA 1967). Section 26 of the Act, 15 U.S.C. § 1094, provides that applications and registrations on the Supplemental Register shall not be subject to or receive the advantages of specified sections of the Act. In this case, Section 19 is not one of those specified sections, and thus applies to the involved registration.³

With respect to the elements of the defense of laches, respondent need not, as asserted by petitioner, prove that petitioner had knowledge of actual use of respondent's mark. In a cancellation or opposition proceeding, laches is determined based upon the time running from the plaintiff's knowledge of the defendant's application or registration. See *National Cable, supra*. In this case, respondent has established that there are no genuine issues of material fact as to petitioner's knowledge of respondent's registration and its delay in pursuing this

³ The Board has found that laches is not a valid defense in an inter partes proceeding based on the ground of descriptiveness or genericness. See *Yankee, Inc. v. Geiger*, 216 USPQ 996 (TTAB 1982); *Care Corp. v. Nursecare International, Inc.*, 216 USPQ 993 (TTAB 1982). Similarly, laches is not an available defense against a claim of fraud or abandonment. See *TBC Corp. v. Grand Prix, Ltd.*, 12 USPQ2d 1311 (TTAB 1989); see generally 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 20.11[2], p. 20-68 (3d ed. 1992).

action. Indeed, petitioner admits that it became aware of respondent's registration, at least as early as 1985, in connection with a prior Board proceeding.

Nevertheless, we find that respondent has failed to carry its burden of showing prejudice to itself as a result of petitioner's inaction. Respondent's vague averments of 100,000 watch movements sold since 1982 and millions of dollars of sales under the HARLEY mark, are too imprecise to equate with petitioner's delay in bringing this action. (Sutter Dec. ¶¶ 4 & 11). Respondent has presented no other viable evidence, such as increased sales and promotional expenditures or substantial growth in trade, during the time since petitioner first became aware of respondent's registration. Moreover, we can find no evidence of decisions made by respondent in reliance upon petitioner's purported inaction.

B. Priority

We turn then to the issue of priority. The Board finds that there are no genuine issues of material fact as to petitioner's priority of use of its pleaded HARLEY-DAVIDSON mark(s). The documentary evidence submitted in connection with the pending motions, including petitioner's valid and subsisting registrations, shows beyond dispute that petitioner's use of the HARLEY-DAVIDSON mark(s) precedes respondent's use of the involved mark, at least with respect to clothing and jewelry. (Drake Dec. ¶ 4 and Ex. 1-3; Bolfert Dec. ¶¶ 5-15 and Ex. 5 & 6). In particular, petitioner's Registration No. 522,500 for the mark HARLEY-DAVIDSON for, *inter alia*, pins and finger rings issued in

1950, substantially earlier than respondent's asserted first use of August 23, 1979. Furthermore, the declaration of Thomas C. Bolfert, director of advertising and promotion for parts and accessories for Harley-Davidson, Inc., attests that petitioner first used the HARLEY-DAVIDSON mark on jewelry in 1923. (Bolfert Dec. ¶ 8).

In order to show priority, petitioner need not, as urged by respondent, show prior use of the exact term HARLEY with respect to watches and/or watch parts specifically. In a cancellation proceeding under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), the priority of use issue is whether petitioner's use of its pleaded mark(s) on its goods precedes respondent's use of its involved mark on its specified goods, not whether petitioner can show use of the same mark, and on the same goods, as those covered by respondent's subject registration. See *Baroid Drilling Fluids Inc. v. Sun Drilling Products*, 24 USPQ2d 1048 (TTAB 1992).

Accordingly, summary judgment on the issue of priority is hereby granted in petitioner's favor. In view of the foregoing, and inasmuch as petitioner's standing is not in dispute in this case, we now turn to the issue of likelihood of confusion.

C. Likelihood of Confusion

After careful review of the arguments and documentary materials of record, we find that petitioner has carried its burden of showing prima facie the absence of any genuine issue of material fact and its entitlement to judgment as a matter of law on the issue of likelihood of confusion. In reaching this

decision, the Board has carefully considered the relevant likelihood of confusion factors enumerated in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

There is no doubt, based on the evidence presented, that HARLEY-DAVIDSON is a well-known and famous trademark. Harley-Davidson has been manufacturing motorcycles in the United States since 1903 and it is the sole remaining manufacturer of motorcycles in this country. (Bolfert Dec. ¶¶ 4-5). From 1984 to 1991, petitioner's product sales totaled approximately \$3.5 billion dollars and advertising and promotional expenses equaled \$64 million dollars. (Bolfert Dec. ¶ 6). For many years, petitioner has been engaged in an aggressive catalog sales and licensing campaign involving a wide variety of products, including, clothing, jewelry, and clocks. (Bolfert Dec. ¶¶ 8-11, 13-15 and Ex. 5-37; Parsons Dec. ¶¶ 4-11). This evidence establishes that HARLEY-DAVIDSON is a famous trademark entitled to a broad scope of protection. Indeed, respondent has presented no evidence to contradict or otherwise dispute the fame of petitioner's mark(s).

In considering the similarity of the marks themselves, we recognize that the marks are to be viewed in their entireties. However, it is settled that one portion of a mark may be considered more prominent in determining similarity. See *In re National Data Corporation*, 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985). In this regard, petitioner has presented persuasive evidence that ordinary purchasers, the print media and petitioner itself use and recognize HARLEY as a shorted form or nickname for

HARLEY-DAVIDSON products. (Bolfert Dec. ¶¶ 16-20 and Ex. 38-92); See also *Harley-Davidson Motor Co. v. Pierce Foods Corp.*, 231 USPQ 857 (TTAB 1986). For example, typical newspaper and magazine articles refer to "Harley products," "Harley denims," "Harley gear," "Harley Speeds Into the '90's," "Harley cologne" and "Harley-ware." (Bolfert Dec. ¶¶ 16-20 and Ex. 56 & 82). Based upon the foregoing, we are convinced that HARLEY is virtually synonymous with HARLEY-DAVIDSON and that respondent's HARLEY mark is confusingly similar to petitioner's mark(s).

We reject respondent's argument that HARLEY is a common surname and/or given name and that petitioner's mark should therefore be afforded a narrower scope of protection. That petitioner's marks have been in use for a significant period of time rebuts any claim of nondistinctiveness made or implied by respondent. Moreover, as noted above, there is no doubt that HARLEY-DAVIDSON is a strong, famous mark and that HARLEY is widely recognized as the dominant portion of that mark. As noted by the Court of Appeals for the Federal Circuit, famous marks, including famous surnames, enjoy a wide latitude of protection. See *Kenner Parker Toys Inc. v. Rose Art Industries Inc.*, 963 F.2d 350, 352-53, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992); see also *McDonald's Corp. v. McKinley*, 13 USPQ2d 1895, 1900 (TTAB 1990). That is, the fame of petitioner's mark enhances the likelihood of confusion in this case, because purchasers are likely to take less care in purchasing goods sold under the mark or what they mistakenly assume to be the mark. See *Kenner Parker, supra*;

Specialty Brands, Inc. v. Coffee Bean Distributors, Inc., 748 F.2d 669, 674-75, 223 USPQ 1281, 1284 (Fed. Cir. 1984).

We find that there are no genuine issues of material fact as to the relatedness of the goods. Contrary to respondent's assertion, it is not necessary that the goods be identical in order to find a likelihood of confusion. It is sufficient that there is a relationship between the goods such that persons encountering them under their respective marks are likely to assume that they originate from the same source or that there is some association between the sources. See *McDonald's Corp.*, 13 USPQ2d at 1898. In this case, petitioner has introduced evidence of extensive use of HARLEY-DAVIDSON in connection with jewelry and clothing products. (Drake Dec. ¶ 4 and Ex. 1-3 and Stapleton Dec. ¶ 3).⁴ The declarations submitted in support of petitioner's motion show sales of HARLEY-DAVIDSON jewelry and clothing in catalogs, retail motorcycle dealerships and general merchandise department stores, including JC Penney, K-Mart and Target. (Stapleton Dec. ¶ 11; Renner Dec. ¶ 13 and Bolfert Dec. ¶ 15). The evidence of record also establishes beyond dispute that watches, jewelry and clothing items are frequently advertised in the same catalogs and magazine publications and sold in the same retail stores and/or locations within such stores. (Stapleton Dec. ¶ 11 and Bolfert Dec. ¶ 16 and Ex. 83).

⁴ Respondent's arguments that petitioner cannot prevail on a claim of priority and/or likelihood of confusion because petitioner has failed to show "continued use" or "actual use" of its mark in connection with watches, jewelry and/or clothing are not supportable in this case. Such claims are tantamount to an attack on the validity of petitioner's pleaded registrations and should have been properly raised by means of a timely counterclaim for cancellation of petitioner's pleaded registrations.

For example, an article in the March 2, 1989 *Tampa Tribune* entitled "*Harley's Drive Biker Gear Into Mainstream Fashion*" reports:

"The clothing end of Harley-Davidson has just exploded," says Sandy Barnes, wife of the owner and buyer for the dealership boutique. "Initially there were just T-shirts, leather jackets and helmets. Now there is a big market explosion of products."

Dozens of T-shirt styles fill shelves of her store. There are leather jackets, vests, pants and chaps, plus an array of clothes in denim. Jewelry, patches, lingerie, sunglasses and home accessories are stocked in glass cases.

And Harley products are not confined to bike shops. Harley denims are carried nationwide by JCPenney and Merry Go Round stores.

Biker jewelry is rolling into Special Effects jewelry stores. "It's a hot trend." says Sherry Hudson, manager of the shop at Tampa Bay Center.

Respondent argues that confusion is not likely because it uses HARLEY primarily on internal watch parts which are not seen by ordinary consumers. It has been repeatedly held, however, that when evaluating likelihood of confusion the Board must consider the identification of goods set forth in the relevant registration, regardless of what the record may reveal as to the particular nature of the goods, their actual channels of trade or class of prospective purchasers. *Canadian Imperial Bank of Commerce, N.A. v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987). Respondent's registration is not restricted in the manner asserted. The Board must presume, therefore, that the involved goods include mechanical and quartz watches which travel through channels of trade normally associated with said goods. Moreover, respondent's own evidence shows use of the HARLEY mark

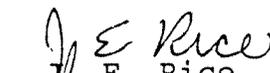
on watch faces which are undoubtedly viewed by ordinary consumers. (Sutter Dec. ¶¶ 5 & 9 and Ex. B).

With respect to respondent's argument that confusion is not likely because petitioner's use of the mark is primarily on promotional articles related to petitioner's motorcycles, we are not persuaded. Petitioner owns at least three earlier issued trademark registrations for the HARLEY-DAVIDSON mark in connection with jewelry and clothing items. Moreover, as noted above, it is undisputed that petitioner has an aggressive retail store, catalog sales, and licensing campaign related to a wide range of HARLEY-DAVIDSON goods, including jewelry and clothing. While petitioner may be most known for motorcycles, it is undeniable that consumers are now conditioned to expect to see petitioner's mark on a number of different products and to attribute petitioner as the source thereof. Both our reviewing court and this Board have long recognized that the fact that a party's expanded use of its mark may be on collateral goods which are directly or indirectly promotional is immaterial where consumers are used to seeing the senior party's mark on such goods and are likely be confused by a junior party's use of a similar mark on the same or related goods. *See Squirtco v. Tomy Corp.*, 697 F.2d 1034, 216 USPQ 937 (Fed. Cir. 1983); *Harley-Davidson Motor Co. v. Pierce Foods Corp.*, 231 USPQ 857 (TTAB 1986); *Bridgestone Tire Co. v. Bridgestone Trading Co.*, 221 USPQ 1012 (TTAB 1984); see also 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 24.03[4][b], p. 24-20 (3d ed. 1992).

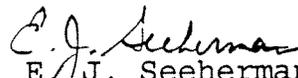
As to the issue of actual confusion, while evidence of actual confusion is a factor in establishing a likelihood of confusion, the absence thereof is not determinative. Petitioner is not required to prove actual confusion in order to make a prima facie showing of likelihood of confusion. See *Block Drug Co. Inc. v. Den-Mat Inc.*, 17 USPQ2d 1315 (TTAB 1989); *Airco, Inc. v. Air Equipment Rental Co., Inc.*, 210 USPQ 492 (TTAB 1980).

DECISION & ORDER SUMMARY

Petitioner's motion for summary judgment on the issues of priority and likelihood of confusion is granted. Respondent's cross-motion for summary judgment is denied. Judgment is hereby entered against respondent, the petition to cancel is granted and Registration No. 1,197,062 will be cancelled in due course.⁵


J. E. Rice


R. L. Simms


E. J. Seeherman
Administrative Trademark
Judges, Trademark Trial
and Appeal Board

⁵ The Board notes that petitioner raised for the first time in its brief in response to respondent's cross-motion for summary judgment the argument that respondent has abandoned its mark with respect to mechanical and quartz watches and a request for partial cancellation of the registration as to those goods. We decline to construe petitioner's argument as a motion for summary judgment on the claim of abandonment. Petitioner's original motion for summary judgment did not seek a determination of the abandonment claim. Moreover, a party may not obtain summary judgment on an issue which has not been pleaded. See Fed. R. Civ. P. 56(a) and 56(b). Petitioner has not pleaded a claim for partial cancellation of a registration under Section 18 of the Trademark Act, 15 U.S.C. § 1127. See *Eurostar, Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG, Spezialfabrik fur Reitbekleidung*, 34 USPQ2d 1266, 1270 (TTAB 1994).

U.S. Trademark Opposition No. 91177156
H-D Michigan, Inc. v. Bryan Broehm
Serial No. 78896325

Mark: 

Exhibit B

21376

McLeod

DUE DATE: 4/5/96
REVIEW DATE: 4/5/96
ENTERED BY: [Signature]

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Cancellation No. 18,908

Harley-Davidson, Inc.

v.

Ronda AG (Ronda S.A.)
(Ronda Ltd.)

MAILED
FEB 5 1996
PAT. & T.M. OFFICE

Before Rice, Simms, and Seeherman, Administrative Trademark Judges.

By the Board:

This case now comes up for consideration of respondent's combined request for reconsideration of the Board's decision of August 10, 1995 and motion to amend the description of goods in the involved registration. Petitioner has filed a brief in opposition to respondent's filing.

21376 Appeal to CAFC
April 5, 1996

Request for Reconsideration

The issue presented by the request for reconsideration is whether, based on the facts before it and the applicable law, the Board erred by granting petitioner's motion for summary judgment on the issue of likelihood of confusion and denying respondent's cross-motion for summary judgment on the issue of laches. After careful review of the record, the Board finds that it did not err.

Contrary to respondent's assertion, where there are cross-motions for summary judgment each party bears the burden, in

Cancellation No. 18,908

regard to its own motion, of establishing that there are no genuine issues of material fact and that it is entitled to prevail as a matter of law. See Fed. R. Civ. P. 56(c). In this case, it is the respondent, as the moving party on the issue of laches, who carried the burden of establishing the absence of a genuine issue of material fact as to: (1) petitioner's knowledge of respondent's registration; (2) petitioner's delay in seeking cancellation of respondent's registration, and (3) respondent's prejudice resulting from the delay. See *National Cable Television Association, Inc. v. American Cinema Editors Inc.*, 937 F.2d 1572, 1581, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991). We remain of the view that respondent failed to carry its burden. That is, respondent failed to submit viable evidence of prejudice resulting specifically from petitioner's inaction.

With respect to likelihood of confusion, we believe that our ruling was correct and free from error. Based upon the record before us, we are convinced that petitioner carried its burden of establishing the absence of a genuine issue of material fact and its entitlement to judgment as a matter of law on the issue of likelihood of confusion, including the fame of its mark, the prominent use of HARLEY and HARLEY-DAVIDSON, and the relatedness of the involved goods. See *Kenner Parker Toys Inc. v. Rose Art Industries Inc.*, 963 F.2d 350, 352-53, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992); *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289 (Fed. Cir. 1984); *McDonald's Corp. v. McKinley*, 13 USPQ2d 1895 (TTAB 1990).

Accordingly, respondent's request for reconsideration is hereby denied.

Motion to Amend

Turning now to the motion to amend, respondent seeks to amend the description of goods in its registration to delete mechanical and quartz watches. Petitioner objects to the amendment.

Trademark Rule 2.133(a) provides that a registration which is the subject of an inter partes proceeding before the Board may not be amended in substance, except with the consent of the other party or parties and the approval of the Board, or except upon motion. A motion to amend a registration in substance made without the consent of the other party should be made prior to trial or prior to the Board's decision on summary judgment, in order to give the other party fair notice. See *Personnel Data Systems Inc. v. Parameter Driven Software Inc.*, 20 USPQ2d 1863 (TTAB 1991); *Flow Technology Inc. v. Picciano*, 18 USPQ2d 1970 (TTAB 1991); *Space Base Inc. v. Stadis Corp.*, 17 USPQ2d 1216 (TTAB 1990).¹

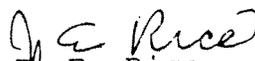
In the instant case, respondent seeks to amend the description of goods in its registration to avoid an adverse judgment on the likelihood of confusion claim. However, respondent's motion comes after the Board's decision on summary

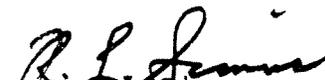
¹ A defendant whose registration is the subject of a Board inter partes proceeding may also raise, as an affirmative defense in its answer, that it is at least entitled to a registration with a particular restriction. See Section 18 of the Act, 15 U.S.C. § 1068; Trademark Rules 2.133(a) and 2.133(b); *Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG*, 34 USPQ2d 1267 (TTAB 1994); *Personnel Data Systems*, supra. Respondent herein has not utilized this procedure, but rather moves the Board at this late stage to amend the description of goods.

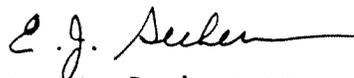
judgment, and well after the time for filing a brief in connection with such motion. At no earlier time did respondent argue or move to amend the description of goods. In consequence, neither petitioner nor this Board has been put on timely notice of the proposed restriction. See *Personnel Data Systems, supra*.

In view of the foregoing, respondent's motion is denied as untimely.

In accordance with the Board's order of August 10, 1995, Registration No. 1,197,062 will be cancelled in due course.


J. E. Rice


R. L. Simms


E. J. Seeherman
Administrative Trademark
Judges, Trademark
Trial and Appeal Board

U.S. Trademark Opposition No. 91177156
H-D Michigan, Inc. v. Bryan Broehm
Serial No. 78896325

Mark: 

Exhibit C

Service: Get by LEXSEE®

Citation: 1997 U.S. App. LEXIS 3597

1997 U.S. App. LEXIS 3597, *

RONDA AG (RONDA S.A.) (RONDA LTD.), Appellant, v. HARLEY-DAVIDSON, INC., Appellee.

96-1297

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

1997 U.S. App. LEXIS 3597

February 27, 1997, Decided

NOTICE: [*1] RULES OF THE FEDERAL CIRCUIT COURT OF APPEALS MAY LIMIT CITATION TO UNPUBLISHED OPINIONS. PLEASE REFER TO THE RULES OF THE UNITED STATES COURT OF APPEALS FOR THIS CIRCUIT.

SUBSEQUENT HISTORY: Reported in Table Case Format at: 108 F.3d 1393, 1997 U.S. App. LEXIS 9942.

PRIOR HISTORY: Appeal from the Trademark Trial and Appeal Board. (Cancellation No. 18,908).

DISPOSITION: Affirmed.

CASE SUMMARY

PROCEDURAL POSTURE: Appellant trademark owner sought review of the order of the Trademark Trial and Appeal Board, which granted appellee objector's motion for summary judgment for cancellation of the trademark owner's trademark. The trial board found the likelihood of confusion between the trademark owner's mark registered on the Supplemental Register and the objector's registered trademark. The trademark owner raised the defense of laches.

OVERVIEW: Appellant trademark owner had registered a trademark for watches and watch parts on the Supplemental Register. Appellee objector held a registered trademark that it used for, inter alia, jewelry and watches. The objector's registrations on jewelry and clothing pre-dated that of the trademark owner, although the objector's registration on watches per se was later than that of the trademark owner's. The objector sought cancellation of the trademark owner's registration on the grounds of priority of use and likelihood of confusion. The trial board granted the objector's motion for summary judgment on the priority and confusion issues and denied the trademark owner's motion for summary judgment on its defense of laches. The court summarily approved of the trial board's grant of the objector's motion for summary judgment. The court found that the trademark owner bore the burden of proof on the affirmative defense of laches and that it had not pointed to specific facts that showed that the trademark owner suffered prejudice from the delay. The court affirmed the trial board.

OUTCOME: The court affirmed the trial board's grant of summary judgment to appellee objector on the issues of priority and confusion and its denial of summary judgment to appellant trademark owner on the laches issue.

CORE TERMS: laches, summary judgment, watch, registration, trademark, genuine, brand, issue of material fact, declaration, clothing, advertising, assembled, jewelry, conclusory, assigned, registered, cancel, failed to raise, affirmative defense, burden of proof, prejudice resulting, de novo, millions of dollars, period of time, cancellation, continually, promotional, expenditure, undisputed, correctly

LEXISNEXIS® HEADNOTES

- Hide

Civil Procedure > Summary Judgment > Appellate Review > Standards of Review

Civil Procedure > Appeals > Standards of Review > De Novo Review

Trademark Law > Infringement Actions > Summary Judgment > Standards

HN1 * Proceedings before the Trademark Trial and Appeal Board (Board) are governed by Federal Rules of Civil Procedure, and the Board may grant summary judgment when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. The appellate court reviews the Board's grant of summary judgment de novo. [More Like This Headnote](#)

Trademark Law > Likelihood of Confusion > Consumer Confusion > General Overview

HN2 * While evidence of actual confusion is a factor in establishing a likelihood of confusion, the absence thereof is not determinative. [More Like This Headnote](#)

Antitrust & Trade Law > Clayton Act > Defenses

[Civil Procedure](#) > [Pleading & Practice](#) > [Defenses, Demurrers, & Objections](#) > [Affirmative Defenses](#) [↕]

[Trademark Law](#) > [U.S. Trademark Trial & Appeal Board Proceedings](#) > [General Overview](#) [↕]

HN3 [↕] 15 U.S.C.S. § 1069 provides that laches may be considered and applied in all inter parties proceedings. For a party to prevail on the defense of laches, it must show: (a) the other party unduly delayed in asserting rights against it, and (b) it suffered prejudice resulting from the delay. [More Like This Headnote](#) | [Shepardize: Restrict By Headnote](#)

[Civil Procedure](#) > [Appeals](#) > [Standards of Review](#) > [Harmless & Invited Errors](#) > [General Overview](#) [↕]

HN4 [↕] An appellant must show not only that the lower tribunal engaged in a faulty analysis, but also that the correct analysis would bring a different result. [More Like This Headnote](#)

[Civil Procedure](#) > [Summary Judgment](#) > [Burden of Production & Proof](#) > [Nonmoving Party](#) [↕]

[Civil Procedure](#) > [Summary Judgment](#) > [Opposition](#) > [General Overview](#) [↕]

[Civil Procedure](#) > [Summary Judgment](#) > [Standards](#) > [Genuine Disputes](#) [↕]

HN5 [↕] To defeat a motion for summary judgment, the nonmoving party must make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial. Laches is an affirmative defense on which the nonmoving party bears the burden of proof. To defeat the motion for summary judgment based on the laches defense, the nonmoving party must point to specific facts showing that there is a genuine issue for trial. Mere denials or conclusory statements do not raise a genuine issue of material fact. [More Like This Headnote](#)

JUDGES: Before LOURIE, CLEVENGER, and SCHALL, Circuit Judges.

OPINION BY: CLEVENGER

OPINION

CLEVENGER, *Circuit Judge*.

Ronda AG (Ronda), also known abroad as Ronda S.A. and Ronda Ltd., appeals from the decision of the Trademark Trial and Appeal Board (Board) granting summary judgment to the cancellation petitioner Harley-Davidson, Inc. (H-D) based on likelihood of confusion between H-D's registered trademarks HARLEY-DAVIDSON and HARLEY and Ronda's HARLEY mark registered on the Supplemental Register. We *affirm* because the Board correctly decided the likelihood of confusion issue and because Ronda failed to raise a genuine issue of material fact with respect to its laches defense.

I

Ronda is the owner of the mark HARLEY, registered on the Supplemental Register on June 1, 1982, for mechanical and quartz watches, mechanical and quartz movements, and watch parts in International Class 14. First use of the mark allegedly occurred in the United States as early [*2] as June 5, 1980.

H-D is the owner of the mark HARLEY DAVIDSON and owns several registrations of the mark for, *inter alia*, jewelry, watches, clothing, and motorcycles. H-D is also the owner of the mark HARLEY for clothing and motorcycles. H-D's registrations on jewelry and clothing pre-date that of Ronda's, although H-D's registration on watches per se is later than that of Ronda's.

H-D commenced this action by filing a petition with the Patent and Trademark Office on May 22, 1990, to cancel Ronda's registration of the mark HARLEY on the grounds of priority of use and likelihood of confusion. After some initial discovery, H-D filed a motion for summary judgment on the priority and likelihood of confusion issues. In response, Ronda raised the affirmative defense of laches, arguing that H-D unduly delayed in bringing the petition to cancel and Ronda was prejudiced by the delay. It is undisputed that H-D knew of Ronda's HARLEY trademark registration as early as October 1985. Ronda also filed a cross-motion for summary judgment on the laches issue.

On August 10, 1995, the Board issued an order granting summary judgment to H-D on the grounds of priority of use, likelihood of confusion, [*3] and insufficient showing of laches by Ronda. As a result, the Board granted H-D's petition to cancel Ronda's HARLEY mark. The Board denied Ronda's cross-motion on the laches issue, ruling that Ronda failed to carry its burden of showing prejudice resulting from H-D's delay of four-and-a-half years.

II

HN1 [↕] Proceedings before the Board are governed by Federal Rules of Civil Procedure, and the Board may grant summary judgment when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. *National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 1576, 19 U.S.P.Q.2D (BNA) 1424, 1427 (Fed. Cir. 1991). We review the Board's grant of summary judgment *de novo*. *Id.*

III

Ronda raises two issues on appeal: (1) whether summary judgment was properly granted on the priority and the likelihood of confusion issues and (2) whether summary judgment was properly granted to H-D on the laches issue. We agree with the Board's analysis and conclusion on the first issue and summarily note that: (a) H-D used the HARLEY-DAVIDSON mark on jewelry and clothing items substantially before Ronda's first use of August 23, 1979; [*4] (b) HARLEY-DAVIDSON is a well-known and famous trademark; (c) the term HARLEY is the dominant portion of the mark HARLEY-DAVIDSON, as evidenced by third party use, as well as by H-D's own advertising; (d) watches (Ronda's goods) and jewelry and clothing items (H-D's goods) are related goods; and (e) ^{HN 27}while evidence of actual confusion is a factor in establishing a likelihood of confusion, the absence thereof is not determinative. We turn to the laches issue.

IV

As the Board correctly noted, ^{HN 27} 15 U.S.C. § 1069 (1994) provides that laches may be considered and applied in all *inter partes* proceedings. For Ronda to prevail on the defense of laches, it must show: (a) H-D unduly delayed in asserting rights against Ronda, and (b) Ronda suffered prejudice resulting from H-D's delay. See *National Cable Television*, 937 F.2d at 1580, 19 U.S.P.Q.2D (BNA) at 1431. It is undisputed that H-D became aware of Ronda's registration at least as early as October 1985 and did not take any action until May 1990 when H-D commenced this action.

Ronda argues that the Board erroneously assigned the burden of showing no genuine issues of material fact on Ronda, rather than on the summary judgment movant [*5] H-D. While it is unclear from the Board's decision as to whom the Board assigned the burden, we review the Board's grant of summary judgment *de novo*. Because we agree, on our *de novo* review, with the Board's conclusion on the laches issue as discussed below, to the extent the Board assigned the burden on the nonmovant Ronda, it was harmless. See *Union Carbide Corp. v. American Can Co.*, 724 F.2d 1567, 1573, 225 U.S.P.Q. (BNA) 584, 589 (Fed. Cir. 1984) (^{HN 27}appellant must show not only that the lower tribunal engaged in a faulty analysis, but also that the correct analysis would bring a different result).

To show prejudice, Ronda submitted a declaration by Mr. Paul Sutter, who had been the General Manager of Ronda in New York for 14 years. Mr. Sutter's declaration, *inter alia*, states:

8. Use of the mark HARLEY by Ronda S.A. since 1980 in the United States has been on watch parts and movements and watches.

9. The mark was last used on assembled watches in 1989. We intend to resume use [sic] the mark on assembled watches though we are currently not selling assembled watches.

...

11. . . . We invest in advertising and promotions of the HARLEY brand in [*6] the USA every year. The HARLEY brand is an important and valuable asset of our company. HARLEY is responsible for millions of dollars of Ronda's sales. Loss of the HARLEY brand or registration would greatly damage Ronda's business. We have continually nurtured this brand. Its value to the company has increased each year.

This declaration, which is the only evidence submitted by Ronda to show prejudice, fails to create a genuine issue of material fact to preclude grant of summary judgment in favor of H-D. ^{HN 27}To defeat a motion for summary judgment, the nonmoving party must "make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." *Celotex Corp. v. Catrett*, 477 U.S. 317, 322, 91 L. Ed. 2d 265, 106 S. Ct. 2548 (1986). Laches is an affirmative defense on which Ronda bears the burden of proof. To defeat H-D's motion for summary judgment based on the laches defense, Ronda must point to "specific facts showing that there is a genuine issue for trial." See *id.* at 324 (quoting Fed. R. Civ. P. 56(e)). Mere denials or conclusory statements do not raise a genuine issue of material fact. *Barmag Barmer Maschinenfabrik* [*7] *AG v. Murata Mach., Ltd.*, 731 F.2d 831, 836, 221 U.S.P.Q. (BNA) 561, 564 (Fed. Cir. 1984).

Mr. Sutter's declaration essentially shows that Ronda conducted business as usual during the four-and-a-half-year period in question. The only statements that relate to prejudice were: that Ronda advertises and promotes the HARLEY brand every year; that the HARLEY brand is an important and valuable asset of Ronda; that HARLEY is responsible for millions of dollars of Ronda's sales; that loss of the HARLEY registration would greatly damage Ronda's business; that Ronda has continually nurtured the HARLEY brand; and that the value of the HARLEY brand has increased each year. These statements are mere conclusory statements with no supporting documents. See *Sweats Fashions, Inc. v. Pannill Knitting Co.*, 832 F.2d 1560, 1564, 4 U.S.P.Q.2D (BNA) 1793, 1797 (Fed. Cir. 1987) ("Mere conclusory statements and denials do not take on dignity by placing them in affidavit form."). In fact, one of the few specific statements made by Mr. Sutter acknowledges that Ronda stopped using the HARLEY mark on assembled watches in 1989, and thus, if anything, Ronda's use of the HARLEY mark diminished during the period at issue.

We [*8] are mindful of the statement our predecessor court made in *Ralston Purina Co. v. Midwest Cordage Co.*, 54 C.C.P.A. 1213, 373 F.2d 1015, 1019, 153 U.S.P.Q. (BNA) 73, 76 (CCPA 1967) (emphasis added):

It is probably true that *long acquiescence* in the use of a trademark by a successful business, even without expansion of trade, *may* provide a basis for a valid inference of prejudice. [citation omitted] Logically, we suppose, it must be admitted that each day sees some incremental aggrandizement of good will - each

advertising dollar expended adds in some sense to registrant's equity. But a minimal equity thus acquired over such a short period of time as six months has never been enough to overturn another's rights in a trademark. *Some substantial prejudice has always been required.*

We agree with the above statement to the extent that the laches defense may be available in instances where a successful but nonexpanding business uses a trademark for a substantial period of time and continues to nurture the mark through advertising. This case, however, is not such a case. First, business as usual over four-and-a-half years is not for such a long period so as to demonstrate incrementally [*9] acquired prejudice per se, and accordingly, a separate showing of prejudice is required. Mr. Sutter's declaration does not present evidence of increased sales, promotional expenditures or substantial growth in trade. The declaration showing business as usual thus fails to raise a genuine issue of material fact as to prejudice. See *Ralston Purina*, 373 F.2d at 1019, 153 U.S.P.Q. (BNA) at 76 (no laches where evidence of promotional expenditure was not submitted and sales data did not show any substantial growth of trade during the period at issue); see also *Meyers v. Asics Corp.*, 974 F.2d 1304, 1308, 24 U.S.P.Q.2D (BNA) 1036, 1038 (Fed. Cir. 1992) (party raising the laches defense not only must show an economic detriment, but also must show that the detriment was caused by the delay); *A.C. Auferman Co. v. R.L. Chaires Constr. Co.*, 969 F.2d 1020, 1033, 22 U.S.P.Q.2D (BNA) 1321, 1329 (Fed. Cir. 1992) (in banc) ("The courts must look for a change in the economic position of the alleged infringer during the period of delay."); cf. *Georgia-Pacific Corp. v. Great Plains Bag Co.*, 614 F.2d 757, 763, 204 U.S.P.Q. (BNA) 697, 702 (CCPA 1980) (laches found where sales of the goods under the logo in question had grown [*10] from \$ 372,000 to about \$ 28,000,000 during a 12-year delay period).³

FOOTNOTES

³ Because we decide that Ronda failed to raise a genuine issue of material fact with respect to the prejudice element, we do not address H-D's argument that laches is unavailable to Ronda because the laches defense can be considered in cancellation proceedings only if reasonable doubt exists as to likelihood of confusion. See *Ultra-White Co. v. Johnson Chem. Indus., Inc.*, 59 C.C.P.A. 1251, 465 F.2d 891, 893, 175 U.S.P.Q. (BNA) 166, 167 (CCPA 1972) (evidence of laches may be considered only in cases where likelihood of confusion is reasonably in doubt); *Swank, Inc. v. Ravel Perfume Corp.*, 58 C.C.P.A. 948, 438 F.2d 622, 624, 168 U.S.P.Q. (BNA) 723, 725 (CCPA 1971) ("Where the competing marks are identical or are closely similar, the equitable principles defined by section 19 have been held not to be applicable inasmuch as the public interest is the dominant consideration."). We also need not decide whether the four-and-a-half-year delay in this case constitutes undue delay.

V

The [*11] Board's grant of summary judgment to Harley-Davidson is hereby affirmed.

Service: Get by LEXSEE®
Citation: 1997 U.S. App. LEXIS 3597
View: Full
Date/Time: Wednesday, April 23, 2008 - 1:30 PM EDT

Signal Legend:

-  Warning: Negative treatment is indicated
 -  Questioned: Validity questioned by citing refs.
 -  Caution: Possible negative treatment
 -  Positive: Positive treatment is indicated
 -  Citing Refs.: With Analysis Available
 -  Citation: Citation information available
- * Click on any *Shepard's* signal to *Shepardize*® that case

Search | Research Tasks | Get a Document | *Shepard's* | Alerts | Total Litigator | Transactional Advisor | Counsel Selector
Library | Delivery Manager | Dossier | Switch Client | Preferences | Sign Off | Help



LexisNexis

About LexisNexis | Terms & Conditions | Contact Us
Copyright © 2008 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

TTAB



NOTE: Pursuant to Fed. Cir. R. 47.6, this disposition is not citable as precedent. It is a public record. The disposition will appear in tables published periodically.

United States Court of Appeals for the Federal Circuit

96-1297

(Cancellation No. 18,908)

RONDA AG (RONDA S.A.) (RONDA LTD.),

Appellant,

v.

HARLEY-DAVIDSON, INC.,

Appellee.

DECIDED: February 27, 1997

Before LOURIE, CLEVINGER, and SCHALL, Circuit Judges.

CLEVINGER, Circuit Judge.

Ronda AG (Ronda), also known abroad as Ronda S.A. and Ronda Ltd., appeals from the decision of the Trademark Trial and Appeal Board (Board) granting summary judgment to the cancellation petitioner Harley-Davidson, Inc. (H-D) based on likelihood of confusion between H-D's registered trademarks HARLEY-DAVIDSON and HARLEY and Ronda's HARLEY mark registered on the Supplemental Register. We affirm

because the Board correctly decided the likelihood of confusion issue and because Ronda failed to raise a genuine issue of material fact with respect to its laches defense.

I

Ronda is the owner of the mark HARLEY, registered on the Supplemental Register on June 1, 1982, for mechanical and quartz watches, mechanical and quartz movements, and watch parts in International Class 14. First use of the mark allegedly occurred in the United States as early as June 5, 1980.

H-D is the owner of the mark HARLEY-DAVIDSON and owns several registrations of the mark for, inter alia, jewelry, watches, clothing, and motorcycles. H-D is also the owner of the mark HARLEY for clothing and motorcycles. H-D's registrations on jewelry and clothing pre-date that of Ronda's, although H-D's registration on watches per se is later than that of Ronda's.

H-D commenced this action by filing a petition with the Patent and Trademark Office on May 22, 1990, to cancel Ronda's registration of the mark HARLEY on the grounds of priority of use and likelihood of confusion. After some initial discovery, H-D filed a motion for summary judgment on the priority and likelihood of confusion issues. In response, Ronda raised the affirmative defense of laches, arguing that H-D unduly delayed in bringing the petition to cancel and Ronda was prejudiced by the delay. It is undisputed that H-D knew of Ronda's HARLEY trademark registration as early as October 1985. Ronda also filed a cross-motion for summary judgment on the laches issue.

On August 10, 1995, the Board issued an order granting summary judgment to H-D on the grounds of priority of use, likelihood of confusion, and insufficient showing of laches by Ronda. As a result, the Board granted H-D's petition to cancel Ronda's HARLEY mark. The Board denied Ronda's cross-motion on the laches issue, ruling that Ronda failed to carry its burden of showing prejudice resulting from H-D's delay of four-and-a-half years.

II

Proceedings before the Board are governed by Federal Rules of Civil Procedure, and the Board may grant summary judgment when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc., 937 F.2d 1572, 1576, 19 USPQ2d 1424, 1427 (Fed. Cir. 1991). We review the Board's grant of summary judgment de novo. Id.

III

Ronda raises two issues on appeal: (1) whether summary judgment was properly granted on the priority and the likelihood of confusion issues and (2) whether summary judgment was properly granted to H-D on the laches issue. We agree with the Board's analysis and conclusion on the first issue and summarily note that: (a) H-D used the HARLEY-DAVIDSON mark on jewelry and clothing items substantially before Ronda's first use of August 23, 1979; (b) HARLEY-DAVIDSON is a well-known and famous trademark; (c) the term HARLEY is the dominant portion of the mark HARLEY-

DAVIDSON, as evidenced by third party use, as well as by H-D's own advertising; (d) watches (Ronda's goods) and jewelry and clothing items (H-D's goods) are related goods; and (e) while evidence of actual confusion is a factor in establishing a likelihood of confusion, the absence thereof is not determinative. We turn to the laches issue.

IV

As the Board correctly noted, 15 U.S.C § 1069 (1994) provides that laches may be considered and applied in all inter partes proceedings. For Ronda to prevail on the defense of laches, it must show: (a) H-D unduly delayed in asserting rights against Ronda, and (b) Ronda suffered prejudice resulting from H-D's delay. See National Cable Television, 937 F.2d at 1580, 19 USPQ2d at 1431. It is undisputed that H-D became aware of Ronda's registration at least as early as October 1985 and did not take any action until May 1990 when H-D commenced this action.

Ronda argues that the Board erroneously assigned the burden of showing no genuine issues of material fact on Ronda, rather than on the summary judgment movant H-D. While it is unclear from the Board's decision as to whom the Board assigned the burden, we review the Board's grant of summary judgment de novo. Because we agree, on our de novo review, with the Board's conclusion on the laches issue as discussed below, to the extent the Board assigned the burden on the nonmovant Ronda, it was harmless. See Union Carbide Corp. v. American Can Co., 724 F.2d 1567, 1573, 220 USPQ 584, 589 (Fed. Cir. 1984) (appellant must show not

only that the lower tribunal engaged in a faulty analysis, but also that the correct analysis would bring a different result).

To show prejudice, Ronda submitted a declaration by Mr. Paul Sutter, who had been the General Manager of Ronda in New York for 14 years. Mr. Sutter's declaration, inter alia, states:

8. Use of the mark HARLEY by Ronda S.A. since 1980 in the United States has been on watch parts and movements and watches.

9. The mark was last used on assembled watches in 1989. We intend to resume use [sic] the mark on assembled watches though we are currently not selling assembled watches.

....

11. . . . We invest in advertising and promotions of the HARLEY brand in the USA every year. The HARLEY brand is an important and valuable asset of our company. HARLEY is responsible for millions of dollars of Ronda's sales. Loss of the HARLEY brand or registration would greatly damage Ronda's business. We have continually nurtured this brand. Its value to the company has increased each year.

This declaration, which is the only evidence submitted by Ronda to show prejudice, fails to create a genuine issue of material fact to preclude grant of summary judgment in favor of H-D. To defeat a motion for summary judgment, the nonmoving party must "make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986). Laches is an affirmative defense on which Ronda bears the burden of proof. To defeat H-D's motion for summary judgment based on the laches defense, Ronda must point to "specific facts showing that there is

a genuine issue for trial." See id. at 324 (quoting Fed. R. Civ. P. 56(e)). Mere denials or conclusory statements do not raise a genuine issue of material fact. Barmag Barmer Maschinenfabrik AG v. Murata Mach., Ltd., 731 F.2d 831, 836, 221 USPQ 561, 564 (Fed. Cir. 1984).

Mr. Sutter's declaration essentially shows that Ronda conducted business as usual during the four-and-a-half-year period in question. The only statements that relate to prejudice were: that Ronda advertises and promotes the HARLEY brand every year; that the HARLEY brand is an important and valuable asset of Ronda; that HARLEY is responsible for millions of dollars of Ronda's sales; that loss of the HARLEY registration would greatly damage Ronda's business; that Ronda has continually nurtured the HARLEY brand; and that the value of the HARLEY brand has increased each year. These statements are mere conclusory statements with no supporting documents. See Sweats Fashions, Inc. v. Pannill Knitting Co., 833 F.2d 1560, 1564, 4 USPQ2d 1793, 1797 (Fed. Cir. 1987) ("Mere conclusory statements and denials do not take on dignity by placing them in affidavit form."). In fact, one of the few specific statements made by Mr. Sutter acknowledges that Ronda stopped using the HARLEY mark on assembled watches in 1989, and thus, if anything, Ronda's use of the HARLEY mark diminished during the period at issue.

We are mindful of the statement our predecessor court made in Ralston Purina Co. v. Midwest Cordage Co., 373 F.2d 1015, 1019, 153 USPQ 73, 76 (CCPA 1967) (emphasis added):

It is probably true that long acquiescence in the use of a trademark by a successful business, even without expansion of trade, may provide a basis for a valid inference of prejudice. [citation omitted] Logically, we suppose, it must be admitted that each day sees some incremental aggrandizement of good will – each advertising dollar expended adds in some sense to registrant's equity. But a minimal equity thus acquired over such a short period of time as six months has never been enough to overturn another's rights in a trademark. Some substantial prejudice has always been required.

We agree with the above statement to the extent that the laches defense may be available in instances where a successful but nonexpanding business uses a trademark for a substantial period of time and continues to nurture the mark through advertising. This case, however, is not such a case. First, business as usual over four-and-a-half years is not for such a long period so as to demonstrate incrementally acquired prejudice per se, and accordingly, a separate showing of prejudice is required. Mr. Sutter's declaration does not present evidence of increased sales, promotional expenditures or substantial growth in trade. The declaration showing business as usual thus fails to raise a genuine issue of material fact as to prejudice. See Ralston Purina, 373 F.2d at 1019, 153 USPQ at 76 (no laches where evidence of promotional expenditure was not submitted and sales data did not show any substantial growth of trade during the period at issue); see also Meyers v. Asics Corp., 974 F.2d 1304, 1308, 24 USPQ2d 1036, 1038 (Fed. Cir. 1992) (party raising the laches defense not only must show an economic detriment, but also must show that the detriment was caused by the delay); A.C. Aukerman Co. v. R.L. Chaides Constr. Co., 960 F.2d 1020, 1033, 22 USPQ2d 1321, 1329 (Fed. Cir. 1992) (in banc) ("The courts must look for a change

in the economic position of the alleged infringer during the period of delay."); cf. Georgia-Pacific Corp. v. Great Plains Bag Co., 614 F.2d 757, 763, 204 USPQ 697, 702 (CCPA 1980) (laches found where sales of the goods under the logo in question had grown from \$372,000 to about \$28,000,000 during a 12-year delay period).¹

V

The Board's grant of summary judgment to Harley-Davidson is hereby affirmed.

¹ Because we decide that Ronda failed to raise a genuine issue of material fact with respect to the prejudice element, we do not address H-D's argument that laches is unavailable to Ronda because the laches defense can be considered in cancellation proceedings only if reasonable doubt exists as to likelihood of confusion. See Ultra-White Co. v. Johnson Chem. Indus., Inc., 465 F.2d 891, 893, 175 USPQ 166, 167 (CCPA 1972) (evidence of laches may be considered only in cases where likelihood of confusion is reasonably in doubt); Swank, Inc. v. Ravel Perfume Corp., 438 F.2d 622, 624, 168 USPQ 723, 725 (CCPA 1971) ("Where the competing marks are identical or are closely similar, the equitable principles defined by section 19 have been held not to be applicable inasmuch as the public interest is the dominant consideration."). We also need not decide whether the four-and-a-half-year delay in this case constitutes undue delay.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT



NOTICE OF ENTRY OF
JUDGMENT ACCOMPANIED BY OPINION

OPINION FILED AND JUDGMENT ENTERED: 02/27/97

The attached opinion announcing the judgment of the court in your case was filed and judgment was entered on the date indicated above. The mandate will be issued in due course.

Information is also provided about petitions for rehearing and suggestions for rehearing in banc. The questions and answers are those frequently asked and answered by the Clerk's Office.

Costs are taxed against the Appellant(s) in favor of the Appellee(s) under Rule 39. The party entitled to costs is provided a bill of costs form and an instruction sheet with this notice.

The parties are encouraged to stipulate to the costs. A bill of costs will be presumed correct in the absence of a timely filed objection.

Costs are payable to the party awarded costs. If costs are awarded to the government, they should be paid to the Treasurer of the United States. Where costs are awarded against the government, payment should be made to the person(s) designated under the governing statutes, the court's orders, and the parties' written settlement agreements. In cases between private parties, payment should be made to counsel for the party awarded costs or, if the party is not represented by counsel, to the party pro se. Payment of costs should not be sent to the court. Costs should be paid promptly.

If the court also imposed monetary sanctions, they are payable to the opposing party unless the court's opinion provides otherwise. Sanctions should be paid in the same way as costs.

Exhibits and visual aids shall be promptly retrieved by the party that lodged them with this court.

JAN HORBALY
Clerk

cc: JESS M. COLLEN
FRED WIVIOTT

RONDA AG V HARLEY-DAVIDSON INC, 96-1297
PTO - 18,908