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October 3, 2005

Commissioner for Trademarks
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Alexandria, VA 22313-1451

Re: *The Wet Seal, Inc. v. FD Management, Inc.*; Opposition No. 91157022
Re U.S. Trademark Application No. 76/372,550 ARDENBEAUTY
Our Reference No.: 031458.0026

Dear Sirs:

Please note that the enclosed documents – Opposer's Reply in Support of its Trial Brief and Opposer's Notice of Request for Hearing – were inadvertently mailed to the TTAB's former address on Crystal Drive and returned to us as undeliverable. I have enclosed them here, along with the original mailing envelope indicating that the documents were mailed in a timely fashion.

Regards,



John M. Cone

Enclosures



10-05-2005

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #30

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September 22, 2005

VIA EXPRESS MAIL

Assistant Commissioner for Trademarks
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2900 Crystal Drive
Arlington, VA 22202-3513

Re: *The Wet Seal, Inc. v. FD Management, Inc.*; Opposition No. 91157022
Re U.S. Trademark Application No. 76/372,550 ARDENBEAUTY
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Enclosed for filing in duplicate is Opposer's Reply in Support of its Trial Brief and Opposer's Notice of Request for Hearing.

Regards,



John M. Cone

Enclosures

cc: Joseph Dreitler

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

In the Matter of Application No. 76/372,550 ARDENBEAUTY.

THE WET SEAL, INC.,	§	
	§	
Opposer,	§	
	§	
v.	§	Opposition No. 91157022
	§	
FD MANAGEMENT, INC.,	§	
	§	
Applicant	§	

OPPOSER'S REPLY IN SUPPORT OF ITS TRIAL BRIEF

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

In the Matter of Application No. 76/372,550 ARDENBEAUTY.

THE WET SEAL, INC.,

Opposer,

v.

FD MANAGEMENT, INC.,

Applicant

§
§
§
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Opposition No. 91157022

OPPOSER'S REPLY IN SUPPORT OF ITS TRIAL BRIEF

Opposer, The Wet Seal, Inc., d/b/a Arden B ("Arden B" or "Opposer"), hereby submits this Reply Brief in response to Applicant FD Management, Inc.'s ("FD" or "Applicant") Trial Brief.

I. RECORD EVIDENCE

The evidence of record consists of:

- (1) U.S. Application No. 76/372,550 ARDENBEAUTY (the "Application").
- (2) Trial testimony of Laura Nicholas on behalf of Arden B ("Nicholas Dep.").
- (3) Trial testimony of James Perry on behalf of FD ("Perry Dep.").
- (4) Trial testimony of Ronald Rolleston on behalf of FD ("Rolleston Dep.").
- (5) Arden B's Notice of Reliance Pursuant to 37 C.F.R. § 2.122(e) dated February 24, 2005, which includes the Declaration of Vicki Martin and attachments, and the Declaration of Patrick Dredde and attached business records produced in this action ("2/24/05 Notice").
- (6) Arden B's Notice of Reliance Under Rule 2.122(e) and attachments dated June 9, 2005 ("6/9/05 Notice").

- (7) FD's Notice of Reliance Under 2.122(d) and attachments dated 3/30/05 ("3/30/05 Notice").
- (8) FD's Notice of Reliance Under Rule 2.122(e) dated 4/8/05 and attachments ("4/8/05 Notice").

II. INTRODUCTION

Despite Applicant's attempts to deflect attention with its various irrelevant arguments, the issues before the Board are: (1) whether Opposer's use of ARDEN B establishes common law rights in the mark and, if so, whether Applicant's use of ARDENBEAUTY for the goods in the Application would be likely to cause confusion, or to cause mistake, or to deceive; and (2) whether Applicant's admitted lack of intention to use ARDENBEAUTY for certain of the goods specified in the Application make it void *ab initio*.

III. ARGUMENT

A. Opposer's Mark ARDEN B Has Priority Over Applicant's Mark ARDENBEAUTY.

1. Opposer Has Used ARDEN B since 1997. Applicant Filed Its ITU Application For ARDENBEAUTY On February 5, 2002 and Started to Use its Mark After That Date.

Applicant attempts to show that the priority for its mark ARDENBEAUTY is earlier than that of Opposer's mark ARDEN B. Opposer has made extensive and continuous use of ARDEN B in commerce starting in 1997. (Nicholas Dep. at 14:16-19). As was discussed in Opposer's Trial Brief, in the fall of 1997 Opposer started selling women's clothes bearing the ARDEN B mark. (Nicholas Dep. at 15:7-25). Opposer opened its first ARDEN B store in the fall of 1999, and by February of 2002, it was operating eighty-four ARDEN B stores across the United States. (Nicholas Dep. at 23:6-25, and Dep. Ex. 16). The mark ARDEN B is, and has been, displayed prominently both inside and outside these stores on signage, fixtures, hangers, shopping bags, stickers, tissue paper, and gift boxes. (Nicholas Dep. at 46:8-14, and Dep. Ex. 23). In addition, the mark ARDEN B is used on various items of women's clothing including bottoms, tops, suits,

shoes, dresses and accessories including handbags, belts, hats and jewelry. (Nicholas Dep. at 24:18-25; 31:8-9). Sales of goods bearing the mark ARDEN B prior to February 5, 2002 were extensive, and can be reviewed in Arden B's business records at Exhibits 13 and 15 to the 2/24/05 Notice. Finally, the mark ARDEN B was advertised extensively throughout the United States before February 5, 2002. (Nicholas Dep. at 41:22-25; 42:1-11; 43:12-25; 44:1). Through its sales and advertising using the mark ARDEN B, Arden B acquired nationwide, common law, use-based rights in the mark ARDEN B, as well as in the trade name ARDEN B, for women's clothing, accessories and retail store services featuring women's clothing and accessories prior to February 5, 2002. Applicant filed its ITU application for ARDENBEAUTY on February 5, 2002 and does not claim to have used the mark before that date.¹ Accordingly, Opposer's mark ARDEN B has priority over Applicant's mark ARDENBEAUTY.

2. Applicant Cannot Obtain Priority for ARDENBEAUTY Based on Prior Use of ELIZABETH ARDEN or ARDEN.

Because Applicant is unable to prove use of ARDENBEAUTY prior to Opposer's priority date for ARDEN B, it attempts to tack alleged prior use of the marks ELIZABETH ARDEN or ARDEN to create an earlier priority. There is, however, no evidence in the record that Applicant ever used the mark ARDEN. In any event, prior use of ELIZABETH ARDEN or ARDEN could not be "tacked" to provide an earlier priority for ARDENBEAUTY because each of those marks is substantially different from ARDENBEAUTY. Applicant's attempts to claim priority for ARDENBEAUTY based on use of ELIZABETH ARDEN or ARDEN therefore fail.

a. There is no evidence that Applicant has ever used the mark ARDEN.

Applicant's trial brief repeatedly claims that Applicant has used the mark ARDEN for over 80 years. However, it offered absolutely no evidence to support this assertion. In fact,

¹ Rolleston Dep. at 82:12-84:5.

Applicant presented no evidence that it had *ever* used ARDEN as a trademark, much less that it had used ARDEN for more than 80 years. While Applicant provided some minimal evidence regarding its use of ELIZABETH ARDEN,² it provided no testimony, registrations, or documents³ indicating that Applicant ever used ARDEN without ELIZABETH.⁴ Because Applicant provided no evidence of any use of ARDEN alone that might support a claim for common law trademark rights to that mark, it has no early rights in that mark that could provide an early priority date for ARDENBEAUTY by tacking.

b. Early use of ARDEN or ELIZABETH ARDEN cannot be tacked to provide an earlier priority date for ARDENBEAUTY.

To the extent that Applicant is attempting to establish priority of its ARDENBEAUTY mark over ARDEN B by tacking earlier use of ELIZABETH ARDEN or ARDEN, any such attempt must fail. In order to tack its prior use of ELIZABETH ARDEN to establish priority for ARDENBEAUTY, Applicant must prove that the two marks are legally equivalent. *Van Dyne-Crotty, Inc. v. Wear-Guard Corp.*, 926 F.2d 1156, 1159, 17 U.S.P.Q.2d (BNA) 1866 (Fed. Cir.

² The record contains substantially no proof of the extent of Applicant's use of ELIZABETH ARDEN. Mr. Rolleston states he has been aware that ELIZABETH ARDEN cosmetics were being sold during his 25/26 years in the industry (Rolleston Dep. at 10:22-11:22), and opines that ELIZABETH ARDEN is one of the more established names in the industry. But the bald assertion of the trademark owner's witness is hardly proof of fame. Mr. Rolleston also testified that Elizabeth Arden has been selling cosmetics since the beginning of the 20th Century, but cannot testify to this on personal knowledge. (Rolleston Dep. at 11:14-19). He also testified that certain ELIZABETH ARDEN cosmetics are sold and that various retail outlets carry them. (Rolleston Dep. at 14:19-16:13). Finally, he testified, but not with personal knowledge, about two advertisements for ELIZABETH ARDEN alleged to have appeared in 1991 and 1992. (Rolleston Dep. 72:2-75:16, but see 93:20-94:20).

³ In Mr. Rolleston's deposition, he discussed two Elizabeth Arden advertisements from the 1990's in which "Arden" was larger than "Elizabeth" in the advertisement, but "Elizabeth" was present in the ads nonetheless, and Applicant failed to prove the extent or duration of those advertisements. (Rolleston Dep. at 72:18-73:8; 74:19-75:5). Therefore, those documents do not support Applicant's contention that it used the ARDEN mark, they only shows additional uses of the ELIZABETH ARDEN mark.

⁴ Applicant appears to argue that it is entitled to an early priority date for ARDEN because it is used as part of the mark ELIZABETH ARDEN. The mark ELIZABETH ARDEN will be seen as a unitary mark with a particular meaning, the name of an individual. It cannot be considered as constituting two separate marks ELIZABETH and ARDEN. Separating out ARDEN would constitute a forbidden mutilation of the mark, because ARDEN does not create a separate commercial impression. *In re Semans*, 193 U.S.P.Q. (BNA) 727 (T.T.A.B. 1976).

1991). The degree of similarity required is far beyond that required for infringement; the test is not confusing similarity, but legal equivalence. *Id.* The previously used mark, ELIZABETH ARDEN, must be the legal equivalent of, or indistinguishable from, the mark for which earlier priority by tacking is sought, ARDENBEAUTY, and the consumer should consider both marks to be the same. *Id.* The two marks must create “the same, continuing commercial impression, and the later mark should not materially differ from or alter the character of the mark attempted to be ‘tacked.’” *Id.* In general, tacking should be condoned only in rare instances. *Id.* at 1160. Unless the marks are very similar, the Board routinely rejects attempts to tack. *Id.*; see e.g., *Viviane Woodard Corp. v. Roberts*, 181 U.S.P.Q. (BNA) 840 (T.T.A.B. 1974) (holding that prior use of the mark ALTER EGO could not be tacked on to use of the mark EGO because of the differences between the marks); *Van Dyne-Crotty, Inc.*, 926 F.2d at 1159 (holding that prior use of CLOTHES THAT WORK. FOR THE WORK YOU DO. could not be tacked on to use of the mark CLOTHES THAT WORK because of the differences between the marks); *Corporate Fitness Programs, Inc. v. Weider Health & Fitness*, 2 U.S.P.Q.2d (BNA) 1682 (T.T.A.B. 1987) (holding that prior use of SHAPE UP could not be tacked on to the mark SHAPE because of the differences between the marks).

In this case, ELIZABETH ARDEN on the one hand, and ARDENBEAUTY on the other differ considerably and do not create the same continuing commercial impression. There are significant differences between the marks. First, ELIZABETH ARDEN is a two word mark made up of two names, the first of which is a common personal name. The mark will be perceived as the name of an individual. ARDENBEAUTY is a single word mark made up of a place name or personal name combined with a descriptive term and could be understood as referring to a particular type of beauty associated with a place or person. In addition, in the

ELIZABETH ARDEN mark, ARDEN comes second, whereas in the ARDENBEAUTY mark, ARDEN appears first. There is no element in ELIZABETH ARDEN that is in any way similar to the word BEAUTY in ARDENBEAUTY or, conversely, any element in ARDENBEAUTY similar to ELIZABETH. Clearly the commercial impressions created by the two marks are substantially different.

These two marks differ more than the marks in the cases cited above. For instance, in both *Corporate Fitness Program* and *Viviane Woodard Corp.*, the marks contained identical words and the proponent of tacking wanted either to add (EGO and ALTER EGO) or subtract (SHAPE UP and SHAPE) a word from the new mark. The Board held that those marks should not be tacked. Here, the two marks exhibit greater differences. Both marks contain a different word from each other in addition to containing ARDEN and one is a single word while the other mark is two distinct words. These two marks are simply not similar enough to allow tacking the use of ELIZABETH ARDEN onto ARDENBEAUTY.

For the same reasons, use of ARDEN (even if it had occurred) could not be tacked to ARDENBEAUTY to provide an earlier priority date because the two marks do not create the same continuing commercial impression. The addition of BEAUTY introduces a concept that changes the impression of the mark, even if BEAUTY is weak in terms of trademark significance.

Therefore, Applicant cannot claim priority of use of ARDENBEAUTY by tacking earlier use of ELIZABETH ARDEN to the extent that is proved, and the arguments in Applicant's Trial Brief based on its use of the mark ELIZABETH ARDEN are wholly irrelevant to determining priority of use between ARDENBEAUTY and ARDEN B.

B. There Is A Strong Likelihood Of Confusion Between ARDENBEAUTY And ARDEN B.

Because Opposer has established common law rights in ARDEN B dating back to 1997 and Applicant has no legal basis to overcome Arden B's first use of ARDEN B five years before Applicant's filing date,⁵ Opposer's ARDEN B mark has priority over Applicant's ARDENBEAUTY mark. Accordingly, the next issue before the Board is whether Applicant's use of ARDENBEAUTY for the goods in the Application is likely to cause confusion, or to cause mistake, or to deceive. When the relevant purchasing public is aware of womens clothing and accessories sold under the mark ARDEN B, there is every likelihood that related products, such as cosmetics and fragrances sold under ARDENBEAUTY, will be understood to come from the same source because ARDENBEAUTY is an obvious and logical extension of ARDEN B in terms of a line of beauty products.

Applicant apparently concedes that if ARDEN B has priority over ARDENBEAUTY, then the marks are confusingly similar. The few arguments raised by Applicant against a likelihood of confusion under the *du Pont* factors are weak at best, and several rely on the faulty assertion that ARDENBEAUTY has priority of use over ARDEN B, which it does not. Most significantly, Applicant does not challenge the obvious similarity in the appearance, sound, connotation and commercial impression of the marks ARDEN B and ARDENBEAUTY. Accordingly, it concedes that the similarity of the marks is such that confusion is likely. This factor then clearly supports a finding of a likelihood of confusion.

Second, Applicant's challenge to the similarity of the goods listed in the ARDENBEAUTY Application and ARDEN B goods fails because it is based on the false premise that ARDENBEAUTY has priority over ARDEN B. Applicant presented nothing

contradicting Opposer's assertion that women's clothing and accessories on the one hand and beauty products on the other hand are closely similar and related products, in the sense that the same trademarks are used for both classes of goods to indicate a common source.⁶ It attempts to distinguish the cases cited by Opposer that recognize the relatedness between cosmetics and clothing based upon the fact that in those cases, the senior user with an established mark was challenging a registration by the junior user.⁷ However, because it has been established that Opposer is the senior user and Applicant is the junior user, those cases are factually similar to the case at bar and are authority on the issue of similarity. Therefore, Applicant provided no viable argument against a finding of close similarity and relatedness between the goods in the Application, namely cosmetics and fragrances, and ARDEN B clothing and accessories. Therefore, because cosmetics, fragrances and clothing are closely similar and related products, this factor weighs in favor of finding a likelihood of confusion.

In addition, Applicant's argument that the channels of trade between ARDENBEAUTY and ARDEN B are not similar is flawed. Applicant misses a key point in its discussion of the similarity of trade channels, namely it ignores the fact that because the Application does not specify the trade channels the goods are to be sold through, the Board must assume its products are sold through all customary trade channels for those types of goods.⁸ Applicant focuses on the

⁵ The application opposed was filed February 5, 2002.

⁶ This issue was the subject of the Rebuttal Testimony filed by Opposer on June 9, 2005. That evidence constitutes proper rebuttal testimony on this point as it answers Mr. Rolleston's attempts to deny agreeing to this point. (Rolleston Dep. at 80:2-23).

⁷ See *The All England Lawn Tennis Club (Wimbledon) Ltd. v. Creations Aromatiques, Inc.*, 220 U.S.P.Q. (BNA) 1069, 1071 (T.T.A.B. 1983) ("[n]umerous cases have held confusion to be likely when the same or similar marks were used in connection with cologne or other cosmetics on one hand and clothing on the other."); *In re Arthur Holland, Inc.*, 192 U.S.P.Q. (BNA) 494, 496 (T.T.A.B. 1976) (noting that the use of the same trademarks for clothing and cosmetics is likely to cause confusion, deception or mistake).

⁸ *The All England Lawn Tennis Club.*, 220 U.S.P.Q. at 1069 (when goods in application are not restricted as to trade channels, they must be presumed to travel through the normal channels of trade associated with such goods); *Olde Tyme Foods, Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 U.S.P.Q. (BNA) 1542, 1544 (Fed. Cir. 1992)

evidence presented about the actual trade channels through which it has sold ARDENBEAUTY products, when what is relevant is the customary channels through which cosmetics travel, namely retail stores. Because ARDEN B goods are sold through retail stores also, frequently in the same shopping malls, the parties' respective goods travel through similar trade channels. Accordingly, this factor weighs in favor supports a finding of a likelihood of confusion.

Finally, Applicant mistakenly attempts to rely on the purported fame of the mark ELIZABETH ARDEN as a factor reducing the likelihood of confusion. However, this reliance is misplaced for several reasons. First, as discussed previously, ARDEN B is the prior mark, not ARDENBEAUTY. The "fame of the prior mark" factor #5 in *du Pont* refers to the fame or strength of the senior asserted mark, not the junior mark, nor some other unrelated mark. Therefore, it is the fame or strength of ARDEN B that is relevant to the Board's analysis, not the fame of ARDENBEAUTY and certainly not the fame or strength of marks not even at issue in this Opposition, such as ELIZABETH ARDEN⁹ and ARDEN. Therefore, Applicant failed to raise a colorable argument against the fame of the ARDEN B mark. As was discussed in Opposer's Trial Brief, extensive advertising and sales around the United States have enhanced

(when the registrations do not place restrictions on trade channels and classes of purchasers, the Board presumes that the goods reach all classes of purchasers through all customary trade channels).

⁹ Applicant has failed to prove that ELIZABETH ARDEN is a famous mark. First, Applicant has provided virtually no evidence regarding the extent of use of the ELIZABETH ARDEN mark from which the Board could reasonably determine that the mark is famous. (See fn. 2, *supra*). Applicant failed to provide evidence regarding the nature and extent of its promotion of the mark in connection with its products, it produced no sales figures for goods sold under the mark, and it produced very little information on advertising of the ELIZABETH ARDEN mark, all of which are factors the Board should consider when determining whether a mark is famous. *Hard Rock Café Licensing Corp. v. Elsea*, 48 U.S.P.Q. (BNA) 1400 (T.T.A.B. 1998). Applicant cannot rely on its applications and trademark registrations for ELIZABETH ARDEN alone to prove the mark's possible fame. See *Mattel, Inc. v. Leonard Stitz*, 2004 WL 1090659, at *3 (T.T.A.B. Apr. 20, 2004). In addition, Applicant cannot expect the Board to take judicial notice of the fame of ELIZABETH ARDEN, because the fame of a mark is not a matter about which judicial notice may properly be taken. *Id.* Therefore, even if the fame of ELIZABETH ARDEN was relevant to this opposition, which it is not, Applicant failed to establish that fame.

the strength of the inherently distinctive mark ARDEN B.¹⁰ Accordingly, this factor supports a finding of a likelihood of confusion.

Applicant failed to raise arguments relating to the remaining *du Pont* factors, so Opposer refers the Board to its arguments in its Trial Brief relating to those factors. When taken together, the *du Pont* factors weigh strongly in favor of a finding of a likelihood of confusion between ARDEN B and ARDENBEAUTY.

C. Opposer Need Not Show Actual Damage To Prevail.

Applicant's various arguments that Opposer is unable to show that it will be damaged by ARDENBEAUTY's registration are irrelevant and baseless. The Trademark Act of 1946 provides that "[a]ny person who believes that he would be damaged by the registration of a mark upon the principal register" may oppose the registration. 15 U.S.C. § 1063. This sets a low threshold for standing to oppose an application. Its purpose is to weed out "gratuitous interlopers" and "vicarious avengers of someone else's rights." *Golden Gate Salami Co. v. Gulf States Paper Co.*, 332 F.2d 184, 141 U.S.P.Q. (BNA) 661 (C.C.P.A. 1964); *Ritchie v. Simpson*, 170 F.3d 1092, 50 U.S.P.Q.2d (BNA) 1023, 1035 (Fed. Cir. 1999). Actual "damage" is not mentioned in the statute and it is not a requirement for standing to bring an opposition. *Federated Foods Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 1101, 192 U.S.P.Q. (BNA) 24 (C.C.P.A. 1976). The Board has held that an opponent has standing if its personal interest is more than that of the general public.

The standing question is an initial and basic inquiry made by the Board in every inter partes case: that is to say, standing is a threshold inquiry ... There is a low threshold for a plaintiff to go from being a mere intermeddler to one with an interest in the proceeding. The Court of Appeals for the Federal Circuit has stated that an opposer need only show "a personal interest in the outcome of the case beyond that of the general public" ... Once this threshold has been crossed, the

¹⁰ See Opposer's Trial Br. at 16.

opposer may rely on any ground that negates applicant's rights to the registration sought.

Estate of Biro v. Bic Corp., 18 U.S.P.Q.2d (BNA) 1382 (T.T.A.B. 1991).

Applicant's argument that Opposer will not be damaged by the registration of ARDENBEAUTY because Opposer is not permitted to sell the goods listed in the application and that ARDENBEAUTY has priority of use over ARDEN B are both baseless. First, as discussed previously, ARDEN B, which has been used since 1997, has priority of use over ARDENBEAUTY, which was not used earlier than February 5, 2002. Second, it is irrelevant that Opposer is not permitted to sell the items listed in the application because the general buying public is not aware of that fact, and Opposer's damage arises from the likelihood of confusion as to the source of goods bearing the ARDENBEAUTY mark. Therefore Applicant's arguments that Opposer will not suffer damage if ARDENBEAUTY is registered are not valid.

D. Applicant's Admitted Lack Of Intention To Use ARDENBEAUTY On At Least Some Of The Goods Recited In Its ITU Application Is Fatal.

Although an applicant need not have used its mark to support an ITU application under Section 1(b), it must have a real and present intention to use the mark for the goods of the application. 15 U.S.C. § 1051(b). The statute does not permit a valid application to be made for a long list of goods, only some of which are actually intended to be sold under the mark. *Caesars World, Inc. v. Milanian*, 126 Fed. Appx. 775, 777 (9th Cir. 2005)¹¹ ("Milanian's intent-to-use applications were not made with a bona fide intent to use, and were therefore void."). In this case Applicant's corporate representative, Mr. Rolleston, testified as to the particular products on which Applicant intended to use ARDENBEAUTY. (Rolleston Dep. at 84:6-88:11).

¹¹ Attached as Exhibit A.

Mr. Rolleston clearly admitted that ARDENBEAUTY was intended for use only on a more limited range of goods than those listed in the Application.

In particular, the original intention was to use the mark only on the goods listed in Rolleston Exhibits 2 and 31, namely fragrance, body lotion, crème cleanser, crème deodorant, deodorant spray, shower gel, posters, shopping bags, and scented cards. As to shampoo, a product expressly listed in the application, Mr. Rolleston testified that “we might have considered doing it at some point in time. But at that point I hadn’t decided to do a shampoo or not do a shampoo.” (Rolleston Dep. at 85:11-13). When asked if Applicant had taken any steps to launch an ARDENBEAUTY shampoo, Mr. Rolleston replied “No. I had a body wash.” (Rolleston Dep. at 85:25). As to “colors” (expressly identified in the application as “blusher, compacts, lip pencils, lipstick, eye make-up, eyeliners”), Mr. Rolleston, in answer to the question, “Did you plan to introduce ARDENBEAUTY colors?” answered “No. But that wouldn’t have precluded me from doing a color story ... But I didn’t specifically plan on creating an ARDENBEAUTY color story at the time I created the fragrance. No, I did not.” (Rolleston Dep. at 86:14–87:10). Finally, when asked whether he had considered an ARDENBEAUTY potpourri (again a product expressly recited in the Application), Mr. Rolleston answered “We’ve made potpourris in the past. It wasn’t what crossed my mind, no.” (Rolleston Dep. at 88:10-11). This indicates that Applicant lacked a bona fide intention to use the mark on each good listed in its Application, so that application is void *ab initio*.

IV. CONCLUSION

The mark applied for, ARDENBEAUTY, creates the same commercial impression as Opposer’s earlier name and mark ARDEN B. The respective goods and services are closely related: they are sold to the same target market through the same trade channels. There are numerous examples of the same mark being used for both clothes and cosmetics to indicate a

common source of those goods. The Application should be denied under Section 2(d). 15 U.S.C. § 1052(a).

In addition, the Applicant did not have the requisite bona fide intent to use the mark on all the goods identified in the Application. The Application should also be refused under Section 1(b). 15 U.S.C. § 1051(b).

Arden B has met its burden of demonstrating that registration of ARDENBEAUTY should be refused. Should any doubt as to the outcome remain, the Board should bear in mind that doubt about likelihood of confusion should be resolved against the Applicant because it had a duty to avoid confusion with existing marks when selecting a new mark. *In re Chatum Int'l, Inc.*, 380 F.3d 1340, 1345, 71 U.S.P.Q. (BNA) 1994 (Fed. Cir. 2004).

Dated: September 22, 2005

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of September 2005, a copy of the foregoing document was served upon the following counsel via first class U.S. mail:

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Certificate of Mailing Under 37 C.F.R. § 1.8

Date of Deposit: 9-22-05

I hereby certify that the papers enclosed herein are being deposited with the United States Postal Service on the date indicated above in an envelope and addressed to: Assistant Commissioner for Trademarks, Box TTAB – No Fee, 2900 Crystal Drive, Arlington, VA 22202-3513.

Vicki Martin
(Typed or printed name of person mailing paper or fee)

Vicki Martin
(Signature of person mailing paper or fee)

CAESARS WORLD, INC.; PARK PLACE ENTERTAINMENT CORP., Plaintiffs - Appellees, v. CYRUS MILANIAN, Defendant - Appellant, and NEW LAS VEGAS DEVELOPMENT COMPANY, Defendant. CAESARS WORLD, INC.; PARK PLACE ENTERTAINMENT CORP., Plaintiffs - Appellees, v. CYRUS MILANIAN, Defendant - Appellant.

No. 03-16063, No. 03-16685

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

126 Fed. Appx. 775; 2005 U.S. App. LEXIS 1533

November 4, 2004, Argued and Submitted, San Francisco, California
February 1, 2005, Filed

NOTICE: **[**1]** RULES OF THE NINTH 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.

PRIOR HISTORY: Appeal from the United States District Court for the District of Nevada. D.C. No. CV-02-01287-RLH. Roger L. Hunt, District Judge, Presiding. Caesars World, Inc. v. Milanian, 247 F. Supp. 2d 1171, 2003 U.S. Dist. LEXIS 2732 (D. Nev., 2003)

DISPOSITION: AFFIRMED.

LexisNexis(R) Headnotes

COUNSEL: For CAESARS WORLD, INC., Plaintiff - Appellee: Stephen W. Feingold, Esq., Richard H. Brown, Esq., PITNEY, HARDIN, KIPP & SZUCH, New York, NY; Gary Goodheart, Esq., Patrick Rose, Esq., JONES VARGAS, Las Vegas, NV.

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For NEW LAS VEGAS DEVELOPMENT COMPANY, Defendant: Melvin K. Silverman, Esq., MELVIN K. SILVERMAN & ASSOCIATES, Newark, NJ; Andras F. Babero, Esq., Las Vegas, NV.

JUDGES: Before: B. FLETCHER, THOMAS, and BEA, Circuit **[**2]** Judges.

OPINION:

[*776] MEMORANDUM *

Cyrus Milanian and New Las Vegas Development Company ("Milanian") appeal the judgment of the district court in favor of Caesars World, Inc., and Park Place Entertainment Corp. ("Caesars World") following a three-day bench trial. Milanian also appeals from the district court's separate judgment of civil contempt entered against him. We affirm the judgment and the contempt order of the district court. Because the parties are familiar with the factual and procedural history of this case, we will not recount it here.

I

We review a district court's findings of fact following a bench trial for clear error. See *Lentini v. Cal. Ctr. for the Arts*, 370 F.3d 837, 843 (9th Cir. 2004). Conclusions of law following a bench trial are reviewed de novo. *Id.*

The district court did not err in its conclusions that (1) the use of "The Colosseum" did not infringe on any of Milanian's **[*777]** rights; (2) Milanian has no right to use "The Colosseum," "Rome Las Vegas Colosseum," or any other mark or domain name including the Colosseum and Empire marks; and (3) Caesars World did not breach any duty, in contract or tort, to Milanian in connection



with the development [***3] of the Colosseum. After reviewing the record, we conclude that the district court did not err in finding that: (1) Milanian's intent-to-use applications were not made with a bona fide intent to use, and were therefore void; and (2) Caesars World commenced use of "The Colosseum" and "Empire" before Milanian and therefore has priority over Milanian's claims. Milanian has never applied for a gaming license and lacked experience in the hotel and resort business. He evidenced no intent to use the marks in business; rather, his history and the actions he took in connection with these names and mark indicate that his intent was to sell or license the marks to others. Caesars World has used the Colosseum mark in its business since 1966, far predating any use by Milanian.

The record supports the district court's findings of fact and conclusions of law. We need not address the new arguments raised for the first time by Milanian in his reply brief. See *Bazuaye v. INS*, 79 F.3d 118, 120 (9th Cir. 1996) (per curiam) ("Issues raised for the first time in the reply brief are waived."). Thus, the district court did not err in its declaratory judgment determination as to the Lanham Act [***4] claims.

Given the circumstances of the case, and because Caesars World was the prevailing party on the Lanham Act claims, the district court did not abuse its discretion in awarding attorneys fees to Caesars World under the Lanham Act. 15 U.S.C. § 1117(a); see also *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1156 (9th Cir. 2002).

II

The district court did not err in concluding that Milanian was precluded from asserting a trade secret claim in this case because it bore a sufficient logical relationship to the operative facts and issues in prior litigation to constitute a compulsory counterclaim in the prior litigation. See, e.g., *Schulman v. California*, 237 F.3d 967, 979 (9th Cir. 2001). Consequently, the district court had authority to enjoin Milanian from bringing this claim in any other court and did not abuse its discretion in doing so.

III

The district court did not abuse its discretion in precluding Milanian from testifying at trial as a sanction for failing to appear at his properly scheduled and noticed deposition. Under Fed. R. Civ. P. 37(d), if a party fails [***5] to appear for a deposition, the district court may impose such sanctions as it deems appropriate. Fed. R. Civ. P. 37(d). We will not overturn Rule 37 sanctions unless we have "a definite and firm conviction that the court committed a clear error of judgment in the conclusion it reached upon a weighing of the relevant factors." *Payne v. Exxon Corp.*, 121 F.3d 503, 507 (9th Cir. 1997). After a careful examination of the record, we conclude that the district court weighed the appropriate factors and did not abuse its discretion in applying the sanction.

Milanian suggests that the district court should have applied the factors identified in *Malone v. United States Postal Serv.*, 833 F.2d 128, 130 (9th Cir. 1987). However, we have only required the Malone factors to be applied in cases involving dismissal or default judgment. See, e.g., *Computer Task Group, Inc. v. Brotby*, 364 F.3d 1112, 1115 [*778] (9th Cir. 2004); *Payne*, 121 F.3d at 507; *Malone*, 833 F.2d at 130. The circumstances involved here were not tantamount to dismissal; therefore, the heightened analysis used [***6] in *Malone* is not required.

The judgment of the district court following the three-day bench trial is therefore affirmed.

IV

The district court did not abuse its discretion in entering its contempt order. See *Irwin v. Mascott*, 370 F.3d 924, 931 (9th Cir. 2004). The district court's judgment of contempt is therefore affirmed.

AFFIRMED. n1

n1 Caesars World's motion to dismiss this appeal based on the fugitive disentitlement doctrine is denied.

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

In the Matter of Application No. 76/372,550 ARDENBEAUTY.

THE WET SEAL, INC.,

Opposer,

v.

FD MANAGEMENT, INC.,

Applicant

§
§
§
§
§
§
§
§

Opposition No. 91157022

OPPOSER'S NOTICE REQUESTING HEARING

Opposer, The Wet Seal, Inc., d/b/a Arden B, hereby requests that the Trademark Trial and Appeal Board schedule an oral hearing in this opposition.

Dated: September 22, 2005

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of September 2005, a copy of the foregoing document was served upon the following counsel via first class U.S. mail:

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Vicki Martin
(Typed or printed name of person mailing paper or fee)

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