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

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|---|---|
| Proceeding | 91178747 |
| Party | Defendant<br>Votivo, Ltd. and Votivo, LLC |
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| Signature | /Heather M. Morado/ |
| Date | 12/17/2009 |
| Attachments | Dec of HMM in Support of Motion for Leave to Supplement Record - Reconsideration.pdf ( 4 pages )(75979 bytes )<br>Ex A to Dec of HMM re Supplemental Record in Support of Motion for Reconsideration.pdf ( 29 pages )(860422 bytes )<br>Ex B to Dec of HMM re Supplemental Record in Support of Motion for Reconsideration Pt1.pdf ( 131 pages )(3282079 bytes )<br>Ex B to Dec of HMM re Supplemental Record in Support of Motion for Reconsideration Pt 2.pdf ( 24 pages )(1090217 bytes )<br>Ex B to Dec of HMM re Supplemental Record in Support of Motion for Reconsideration Pt 3.pdf ( 83 pages )(1984729 bytes )<br>Ex B to Dec of HMM re Supplemental Record in Support of Motion for Reconsideration Pt 4.pdf ( 88 pages )(2440371 bytes )<br>Ex B to Dec of HMM re Supplemental Record in Support of Motion for Reconsideration Pt 5.pdf ( 51 pages )(1510354 bytes )<br>Ex C-G to HMM Dec re Supplemental Record for Motion for Reconsideration.pdf ( 118 pages )(4030831 bytes )<br>Ex H-I of HMM Dec re Supplemental Record in Support of Motion for Reconsideration.pdf ( 83 pages )(2066561 bytes ) |

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

In the matter of Trademark Application Serial No. 76/613881
For the Mark MANDARINE
Published in the Official Gazette JUNE 5, 2007

| | |
|---|---|
| MINE DESIGN D/B/A/ OF AMAL FLORES (U.S.),<br><br>Opposers,<br><br>v.<br><br>VOTIVO, LTD., a Washington corporation,<br><br>Applicant,<br><br>VOTIVO, LLC, a South Carolina Limited Liability Company,<br><br>Defendant | DECLARATION OF HEATHER M. MORADO IN SUPPORT OF MOTION FOR LEAVE TO SUPPLEMENT RECORD IN SUPPORT OF MOTION FOR RECONSIDERATION<br><br>Opposition No. 91178747 |

Applicant / Defendant ("Votivo") submits this declaration pursuant to the Board's December 10, 2009 order requesting that Votivo submit additional documents that have been filed in the United States District Court, Central District of California, Cause No. CV 03-6017-DT.

Heather M. Morado, declares and states as follows:

1. I am counsel of record for the Applicant/Defendant. I have personal knowledge of the following facts and am competent to testify thereto.

2. I make this declaration in support of Applicant and Defendant's Motion for Leave to Supplement Record in Support of Motion for Reconsideration.

3. Attached hereto as Exhibit A is a true and correct copy of the Application for an Order to Show Cause Why Defendant Should Not Be Held in Contempt; and Memorandum of Points and Authorities in Support Thereof, filed on August 20, 2008.

4. Attached hereto as Exhibit B is the Declaration of Steven Edmiston in Support of Application for an Order to Show Cause Why Defendant Should Not Be Held in Contempt, filed on August 20, 2008.

5. Attached hereto as Exhibit C is Mine Design's Opposition to Votivo's Motion to Substitute a Party, submitted on August 28, 2008. Votivo includes this pleading because although it is styled as an Opposition to Votivo's Motion to Substitute a Party, this pleading presented an argument that addressed the merits of Votivo's Application for an Order to Show Cause. Votivo interpreted this pleading as a response to the foregoing, and filed the Reply listed in paragraph 6 below.

6. Attached hereto as Exhibit D is Votivo's Reply Memorandum in Support of Application for an Order to Show Cause Why Defendant Should Not Be Held in Contempt, filed on September 19, 2008.

7. Attached hereto as Exhibit E is the Court's Order Granting Motion to Substitute, Ordering Supplemental Briefing on Motion for Order to Show Cause, filed on December 22, 2008.

8. Attached hereto as Exhibit F is Mine Design's Supplemental Briefing Re: Enforcement of Injunction, filed on January 26, 2009.

9. Attached hereto as Exhibit G is the Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing, filed on January 26, 2009.

10. Attached hereto as Exhibit H is Votivo's Response to Mine Design's Supplemental Briefing Re: Enforcement of Permanent Injunction, filed on February 9, 2009.

11. Attached hereto as Exhibit I is the Declaration of Steven W. Edmiston in Support of Response to Mine Design's Supplemental Briefing Re: Enforcement of the Injunction, filed on February 9, 2009.

I declare under penalty of perjury under the laws of the United States of America and the state of Washington that the foregoing is true and correct to the best of my knowledge and belief.

EXECUTED at Seattle, Washington this 17th day of December 2009.

Heather Morado

Heather M. Morado

**CERTIFICATE OF EXPRESS MAILING**
**37 C.F.R. §1.10**

"Express Mail" mailing label number: EM110959660US
Date of Deposit: December 17, 2009

I hereby certify that this paper is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR §1.10 on the date indicated above and is addressed to:

Mr. Carlos Candeloro
1601 N. Sepulveda Blvd. 239
Manhattan Beach, CA 90266

Katy M. Albritton

# EXHIBIT A

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VOTIVO, Ltd., a Washington corporation; and VOTIVO, LLC, a South Carolina limited liability company,

Plaintiffs,

vs.

MINE DESIGN, a sole proprietorship,

Defendant.

**NO. CV 03-6017-DT**
**[Hon. Dickran Tevrizian, Ret.]**

**APPLICATION FOR AN ORDER TO SHOW CAUSE WHY DEFENDANT SHOULD NOT BE HELD IN CONTEMPT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF**

**APPLICATION**

Pursuant to paragraph 3 of the Permanent Injunction entered by this Court on November 7, 2005, plaintiffs Votivo Ltd., and Votivo, LLC (hereafter "VOTIVO") hereby apply for an Order to Show Cause why defendant Mine Design, its sole proprietor Amal Flores, and its attorney Carlos Candeloro, should not be held in contempt for violating the terms of the Permanent Injunction. This Application is made following the Conference of Counsel pursuant to Local Rule 7-3 which took place on July 16, 2008. [Declaration of Robert M. Gilchrest Re: Local Rule 7-3 Conference of Counsel at ¶ 3.]

This Application is based upon the Permanent Injunction, the memorandum of points and authorities attached hereto, the Declarations of Steven Edmiston and Robert M. Gilchrest (re Local Rule 7-3 Conference of Counsel) filed concurrently herewith, and upon all documents, records and files in this action, and such oral and documentary evidence as may be presented at or before the time of the hearing on this Application. The proposed order granting this Application is lodged concurrently herewith and the original of such order shall be presented to the Court at the time of the hearing on this Application.

Dated: August 20, 2008

Respectfully Submitted,

**BAUTE & TIDUS LLP**

By _____

Mark D. Baute, Esq.
Robert M. Gilchrest, Esq.
Attorneys for Plaintiffs
VOTIVO, LTD. and VOTIVO, LLC

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## MEMORANDUM OF POINTS AND AUTHORITIES

## I.

## INTRODUCTION

VOTIVO has used the mark MANDARINE[1] in connection with a variety of household and personal care products dating back to 1997. VOTIVO holds valid federal trademark registrations for MANDARINE for use in connection with candles, tapers, skin soap, scented body spray, scented room spray, and incense (collectively, the "Existing Registrations"), dating back to 2003. The Existing Registrations have been found distinctive when applied to VOTIVO home and personal care products. [Declaration of Steven W. Edmiston ("Edmiston Decl."), Exs. 18-19.]

VOTIVO filed its Complaint in this matter on August 22, 2003, alleging, among other things, trademark infringement. On November 8, 2005, this Court entered a Permanent Injunction against Defendant Mine Design:

> 1. [Mine Design], and its owners... and attorneys...are hereby permanently enjoined and restrained from:
>
> ***
>
> d. Using MANDARINE,... which is a subject of a United States trademark registration owned by VOTIVO, or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to MANDARINE..., in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use.

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[1] Mandarine, a French word, may be translated as "mandarin" in English. Under the doctrine of foreign equivalents, a foreign word and the English equivalent may be held to be confusingly similar. Trademark Manual of Examining Procedures § 1207.01(b)(vi) (citations omitted).

[Edmiston Decl., Ex. 4 at (page:line) 1:23-2:27.]

VOTIVO returns to this Court because Mine Design is now intentionally violating the Permanent Injunction. Specifically, Mine Design is using the term Mandarin (a term confusing and substantially similar to MANDARINE) in connection with the direct marketing and sales of candles. In addition, Mine Design has filed an action against VOTIVO before the United States Patent and Trademark Office Trademark Trial and Appeal Board ("TTAB"), opposing VOTIVO's pending federal trademark registration for the use of MANDARINE in connection with scented products for personal care use, bath salts and hand lotion. Mine Design was prohibited by this Court from using MANDARINE (or any confusingly or substantially similar term) in connection with any candles or household or personal care products. Mine Design is intentionally using the mark Mandarin in violation of the Permanent Injunction. In light of this misconduct, Mine Design, its owner and Attorney Candeloro should be held in contempt.

## II.

## STATEMENT OF FACTS

### A. Prior Litigation Between VOTIVO And Mine Design.

1. The California Federal District Court Lawsuits.

Since 1996, VOTIVO[2] has specialized in the design, manufacture and wholesale of high-quality aromatic products such as scented candles, incense,

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[2] VOTIVO, LLC, a limited liability company organized under the laws of the State of South Carolina, and VOTIVO, LTD., a corporation organized under the laws of the State of Washington, executed an Intellectual Property, Inventory, and other Physical Property Asset Purchase and Transfer Agreement, an Assignment of Trademark Interests, and Assignment of Intent-Based Trademark Interests, all on September 28, 2007, wherein VOTIVO, LLC acquired, among other things, all rights for the products at issue in this matter, including the trademark registrations and other intellectual property rights for U.S.P.T.O. Registration Nos. 2720908 and 2728815, and Serial No. 76/613881, for MANDARINE [Edmiston Decl., Exs. 14 and 15.]

soaps, room sprays, body and hand lotions, bath salts, and related products. [Edmiston Decl., Ex. 16 (appending the Declaration of Robert E. Caldwell, Jr., ¶ 3), Ex. 3 (Findings of Fact Nos. 2-4); and Ex. 17 (appending the Declaration of Edgar Lee, ¶ 3).]

VOTIVO, Ltd. has twice litigated against Amal Flores, an individual doing business under the name "Mine Design", in federal district court.[3] The primary claims by VOTIVO in each lawsuit were for trademark infringement. The first lawsuit was *VOTIVO, Ltd. v. Mine Design*, U.S. District Court for the Central District of California, Case No. CV 03-6017 ("Mine Design I"), filed in April 2003. [Edmiston Decl., Ex. 1 (Complaint, Mine Design I), Ex. 2 (Mine Design's Answer and Affirmative Defenses of Defendant Mine Design to Plaintiff's Complaint in Mine Design I).][4] In March 2005, VOTIVO, Ltd. brought a second action for trademark infringement, *VOTIVO, Ltd. v. Amal Flores D.B.A. Mine Design*, U.S. District Court for the Central District of California, Case No. CV05 2942 ("Mine Design II"). [Edmiston Decl., Ex. 9 (Verified Complaint, Mine Design II), Ex. 10 (Mine Design's First Amended Answer, Affirmative Defenses, and Counterclaims, Mine Design II).][5]

During the pendency of Mine Design I and II, VOTIVO discovered that Mine Design was also selling products that infringed additional federally

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[3] In both cases Mine Design was represented by its present counsel, Attorney Candeloro.

[4] The VOTIVO trademark registrations initially at issue in Mine Design I were for RED CURRANT and SOKU LIME. Mine Design alleged that the subject marks were generic and not capable of trademark protection. [Id.]

[5] The VOTIVO trademark registration initially at issue in Mine Design II was for TALL GRASS. Mine Design alleged it "has an interest in the use of 'tall grass' as a common descriptive term of the scent of tall grass." [Id.]

registered trademarks owned by VOTIVO, including MANDARINE. [Edmiston Decl., Ex. 3 (Permanent Injunction).] These additional instances of infringement by Mine Design were incorporated into the litigation, and, as set forth below, are included within the scope of the relief granted by the Court.

On November 8, 2005, the Federal Court in Mine Design I entered Findings of Fact and Conclusions of Law, a Permanent Injunction, and a Final Judgment in favor of VOTIVO, including the following:

FINDINGS OF FACT

2. VOTIVO is one of the country's leading manufacturers and distributors of home décor products, gift products and personal care products. Among the many products sold by VOTIVO are candles, burning sticks and incense, scented room sprays, skin soaps, and scented body sprays.

3. Since at least as early as 1999, VOTIVO has used a variety of distinctive trademarks to advertise and promote its products.

4. VOTIVO's family of trademarks is distinctive when applied to VOTIVO's products. Because of the excellent sales and extensive promotion of VOTIVO's products, VOTIVO's family of trademarks have become well known to consumers and others in the personal care, home décor and gift industries as identifying unique and desirable products of the highest quality that originate with VOTIVO.

5. Consequently, VOTIVO's trademarks are very important and valuable business assets of VOTIVO, and represent significant business goodwill.

* * *

14. Since filing this lawsuit, VOTIVO also has discovered that – notwithstanding that VOTIVO already has sued Defendant for trademark

infringement – Defendant has been marketing and selling products that infringe other registered trademarks owned by VOTIVO....

* * *

CONCLUSIONS OF LAW

6. Based upon the foregoing, the Court finds and concludes that the well-pled facts alleged in VOTIVO's complaint and set forth herein establish that Defendant is liable to VOTIVO for: (a) federal trademark infringement; (b) violation of the Lanham Act Section 43(a); (c) violation of California Business & Professions Code section 17200 et seq.; (d) common law trademark infringement; and (e) common law unfair competition.

* * *

8. Pursuant to Section 34(a) of the Lanham Act, 15 U.S.C. § 1116(a), the Court finds and concludes that a permanent injunction in the form requested by VOTIVO should be entered to prohibit Defendant, and all persons acting in concert and participation with Defendant, from infringing... (d) any and all other registered trademarks owned by VOTIVO.

9. For the reasons set forth in the July 15 Order, the Court finds and concludes that VOTIVO is entitled to an award of attorneys' fees in the amount of $19,800 as well as an award of litigation costs pursuant to 28 U.S.C. § 1920.

[Edmiston Decl., Ex. 3 (emphasis supplied).]

The Permanent Injunction states:

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:**

1. Defendant, and its owners, controlling persons... and attorneys...are hereby permanently enjoined and restrained from:

* * *

d. Using any of the terms set forth on Exhibit "A" hereto, each of which is a subject of a United States trademark registration owned by VOTIVO, or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to the terms listed on Exhibit "A", in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use.

2. Defendant shall take all reasonable steps to ensure that its owners, controlling persons... and attorneys, do not violate the terms of this Permanent Injunction....

3. This Court shall retain jurisdiction over the parties hereto for the purposes of any proceeding to enforce this Permanent Injunction. In the event Defendant, or any of this owners, controlling persons . . . and attorneys... violate any of the terms of this Permanent Injunction, VOTIVO shall be entitled to immediately seek an order to show cause as to why Defendant should not be held in contempt because of such violation. In the event the Court finds that any violation by Defendant of the terms of this Permanent Injunction has taken place, VOTIVO shall be entitled to its reasonable attorneys' fees and costs incurred in addressing such violation. [Edmiston Decl., Exs. 4-5.]

Exhibit A to the Permanent Injunction identified and included the over 40 separate VOTIVO registered trademarks, including MANDARINE, U.S. Registration Nos. 2,720,908, and 2,728,815. [Edmiston Decl., Exs. 4, 18-19.] Other VOTIVO marks included: BLACK GINGER, RED CURRANT, TALL GRASS and ROSEMARY GARDEN. Id.

The Court expressly retained jurisdiction for any subsequent proceeding to enforce the Permanent Injunction.6

2. Settlement of Mine Design I and II; Dismissal of Appeal.

Mine Design appealed the Final Judgment in Mine Design I to the Ninth Circuit, Case No. 06-55147. [Edmiston Decl., Ex. 8.] While the appeal and the Mine Design II case were pending, on May 5, 2006, VOTIVO entered into a Settlement Agreement with Mine Design. [Edmiston Decl., Ex. 11.] The parties agreed that the Mine Design I appeal would be dismissed. [Id.] The Settlement Agreement provides for ongoing enforcement of the Permanent Injunction by providing for the retention of jurisdiction by the federal court in Mine Design I. [Id.] The Settlement Agreement confirms the broad prohibition against Mine Design's use of all of VOTIVO's federally registered trademarks, including MANDARINE:

> 3. Use of VOTIVO Registrations. MINE agrees that it will not, directly or indirectly... use... (ii) any of the trademarks set forth in the Permanent Injunction provided such trademarks remain registered with the United States Patent and Trademark Office.

[Edmiston Decl., Ex. 11.]

The parties also agreed to a release of all claims and/or liabilities "the Parties may have against each other... including any and all demands, claims, rights, obligations, liabilities, causes of actions... of whatever kind, nature or description... up until the EFFECTIVE DATE. [Edmiston Decl., Ex. 11 at ¶ 7.7,

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[6] On December 27, 2005, the Mine Design I Court denied Mine Design's F.R.C.P. 59(e) Motion to Alter or Amend Final Judgment. [Edmiston Decl., Exs. 6-7.]

[7] Notably, as of the "Effective Date" (May 5, 2006) of the Settlement Agreement, VOTIVO's Trademark Application for MANDARINE in connection with bath salts

Exs. 12 and 13, (dismissals of the Mine Design I Appeal and the Mine Design II lawsuit).]

**B. The MANDARINE Marks.**

1. The Existing Registrations for MANDARINE.

On April 11, 2002, VOTIVO filed applications to register MANDARINE for skin soap, scented body spray, scented room spray, incense, candles and tapers as a trademark with the U.S. Patent and Trademark Office (the "PTO"). In the course of seeking registration for the trademark, the Trademark Office found that MANDARINE had acquired distinctiveness or secondary meaning under Section 2(f). The trademark was registered on the Principal Register in mid-2003. [Edmiston Decl., Exs. 18 and 19.8.]

2. Pending Application for MANDARINE.

On September 22, 2004, VOTIVO filed an intent-to-use application to register MANDARINE in connection with bath salts and hand lotion. Edmiston Decl., Ex. 20. On May 19, 2005, following an Examiner's Amendment/Priority Action stating that VOTIVO may seek registration under Section 2(f) by claiming acquired distinctiveness through ownership of U.S. Registration No. 2,728,815 (for MANDARINE), VOTIVO provided the Examiner the following statement:

> The mark has become distinctive of the goods as evidenced by the ownership of U.S. Registration No. 2,728,815 on the Principal Register for the same mark for related goods or services.

[Edmiston Decl., Exs. 21-22.]

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and hand lotion had been pending for *over one and one-half years*, and therefore is clearly included within the scope of the release. [Edmiston Decl., Exs. 11 and 20.]

[8] These Existing Registrations, among numerous others, were expressly included within the scope of the Permanent Injunction entered against Mine Design, discussed above. [Edmiston Decl., Ex. 4.]

VOTIVO provided an Amendment to Allege Use of MANDARINE on June 16, 2005, alleging actual use for bath salts and hand lotion beginning January 7, 2005. [Edmiston Decl., Ex. 23.] Notice of Publication issued from the PTO on June 5, 2007. [Edmiston Decl., Ex. 23.]

3. Mine Design's TTAB Opposition Proceeding.

On August 3, 2007, Mine Design filed a Notice of Opposition before the federal Trademark Trial and Appeal Board. [Edmiston Decl., Ex. 24.] Mine Design alleged it was engaged in the manufacture and wholesale of aromatic products, including aromatic candles, aromatic room sprays, reed diffusers, aromatic bath salts, soaps, and other similar items, and opposed VOTIVO's registration of the term MANDARINE based upon the argument that the term was "generic and functional." VOTIVO Answered and denied Mine Design's allegations. [Edmiston Decl., Ex. 25.] Despite the fact that Mine Design was enjoined from using the term MANDARINE in connection with scented household or personal care products, Mine Design did not address or mention the prior federal court litigation, appeal, nor the Permanent Injunction in its Complaint to the TTAB. Mine Design conducted no discovery. Mine Design moved for summary judgment on or about February 6, 2008.

VOTIVO opposed the motion, and filed a cross-motion for summary judgment. [Edmiston Decl., Ex. 26.] In the cross-motion, VOTIVO provided the TTAB with the entire history of the litigation between the parties and argued, among other things, that based upon the Permanent Injunction, Mine Design lacks standing before the TTAB and that its claims are precluded by the doctrines of res judicata. A ruling by the TTAB is pending. [Id.]

4. Mine Design's Use of the Term "Mandarin" (And Other Prohibited Terms) is in Violation of the Permanent Injunction.

As part of VOTIVO's investigation and defense of the TTAB matter, VOTIVO has discovered that Mine Design is marketing products, including

candles, in violation of the Permanent Injunction. To elaborate, VOTIVO discovered that Mine Design filed a pending trademark application for the term "Chalkboard", Serial No. 77302044, on October 11, 2007. [Edmiston Decl., Ex. 28.] Under penalty of perjury, the Mine Design application alleges: that the owner of the mark is Amal Flores DBA Mine Design; that the attorney for Mr. Flores is Carlos Candeloro; that the mark is used in connection with candles; and that the mark was used by August 1, 2007.

It is also alleged that the specimen provided in the application is a depiction of actual "product and packaging as shown in catalog." [Id.] The specimen provided with the application is a picture of product packaging and contents, including the candle, sitting atop five different illustrations (referenced as "five of our most popular fragrances"). The illustrations include "ginger mandarin chalkboard candle." [Id.]

VOTIVO also discovered that Mine Design's website is marketing candles using the term "Mandarin". Mine Design has launched a website to sell, among other things, candles. [Edmiston Decl., Ex. 29 (copies of the website pages located at http://minedesignonline.com).] Although Mine Design is prohibited by permanent injunction from using the terms BLACK GINGER and MANDARINE, Mine Design is marketing several types of candles with packaging that bears the name on the packaging/label "Ginger Mandarin." [Id.] In addition, it appears Mine Design is marketing candles that bear prohibited names on the packaging/label including Grass, Rosemary and Currant (Black). A complete list of Mine Design candles offered on the website using terms prohibited by the Permanent Injunction are included as Exhibit 29 to Edmiston Declaration.

## III.

## ARGUMENT

### A. The Court Expressly Retained Jurisdiction To Grant The Relief Sought By This Application.

On November 7, 2005, the Honorable Judge Dickran Tevrizian (Ret.) entered the Permanent Injunction. Because of the history of infringement by Mine Design, Judge Tevrizian included a provision in the Permanent Judgment whereby:

> 3. This Court shall retain jurisdiction over the parties hereto for the purposes of any proceeding to enforce this Permanent Injunction. In the event Defendant or any of its owners, controlling persons, officers... and attorneys...violate any of the terms of this Permanent Injunction, Votivo shall be entitled to immediately seek an order to show cause as to why Defendant should not be held in contempt because of such violation. In the event the Court finds that any violation by Defendant of the terms of this Permanent Injunction has taken place, VOTIVO shall be entitled to its reasonable attorneys' fees and costs incurred in addressing such violation.

[Edmiston Decl., Ex 4.][9]

The retention of jurisdiction to enforce the Permanent Injunction is appropriate in light of the discretionary power granted a court of the United States: "A court of the United States shall have power to punish by fine or imprisonment, or both, at its discretion, such contempt of its authority, and none other, as (1) Misbehavior of any person in its presence or so near thereto as to obstruct the administration of justice; (2) Misbehavior of any of its officers in their official

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[9] Thereafter, Judge Tevrizian entered judgment and made the Permanent Injunction a part of that judgment. On December 27, 2005, the Mine Design I Court denied Mine Design's F.R.C.P. 59(e) Motion to Alter or Amend Final Judgment. [Edmiston Decl., Exs. 6-7.]

transactions; (3) Disobedience or resistance to its lawful writ, process, order, rule, decree, or command." Civil contempt is encompassed within this section. *E.g., Britton v. Co-op Banking Group*, 916 F.2d 1405, 1409 n. 4 (9th Cir.1990).

Sanctions for civil contempt may be imposed to coerce obedience to a court order, or to compensate the party pursuing the contempt action for injuries resulting from the contemptuous behavior, or both. *United States v. United Mine Workers*, 330 U.S. 258, 303-04 (1947), See generally, II C. Wright & A. Miller *Federal Practice and Procedure* § 2960 at 584 (1973).

**B. VOTIVO Has Made A Prima Facie Showing That The Permanent Injunction Has Been Violated.**

"[C]ivil contempt sanctions, or those penalties designed to compel future compliance with a court order, are considered to be coercive and avoidable through obedience, and thus may be imposed in an ordinary civil proceeding upon notice and an opportunity to be heard." *Int'l Union v. Bagwell*, 512 U.S. 821, 827 (1994). A prima facie showing of civil contempt is established by clear and convincing evidence showing that a party had notice of the terms of a court's order and violated that order. *E.g., United States v. Powers*, 629 F.2d 619, 626 n. 6 (9th Cir.1980). Intent to violate the order is not germane; rather, violation of a court order by a party constitutes civil contempt whether or not the violation of the court order was intentional. *Perry v. O'Donnell*, 759 F.2d 702, 705 (9th Cir.1985). Moreover, where "the affidavits offered in support of a finding of contempt are uncontroverted, we have held that a district court's decision not to hold a full-blown evidentiary hearing does not violate due process." *Peterson v. Highland Music*, 140 F.3d 1313, 1324 (9th Cir.1998).

Mine Design, Amal Flores and Mr. Candeloro should be ordered to show cause why they should not be held in contempt. Paragraph 3 of the Permanent Injunction shifts the burden of assuring compliance with its terms to Mine Design. Paragraph 3 states in relevant part:

3. Defendant shall take all reasonable steps to ensure that its owners, controlling persons, officers... and attorneys, do not violate the terms of this Permanent Injunction.

[Edmiston Decl., Ex. 4.]

It cannot be disputed that the Permanent Injunction prohibits Mine Design from using the mark MANDARINE (the "Mark") (or any confusingly or substantially similar term such as mandarin) in connection with candles and other home and personal care products. It equally cannot be disputed that Mine Design, its sole proprietor Mr. Amal Flores, and Mr. Candeloro, were directly involved in the litigation leading to the findings of infringement and the entry of the Permanent Injunction. Despite the clarity of the language of the Permanent Injunction, Mine Design, through Mr. Candeloro, has interfered with VOTIVO's ongoing efforts to register the mark MANDARINE by filing the opposition before the TTAB. The sole purpose of filing such an action is the intent to use the Mark; indeed, Mine Design cannot have standing before the TTAB if it does not have (1) a "real interest" in the proceedings and (2) a reasonable basis for the belief of damage. *See Ritchie v. Simpson*, 170 F.3d 1092, 1095-96 (Fed. Cir. 1999).

Plainly, Mine Design's intent to use the Mark is evidenced by its own federal trademark application for "Chalkboard", in which it states under oath that it has used the mark with packaging utilizing the term "mandarin" since August of 2007. Notably, Mine Design's federal trademark application alleges use as of August 1, 2007, only five days prior to the date that Mine Design filed the TTAB Opposition.

Mine Design's actual use of the Mark is also evidenced by Mine Design's own website, which repeatedly shows candle products and product logos utilizing the word mandarin in connection with marketing its candles.

While its reasons for ignoring the prohibitions of the Permanent Injunction may be unknown, the fact that Mine Design has determined to intentionally violate

the Permanent Injunction cannot be disputed. Mine Design should be held in contempt, and the Court should fashion relief preventing Mine Design from further harassment of VOTIVO, and infringement of its trademark rights including enjoining Mine Design from maintaining the TTAB opposition.

In a case with nearly identical facts, the TTAB granted summary judgment based upon application of the terms of a permanent injunction previously entered by a federal district court:

> [T]o the extent that a civil action in a Federal district court involves issues in common with those in a proceeding before the Board, the decision... is typically binding upon the Board, while the decision of the Board is not binding upon the court. See TBMP §510.02(a) (2d ed. rev. 2004). Moreover, any final determination made by the Board is appealable to Federal district court, including to the district in which the civil action between the parties took place. See Trademark Act §21(b); Trademark Rule 2.145(c); and TBMP §901 (2d ed. rev. 2004). Thus, in this case, it is incumbent upon the Board to give deference to the determinations of the court, including the remedy entered therein, and consider the terms of the permanent injunction.

[Edmiston Decl., Ex. 30, (*Daimler Chrysler Corp. v. Maydak*, Opp. No. 91153172, at p. 12-13 (April 4, 2008)).] The Board concluded that the Federal court permanent injunction was, as a matter of law, dispositive: "because the injunction permanently prohibits applicant from using...the mark, it is a legal impossibility for applicant to obtain registration." [Id.]

This Court has the authority to require Mine Design, and its legal counsel, to cease efforts to "backdoor" its way around the Permanent Injunction. Based upon the facts, Mine Design should be ordered to dismiss its TTAB Opposition.

**C. This Court Should Require Mine Design To Reimburse VOTIVO For All Reasonable Attorney's Fees Arising From The Violation Of The Permanent Injunction.**

Paragraph 3 of the Permanent Injunction provides in relevant part:

> 3. ... In the event the Court finds that any violation by Defendant of the terms of this Permanent Injunction has taken place, VOTIVO shall be entitled to its reasonable attorney's fees and costs incurred in addressing such violation.

[Edmiston Decl., Ex. 4.] Even without this mandate in this case, an award of attorneys' fees is proper in a case of willful trademark infringement as well as in contempt proceedings for such infringement. 15 U.S.C. § 1117; *General Signal Corp. v. Donallco*, Inc., 787 F.2d 1376, 1380 (9th Cir. 1986).

In evaluating a request for such fees, the Court must consider certain factors which are called into question by the case, and which support the reasonableness of the award of such fees. *Kerr v. Screen Extras Guild, Inc.*, 526 F.2d 67, 70 (9th Cir. 1975); *Ford Motor Co. v. Kuan Tong Indus. Co., Ltd.*, 697 F.Supp. 1108, 1109 (N.D. Cal. 1987). These factors include: (1) the time and labor required; (2) the novelty and difficulty of the questions involved; (3) the skill required to perform the legal service properly; (4) the preclusion of other employment by the attorney due to the acceptance of the case; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) time limitations imposed by the client or the circumstances; (8) the amount involved and the results obtained; (9) the experience, reputation and ability of the attorneys; (10) the "undesirability" of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in similar cases. *Id.*

Here, Mine Design has been permanently enjoined from using the Mark, but has intentionally proceeded to use the Mark. It is difficult to imagine a worse set of facts for Mine Design. VOTIVO should be awarded its reasonable attorneys

fees and costs in this proceeding, and those incurred in connection with the TTAB opposition, which VOTIVO has been required to vigorously defend. If the Court agrees, VOTIVO will submit supplemental declarations setting forth the fees and costs it has incurred for the Court's consideration.

## IV.

## CONCLUSION

For the reasons detailed above, VOTIVO requests that the Court should issue an order to show cause why Mine Design, Amal Flores, and Attorney Candeloro should not be held in contempt. If the Court finds these parties in contempt, the Court also should award VOTIVO reasonable attorney's fees and costs arising from the violation of the Permanent Injunction.

Dated: August 20, 2008

Respectfully Submitted,

**BAUTE & TIDUS LLP**

By _____

Mark D. Baute, Esq.
Robert M. Gilchrest, Esq.
Attorneys for Plaintiffs
VOTIVO, LTD. and VOTIVO, LLC

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VOTIVO, Ltd., a Washington corporation; and VOTIVO, LLC, a South Carolina limited liability company,

Plaintiffs,

vs.

MINE DESIGN, a sole proprietorship,

Defendant.

**NO. CV 03-6017-DT**
**[Hon. Dickran Tevrizian, Ret.]**

**[PROPOSED] ORDER TO SHOW CAUSE WHY DEFENDANT SHOULD NOT BE HELD IN CONTEMPT**

**[PROPOSED] ORDER TO SHOW CAUSE RE CONTEMPT**

The Court, having considered plaintiffs Votivo, Ltd. and Votivo, LLC's Application for an Order to Show Cause Why Defendant Mine Design Should Not Be Held in Contempt, rules as follows:

IT IS HEREBY ORDERED that plaintiffs Votivo, Ltd. and Votivo, LLC's Application for an Order to Show Cause Why Defendant Mine Design Should Not Be Held in Contempt is GRANTED.

Any Opposition Papers to the Order to Show Cause should be filed and served on plaintiffs by personal service or electronic mail service no later than _____.

Any Reply Papers to the Opposition shall be filed and served on defendant by personal service or electronic mail service no later than _____.

**IT IS SO ORDERED.**

Dated: _____

_____
UNITED STATES DISTRICT JUDGE

**PRESENTED BY:**

Mark D. Baute, Esq. (SBN (127329)
mbaute@bautelaw.com
Robert M. Gilchrest, Esq. (SBN 134254)
rgilchrest@bautelaw.com
**BAUTE & TIDUS LLP**
777 S. Figueroa Street, Suite 4900
Los Angeles, California 94306
Telephone: (213) 630-5000
Facsimile: (213) 683-1225

Attorney for Plaintiffs
VOTIVO, LTD. and VOTIVO, LLC

By: _____
Robert M. Gilchrest, Esq.

Mark D. Baute, Esq. (SBN 127329)
mbaute@bautelaw.com
Robert M. Gilchrest, Esq. (SBN 134254)
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Telephone: (213) 630-5000
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Attorney for Plaintiffs
VOTIVO, LTD. and VOTIVO, LLC

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VOTIVO, Ltd., a Washington corporation; and VOTIVO, LLC, a South Carolina limited liability company,

Plaintiffs,

vs.

MINE DESIGN, a sole proprietorship,

Defendant.

**NO. CV 03-6017-DT**
**[Hon. Dickran Tevrizian, Ret.]**

**PROOF OF SERVICE**

**PROOF OF SERVICE**

VOTIVO, LTD. vs. MINE DESIGN, et al.
USDC Case No. CV 03-6017 DT

I am employed in the County of Los Angeles, State of California, I am over the age of 18 and not a party to the within action; my business address is 777 South Figueroa Street, Suite 4900, Los Angeles, California 90017.

On **August 20, 2008**, I served the foregoing document(s) described as:

- **APPLICATION FOR AN ORDER TO SHOW CAUSE WHY DEFENDANT SHOULD NOT BE HELD IN CONTEMPT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF**
- **DECLARATION OF STEVE EDMISTON IN SUPPORT OF APPLICATION FOR AN ORDER TO SHOW CAUSE WHY DEFENDANT SHOULD NOT BE HELD IN CONTEMPT**
- **TABLE OF EXHIBITS OF: DECLARATION OF STEVE EDMISTON IN SUPPORT OF APPLICATION FOR AN ORDER TO SHOW CAUSE WHY DEFENDANT SHOULD NOT BE HELD IN CONTEMPT**
- **DECLARATION OF ROBERT M. GILCHREST RE LOCAL RULE 7-3 CONFERENCE OF COUNSEL**
- **[PROPOSED] ORDER TO SHOW CAUSE WHY DEFENDANT SHOULD NOT BE HELD IN CONTEMPT**
- **NOTICE AND MOTION FOR SUBSTITUTION OF A PARTY; MEMORANDUM OF POINTS AND AUTHORITIES, AND DECLARATION OF MARK V. JORDAN IN SUPPORT THEREOF**
- **[PROPOSED] ORDER RE SUBSTITUTION OF A PARTY**

on all other parties and/or their attorney(s) of record to this action by placing a true copy thereof in a sealed envelope, as follows: *(See attached SERVICE LIST)*

XX **By Mail:** By placing a true copy thereof in a sealed envelope and addressed to the parties listed below. I placed such envelope(s) for deposit in the U.S. Mail for service by the United States Postal Service, with postage thereon fully prepaid.

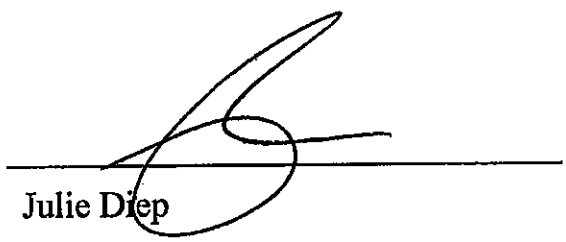
I am "readily familiar" with this firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California, in the ordinary course of business. I am aware that, on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in affidavit.

**XX** **By ECF:** Filed and served electronically in accordance with the Court's electronic filing ("ECF") rules, pursuant to which registered ECF users receive service copies by e-mail delivery. A courtesy copy will follow by U.S. Mail.

[ ] **STATE:** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

[X] **FEDERAL:** I hereby certify that I am employed in the office of a member of the Bar of this Court at whose direction the service was made, and I certify under penalty of perjury that the foregoing is true and correct.

Executed this **20th** day of **August, 2008**, at Los Angeles, California.



Julie Diep

**PROOF OF SERVICE**

VOTIVO, LTD. vs. MINE DESIGN, et al.
USDC Case No. CV 03-6017 DT

Carlos M. Candeloro, Esq.
LAW OFFICE OF CARLOS M. CANDELORO
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Manhattan Beach, CA 90266
Tel: (858) 354-9331
**Attorney for Defendant MINE DESIGN**

# EXHIBIT B

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Facsimile: (213) 683-1225

Attorney for Plaintiffs
VOTIVO, LTD. and VOTIVO, LLC

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VOTIVO, Ltd., a Washington corporation; and VOTIVO, LLC, a South Carolina limited liability company,

Plaintiffs,

vs.

MINE DESIGN, a sole proprietorship,

Defendant.

**NO. CV 03-6017-DT**
**[Hon. Dickran Tevrizian, Ret.]**

**DECLARATION OF STEVE EDMISTON IN SUPPORT OF APPLICATION FOR AN ORDER TO SHOW CAUSE WHY DEFENDANT SHOULD NOT BE HELD IN CONTEMPT**

[108967v1]

Steven W. Edmiston, declares and states as follows:

1. I am counsel of record for the Plaintiff. I have personal knowledge of the following facts and am competent to testify thereto.

2. I make this declaration in support of VOTIVO, Ltd.'s, and VOTIVO, LLC's Motion for an Order to Show Cause Why Defendant Should Not be Held in Contempt.

3. Attached as Exhibit No. 1 is a true and correct copy of VOTIVO, Ltd.'s Summons and Complaint in *VOTIVO, Ltd. v. Mine Design*, U.S. Dist. Ct., Cause No. CV 03-6017-DT (Central Dist., CA 2005) (this matter hereafter referred to as "Mine Design I"), filed August 22, 2003.

4. Attached as Exhibit No. 2 is a true and correct copy of Mine Design's Answer and Affirmative Defenses of Defendant Mine Design to Plaintiff's Complaint, filed July 14, 2004, in Mine Design I.

5. Attached as Exhibit No. 3 is a true and correct copy of Findings of Fact and Conclusions of Law entered November 8, 2005, in Mine Design I.

6. Attached as Exhibit No. 4 is a true and correct copy of the Permanent Injunction entered November 8, 2005, against Amal Flores, DBA Mine Design, and its attorneys, in Mine Design I.

7. Attached as Exhibit No. 5 is a true and correct copy of the Final Judgment against Amal Flores, DBA Mine Design, entered November 8, 2005, in Mine Design I.

8. Attached as Exhibit No. 6 is a true and correct copy of the Mine Design's F.R.C.P. 59(e) Motion to Alter or Amend Final Judgment, filed November 22, 2005, in Mine Design I.

9. Attached as Exhibit No. 7 is a true and correct copy of the Order and Opinion Denying Mine Design's F.R.C.P. 59(e) Motion to Alter or Amend Final Judgment, entered December 27, 2005, in Mine Design I.

10. Attached as Exhibit No. 8 is a true and correct copy of Mine Design's Notice of Appeal to the United States Court of Appeals for the Ninth Circuit ("Mine Design I Appeal"), Case No. 06-55147, filed January 26, 2006.

11. Attached as Exhibit No. 9 is a true and correct copy of VOTIVO, Ltd.'s Verified Complaint for trademark infringement and other causes of action, filed in U.S. District Court, Cause No. CV-05-2942-DT (Central Dist. of California) (this matter hereafter referred to as "Mine Design II").

12. Attached as Exhibit No. 10 is a true and correct copy of Mine Design's First Amended Answer, Affirmative Defenses, and Counterclaims, filed September 19, 2005, in Mine Design II.

13. Attached as Exhibit No. 11 is a true and correct copy of the May 5, 2006, Settlement Agreement between VOTIVO, Ltd. and Amal Flores, d.b.a. Mine Design.

14. Attached as Exhibit No. 12 is a true and correct copy of the Dismissal Agreement Pursuant to F.R.A.P. 42(b), dismissing Mine Design's Notice of Appeal in Mine Design I.

15. Attached as Exhibit No. 13 is a true and correct copy of the Stipulation for Dismissal with Prejudice and Without Costs, entered in Mine Design II.

16. In both Mine Design I and II, Amal Flores, d.b.a. Mine Design, was represented by its present counsel, Carlos Candeloro.

17. Attached as Exhibit No. 14 is a true and correct copy of excerpts of the Intellectual Property, Inventory, and other Physical Property Asset Purchase and Transfer Agreement executed on September 28, 2007, by and between VOTIVO, Ltd., and VOTIVO, LLC. Attached as Exhibit No. 15 is a true and correct copy of excerpts of the Assignment of Trademark Interests and

Assignment of Intent-Based Trademark Interests, both executed on September 28, 2007, by and between VOTIVO, Ltd., and VOTIVO, LLC.

18. Attached as Exhibit No. 16 is a true and correct copy of the Declaration of Robert E. Caldwell, Jr. (Executive Vice-President of VOTIVO, LLC), (1) In Opposition to Opposer's Motion for Summary Judgment and (2) in Support of Cross-Motion for Summary Judgment, executed on March 12, 2008, and filed in *Mine Design D/B/A/ of Amal Flores v. VOTIVO, Ltd. and VOTIVO, LLC*, Trademark Trial and Appeal Board Opposition (TTAB) No. 91178747.

19. Attached as Exhibit No. 17 is a true and correct copy of the Declaration of Edgar F. Lee, former President of VOTIVO, Ltd., executed on February 7, 2005, and filed in *VOTIVO, Ltd. v. Tyler Candle Company,* Cause No. CV03-2661P, U.S. Dist. Ct. (Western Dist., Wash.).

20. Attached as Exhibit No. 18 is a true and correct copy of U.S. Patent and Trademark Office Certificate of Registration for MANDARINE, No. 2,728,815.

21. Attached as Exhibit No. 19 is a true and correct copy of U.S. Patent and Trademark Office Certificate of Registration for MANDARINE, No. 2,720,908.

22. Attached as Exhibit No. 20 is a true and correct copy of the September 22, 2004, VOTIVO, Ltd. Trademark Application for the Principal Register based upon Intended Use for MANDARINE for Bath Salts and Hand Lotion, Serial No. 76613881.

23. Attached as Exhibit No. 21 is a true and correct copy of the May 3, 2005, Examiner's Amendment/Priority Action, stating among other things that VOTIVO may seek registration under the Trademark Act, Section 2(f), by

[108967v1]

claiming acquired distinctiveness through ownership of U.S. Registration 2,728,815 (for MANDARINE).

24. Attached as Exhibit No. 22 is a true and correct copy of VOTIVO's counsel's letter to the Examiner's Amendment/Priority Action, providing the statement:

> The mark has become distinctive of the goods as evidenced by the ownership of U.S. Registration No. 2,728,815 on the Principal Register for the same mark for related goods or services.

25. Attached as Exhibit 23 is a true and correct copy of the U.S.P.T.O. Notice of Publication with respect to MANDARINE for bath salts and hand lotion issued on June 5, 2007, and a true and correct copy of VOTIVO's Amendment to Allege Use of MANDARINE in connection with *bath salts and hand lotion*, filed June 16, 2005.

26. Attached as Exhibit 24 is a true and correct copy of Mine Design's Notice of Opposition, filed August 3, 2007, in *Mine Design D/B/A/ of Amal Flores v. VOTIVO, Ltd. and VOTIVO, LLC*, Trademark Trial and Appeal Board Opposition (TTAB) No. 91178747.

27. Attached as Exhibit 25 is a true and correct copy of VOTIVO, LLC's Answer to the Notice of Opposition filed September 13, 2007, in *Mine Design D/B/A/ of Amal Flores v. VOTIVO, Ltd. and VOTIVO, LLC*, TTAB Opposition No. 91178747.

28. Attached as Exhibits 26 and 27 are true and correct copies of VOTIVO, LLC's Memorandum in Opposition to Mine Design's Motion for Summary Judgment and Cross-Motion for Summary Judgment, and VOTIVO, LLC's Reply Memorandum in Support of Cross-Motion for Summary

Judgment, filed in *Mine Design D/B/A/ of Amal Flores v. VOTIVO, Ltd. and VOTIVO, LLC*, TTAB Opposition No. 91178747.

29. Attached as Exhibit 28 is a true and correct copy of a pending federal trademark application filed by Mine Design for the term "Chalkboard," Serial No. 77302044, on October 11, 2007. In the application, Mine Design alleges (under penalty of perjury): that the owner of the mark is Mine Design d/b/a Amal Flores; that the attorney for Mr. Flores is Carlos Candeloro; that the mark is used in connection with candles; and that the mark was used at least as early as August 1, 2007. It is also alleged that the specimen provided in the application is a depiction of actual "product and packaging as shown in catalog." Id. The specimen provided with the application is a picture of product packaging and contents, including the candle, sitting atop five different illustrations (referenced as "five of our most popular fragrances"). The illustrations include a "ginger mandarin chalkboard candle". Id.

30. Attached as Exhibit 29 are true and correct black and white printouts of website pages found at http://minedesignonline.com. Each copy bears the hyper-text transfer protocol ("http:") address or uniform resource locator ("url"). Mine Design has launched this website to sell, among other things, candles. Although Mine Design is prohibited by permanent injunction from using the terms BLACK GINGER and MANDARINE (or any confusingly or substantially similar terms), on its website Mine Design is marketing several types of candles with packaging that bears the name on the packaging/label "Ginger Mandarin." Id. In addition, it appears Mine Design is marketing candles that bear prohibited names on the packaging/label including Grass, Rosemary and Currant (Black). A complete list of Mine Design candles

offered on the website using terms prohibited by the Permanent Injunction are included as Exhibit 29.

31. Attached as Exhibit 30 is a true and correct copy of written opinion of the Trademark Trial and Appeal Board in the matter of *Daimler Chrysler Corporation v. Keith Maydak.*

I declare under penalty of perjury under the laws of the United States of America and California that the foregoing is true and correct to the best of my knowledge and belief.

EXECUTED at Seattle this 20TH day of August 2008.

Steven W. Edmiston

97863.1

# EXHIBIT 1

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

| | |
|---|---|
| Votivo, Ltd., a Washington corporation,<br>PLAINTIFF(S)<br>v.<br>Mine Design, a business entity of unknown form,<br>DEFENDANT(S). | CASE NUMBER<br>•03-6017 DT (Ex)<br><br>SUMMONS |

TO: THE ABOVE-NAMED DEFENDANT(S):

YOU ARE HEREBY SUMMONED and required to file with this court and serve upon plaintiff's attorney Gregory P. Goonan, whose address is:

The Affinity Law Group
600 West Broadway, Suite 400
San Diego, CA 92101
tel: 619-702-4335
fax: 619-515-1197

an answer to the ☒ complaint ☐_____amended compliant ☐ counterclaim ☐ cross-claim which is herewith served upon you within 20 days after service of this Summons upon you, exclusive of the day of service. If you fail to do so, judgement by default will be taken against you for the relief demanded in the complaint.

Clerk, U.S. District Court

Dated: 08/22/03

By: Terry R Baker
Deputy Clerk

*(Seal of the Court)*

ORIGINAL

Gregory P. Goonan (Cal. Bar #119821)
**The Affinity Law Group APC**
600 West Broadway, Suite 400
San Diego, CA 92101
Tel: 619-702-4335
Fax: 619-515-1197

Attorneys for Plaintiff
Votivo, Ltd.

**UNITED STATES DISTRICT COURT**

**CENTRAL DISTRICT OF CALIFORNIA**

Votivo, Ltd, a Washington corporation,

Plaintiff,

vs.

Mine Design, a business entity of unknown form,

Defendant.

Case No.

**COMPLAINT FOR (1) TRADEMARK INFRINGEMENT; (2) VIOLATION OF LANHAM ACT SECTION 43(a); (3) VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTION 17200; (4) COMMON LAW UNFAIR COMPETITION; AND (5) COMMON LAW TRADEMARK INFRINGEMENT**

**JURY TRIAL DEMANDED**

Plaintiff Votivo, Ltd. ("Votivo") alleges as follows for its complaint:

## INTRODUCTION

1. Votivo is one of the country's leading manufacturers and distributors of home decor products, gift products and personal care products. Among the many products sold by Votivo are candles, burning sticks and incense, scented room sprays, skin soaps, and scented body sprays. Since at least as early as 1999, Votivo has used a variety of distinctive trademarks to advertise and promote its products.

COPY

2. Votivo's family of trademarks is distinctive when applied to Votivo's products. Because of the excellent sales and extensive promotion of Votivo's products, Votivo's family of trademarks have become well known to consumers and others in the personal care, home decor and gift industries as identifying unique and desirable products of the highest quality that originate with Votivo.

3. Consequently, Votivo's trademarks are very important and valuable business assets of Votivo, and represent significant business goodwill.

4. Among the distinctive and valuable trademarks owned and used by Votivo are the trademarks "Red Currant" and "Soku Lime." Votivo owns United States Trademark Registration Nos. 2,720,906 and 2,720, 907 for the Red Currant mark and United States Trademark Registration Nos. 2,717,256 and 2,717, 257 for the Soku Lime mark. Votivo's Red Currant trademark and Soku Lime trademark are sometimes collectively referred to herein as the "Votivo Trademarks."

5. The foregoing federal trademark registrations are sometimes referred to collectively herein as the "Votivo Trademark Registration." The Votivo Trademark Registrations protect the Red Currant mark and the Soku Lime mark in connection with the following goods: candles, tapers, skin soap, scented body spray, scented room spray and incense.

6. Defendant Mine Design ("Defendant") has been advertising, marketing, and selling candles and, on information and belief, other home decor products, gift products, and/or personal care products using the terms Red Currant and Soku Lime and/or other terms that are confusingly similar to the Votivo Trademarks. In doing so, Defendant has infringed, and continues to infringe, Votivo's trademark rights.

7. Votivo brings this action to secure relief under federal and California law. Votivo seeks (1) a temporary, preliminary and permanent injunction prohibiting Defendant from further infringement of the Votivo Trademarks; (2) an order requiring the seizure and impoundment of all infringing products in Defendant's possession, custody or control pending completion of this action; and (3) money damages for Defendant's past and continuing infringement of the Votivo Trademarks.

## JURISDICTION AND VENUE

8. This Court has jurisdiction over this matter pursuant to (i) 28 U.S.C. § 1331 (action arising under the laws of the United States); (ii) 28 U.S.C. § 1338(a) (action arising under trademark law); (iii) 28 U.S.C. §1338(b) (claims for unfair competition joined with claims under the trademark law); (iv) 15 U.S.C. § 1121(a) (action arising under the Lanham Act); (v) and principles of pendant jurisdiction.

9. Venue is proper in this district pursuant to 28 U.S.C. § 1391 (b,c).

## THE PARTIES

10. Votivo is a corporation organized and existing under the laws of the State of Washington with its principal place of business in Seattle, Washington. Votivo is the owner of the trademark rights in the Votivo Trademarks including trademark rights pursuant to the Votivo Trademark Registrations and common law trademark rights. Votivo markets and sells home decor products, gift products and personal care products using the Votivo Trademarks and other valuable and distinctive trademarks.

11. Votivo is informed and believes and on that basis alleges that Defendant is a business organization of unknown form with its principal place of business in Beverly Hills, California. Votivo is informed and believes and on that basis alleges that Defendant sells housewares, home accessories, and novelty and gift items primarily at gift shows throughout the United States.

## FACTUAL BACKGROUND

A. Votivo's Trademark Rights.

12. Votivo began using the Votivo Trademarks in association with the promotion and sale of candles, tapers, skin soap, scented body spray, scented room spray and incense since at least as early as 1999, has used the Votivo Trademarks in such manner at all times relevant to the allegations of this complaint, and continues to use the Votivo Trademarks in such manner on a continuous basis to the present.

13. Votivo has used the Votivo Trademarks extensively in print advertisements, brochures and other printed marketing materials, and on the Internet. Votivo also has sold a significant amount of products to distributors and consumers using the Votivo Trademarks.

14. As a result of Votivo's extensive promotion and use of the Votivo Trademarks, and the substantial amount of sales accomplished by Votivo of products bearing the Votivo Trademarks, the Votivo Trademarks have become well-known in the home decor products industry, the gift products industry and the personal care products industry as signifying high, quality, unique and desirable products that originate with Votivo.

15. Through the use of the Votivo Trademarks, Votivo has generated substantial business goodwill for and from the Votivo Trademarks, and the Votivo Trademarks have become important and valuable business assets for Votivo.

16. On May 20, 2003, Votivo obtained United States Trademark Registration No. 2,717,256 to protect the Soku Lime mark for use in association with skin soap, scented body spray, scented room spray and incense. United States Trademark Registration No. 2,717,256 has been valid and subsisting at all relevant times. A true and correct copy of the registration certificate for United States Trademark Registration No. 2,717,256 is attached hereto as Exhibit 1.

17. On May 20, 2003, Votivo obtained United States Trademark Registration No. 2,717,257 to protect the Soku Lime mark for use in association with candles and tapers. United States Trademark Registration No. 2,717,257 has been valid and subsisting at all relevant times. A true and correct copy of the registration certificate for United States Trademark Registration No. 2,717,257 is attached hereto as Exhibit 2.

18. On June 3, 2003, Votivo obtained United States Trademark Registration No. 2,720,906 to protect the Red Currant mark for use in association with skin soap, scented body spray, scented room spray and incense. United States Trademark Registration No. 2,720,906 has been valid and subsisting at all relevant times. A true and correct copy of the registration certificate for United States Trademark Registration No. 2,720,906 is attached hereto as Exhibit 3.

19. On June 3, 2003, Votivo obtained United States Trademark Registration No. 2,720,907 to protect the Red Currant mark for use in association with candles and tapers. United

States Trademark Registration No. 2,720,907 has been valid and subsisting at all relevant times. A true and correct copy of the registration certificate for United States Trademark Registration No. 2,720,907 is attached hereto as Exhibit 4.

B. Defendant's Wrongful Acts.

20. From August 10, 2003 through August 14, 2003, representatives of Votivo attended the New York International Gift Show (the "New York Show") in New York City. During the New York Show, Votivo discovered for the first time that Defendant was infringing the Votivo Trademarks by selling scented candles and other products using the Votivo Trademarks and by using the Votivo Trademarks to market, advertise, and sell Defendant's products in a manner that was likely to cause confusion among the public.

21. On August 11, 2003, Votivo's counsel sent a cease and desist letter to Defendant notifying Defendant about Votivo's trademark rights and explaining to Defendant that it was infringing Votivo's trademark rights by promoting and selling products using the Votivo Trademarks. By its August 11 letter, counsel demanded that Defendant immediately cease and desist from any further use of the Votivo Trademarks and any further marketing or sale of products in association with the Votivo Trademarks.

22. A true and correct copy of counsel's August 11, 2003 cease and desist letter is attached as Exhibit 5.

23. Defendant never responded to the August 11, 2003 letter and did not confirm in writing as demanded by the August 11 letter that Defendant would cease and desist from any further sale of products in association with the Votivo Trademarks and from any further infringement of the Votivo Trademarks.

24. On information and belief, Defendant continues to infringe the Votivo Trademarks as alleged herein.

**FIRST CLAIM FOR RELIEF**

(Federal Trademark Infringement)

25. Votivo realleges and incorporates by this reference each and every allegation contained in paragraphs 1 through 24 of this Complaint as though set forth in full herein.

26. This claim for relief is an action for federal trademark infringement pursuant to the federal Trademark Act, 15 U.S.C. § 1114 et seq.

27. As alleged herein, Votivo has four valid and subsisting federal registrations for the Votivo Trademarks. Votivo has marketed, advertised and sold candles, tapers, skin soap, scented body spray, scented room spray, incense and other home decor products, gift products and personal care products since at least as early as 1999 using the Votivo Trademarks.

28. As alleged herein, Votivo is informed and believes and on that basis alleges that Defendant has marketed, advertised and sold, and continues to market, advertise and sell, candles and other home decor products, gift products and personal care products using the Votivo Trademarks.

29. Defendant's activities and wrongful use of the Votivo Trademarks as alleged herein have caused, and are likely to continue to cause, confusion in the minds of public to the detriment of Votivo.

30. Defendant's use of the Votivo Trademarks as alleged herein, and marketing, advertising and sale of products using the Votivo Trademarks, was done without the knowledge, consent or permission of Votivo and continues without the consent or permission of Votivo.

31. Defendant has violated the trademark rights of Votivo under the Trademark Act, thereby giving rise to a cause of action under 15 U.S.C. § 1114.

32. Votivo will be irreparably harmed unless Defendant is temporarily, immediately and permanently enjoined from any further use of the Votivo Trademarks and any further marketing, advertising or sale of products using the Votivo Trademarks.

33. Votivo has no adequate remedy at law and serious damage to its trademark rights will result unless Defendant's wrongful use of the Votivo Trademarks is enjoined by the court.

34. Votivo also is entitled to an order requiring the impoundment of all infringing products and materials pending the trial of this matter, and the destruction of all infringing products and materials following trial.

35. Defendant has continued to use the Votivo Trademarks notwithstanding that it has actual knowledge of Votivo's superior trademark rights as alleged herein. Defendant's

infringement of the Votivo Trademarks accordingly constitutes intentional, willful, knowing and deliberate trademark infringement.

36. Defendant's infringement of the Votivo Trademarks as alleged herein has caused, and will continue to cause, Votivo to suffer damages in an amount unknown at this time and has caused, and will continue to cause, Defendant to gain revenues and profit in an amount unknown at this time. Pursuant to 15 U.S.C. § 1117(a), Votivo is entitled to an award of monetary damages in an amount equal to the losses suffered by Votivo and the revenues and/or profits gained by Defendant, which damages should be augmented as provided by 15 U.S.C. §1117(a).

37. Pursuant to 15 U.S.C. § 1117(a), any monetary damages awarded to Votivo should be trebled.

38. Pursuant to 15 U.S.C. § 1117(a), Votivo is entitled to an award of attorneys fees and costs of suit.

**SECOND CLAIM FOR RELIEF**

(Violation of Lanham Act Section 43(a))

39. Votivo realleges and incorporates by this reference each and every allegation contained in paragraphs 1 through 38 of this Complaint as though set forth in full herein.

40. This claim for relief is for violation of Lanham Act section 43(a), 15 U.S.C. § 1125(a).

41. The actions of Defendant as alleged herein constitute unfair competition and false advertising in violation of Lanham Act section 43(a).

42. Votivo will be irreparably harmed unless Defendant is temporarily, immediately and permanently enjoined from any further use of the Votivo Trademarks and any further marketing, advertising or sale of products using the Votivo Trademarks.

43. Votivo has no adequate remedy at law and serious damage to its trademark rights will result unless Defendant's wrongful use of the Votivo Trademarks is enjoined by the court.

44. Votivo also is entitled to an order requiring the impoundment of all infringing products and materials pending the trial of this matter, and the destruction of all infringing products and materials following trial.

45. The actions of Defendant as alleged herein constitute intentional, willful, knowing and deliberate unfair competition and false advertising pursuant to Lanham Act Section 43(a).

46. Defendant's acts of unfair competition and false advertising in violation of Lanham Act Section 43(a) as alleged herein have caused, and will continue to cause, Votivo to suffer damages in an amount unknown at this time and have caused, and will continue to cause, Defendant to gain revenues and profit in an amount unknown at this time. Pursuant to 15 U.S.C. § 1117(a), Votivo is entitled to an award of monetary damages in an amount equal to the losses suffered by Votivo and the revenues and/or profits gained by Defendant, which damages should be augmented as provided by 15 U.S.C. §1117(a).

47. Pursuant to 15 U.S.C. § 1117(a), any monetary damages awarded to Votivo should be trebled.

48. Pursuant to 15 U.S.C. § 1117(a), Votivo is entitled to an award of attorneys fees and costs of suit.

**THIRD CLAIM FOR RELIEF**

(Violation of California B&P Code Section 17200 et seq.)

49. Votivo realleges and incorporates by this reference each and every allegation contained in paragraphs 1 through 48 of this Complaint as though set forth in full herein.

50. This claim for relief is for unfair competition and false advertising in violation of California Business and Professions Code section 17200 et seq.

51. The actions of Defendant as alleged herein constitute unfair competition and false advertising in violation of California Business and Professions Code section 17200 et seq.

52. Votivo will be irreparably harmed unless Defendant is enjoined from any further use of the Votivo Trademarks, from any further marketing, advertising and sale of products using the Votivo Trademarks, and from any further acts of unfair competition and false advertising relating to the Votivo Trademarks.

53. Votivo has no adequate remedy at law and serious damage to its rights will result unless the Defendant's wrongful use of the Votivo Trademarks is enjoined by the court.

54. The actions of Defendant as alleged herein constitute intentional, willful, knowing and deliberate unfair competition and false advertising.

55. Defendant's acts of unfair competition and false advertising have caused the Defendant to gain revenues and profit in an amount unknown at this time. Pursuant to California Business & Professions Code section 17203, Votivo is entitled to a disgorgement in an amount equal to the revenues and/or profits gained by Defendant.

**FOURTH CLAIM FOR RELIEF**

(Common Law Trademark Infringement)

56. Votivo realleges and incorporates by this reference each and every allegation contained in paragraphs 1 through 55 of this Complaint as though set forth in full herein.

57. This claim for relief is for common law trademark infringement.

58. The actions of Defendant as alleged herein constitute common law trademark infringement.

59. Votivo will be irreparably harmed unless Defendant is temporarily, immediately and permanently enjoined from any further use of the Votivo Trademarks and any further marketing, advertising or sale of products using the Votivo Trademarks.

60. Votivo has no adequate remedy at law and serious damage to its trademark rights will result unless Defendant's wrongful use of the Votivo Trademarks is enjoined by the court.

61. Votivo also is entitled to an order requiring the impoundment of all infringing products and materials pending the trial of this matter, and the destruction of all infringing products and materials following trial.

62. Defendant has continued to use the Votivo Trademarks notwithstanding that it has actual knowledge of Votivo's superior trademark rights as alleged herein. Defendant's infringement of the Votivo Trademarks accordingly constitutes intentional, willful, knowing and deliberate trademark infringement.

63. Defendant's infringement of the Votivo Trademarks as alleged herein has caused, and will continue to cause, Votivo to suffer damages in an amount unknown at this time and has caused, and will continue to cause, Defendant to gain revenues and profit in an amount unknown

at this time. Votivo is entitled to an award of monetary damages in an amount equal to the losses suffered by Votivo and the revenues and/or profits gained by Defendant.

64. Defendant committed the acts of trademark infringement alleged herein intentionally, deliberately, maliciously, with intent to injure and oppress Votivo, and in conscious disregard of the rights of Votivo. Votivo accordingly is entitled to an award of punitive and exemplary damages in an amount sufficient to punish and deter Defendant and make it an example to others.

**FIFTH CLAIM FOR RELIEF**

(Common Law Unfair Competition)

65. Votivo realleges and incorporates by this reference each and every allegation contained in paragraphs 1 through 64 of this Complaint as though set forth in full herein.

66. This claim for relief is for common law unfair competition.

67. The actions of Defendant as alleged herein constitute common law unfair competition.

68. Votivo will be irreparably harmed unless Defendant is temporarily, immediately and permanently enjoined from any further use of the Votivo Trademarks, any further marketing, advertising or sale of products using the Votivo Trademarks, and any further acts of unfair competition and false advertising.

69. Votivo has no adequate remedy at law and serious damage to its rights will result unless Defendant's wrongful use of the Votivo Trademarks is enjoined by the court.

70. Votivo also is entitled to an order requiring the impoundment of all infringing products and materials pending the trial of this matter, and the destruction of all infringing products and materials following trial.

71. Defendant's acts of unfair competition and false advertising as alleged herein have caused, and will continue to cause, Votivo to suffer damages in an amount unknown at this time and have caused, and will continue to cause, Defendant to gain revenues and profit in an amount unknown at this time. Votivo is entitled to an award of monetary damages in an amount equal to the losses suffered by Votivo and the revenues and/or profits gained by Defendant.

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72. Defendant committed the acts of unfair competition and false advertising alleged herein intentionally, deliberately, maliciously, with intent to injure and oppress Votivo, and in conscious disregard of the rights of Votivo. Votivo accordingly is entitled to an award of punitive and exemplary damages in an amount sufficient to punish and deter Defendant and make it an example to others.

**PRAYER FOR RELIEF**

WHEREFORE, Votivo prays for relief against Defendant as follows:

1. For a temporary, preliminary and permanent injunction restraining and enjoining Defendant, and its agents, servants, employees, and all others in active concert or participation with it, as follows:

a) From further using the Votivo Trademarks, and any packaging and advertising and promotional materials containing the Votivo Trademarks, in any way or manner whatsoever;

b) From further infringing Votivo's trademark rights;

c) From further advertising, promoting, distributing, offering for sale, and/or selling, any products using the Votivo Trademarks or any mark confusingly similar with the Votivo Trademarks.

d) From further acts of false advertising and unfair competition as alleged herein.

2. For an order requiring the impoundment of all infringing products and materials pending the trial of this matter, and the destruction of all infringing products and materials following trial.

3. For an award of damages suffered by Votivo, plus any revenues or profits earned by Defendant, as a result of Defendant's trademark infringement, unfair competition and false advertising, in an amount to be proven at trial.

4. For an award of augmented and treble damages as alleged herein.

5. For an award of punitive and exemplary damages in an amount to be proven at trial but sufficient to punish and deter the defendants.

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6. For an award of attorneys' fees and litigation expenses to the maximum extent allowed by law.

7. For costs of suit incurred herein.

8. For such other and further relief as the court may deem just and proper.

DATED: August 21, 2003

THE AFFINITY LAW GROUP APC

By: _____
Gregory P. Goeman
Attorneys for Plaintiff
Votivo Ltd.

**DEMAND FOR JURY TRIAL**

Votivo hereby demands a trial by jury.

DATED: August 21, 2003

THE AFFINITY LAW GROUP APC

By:
Gregory P. Gooman
Attorneys for Plaintiff
Votivo Ltd.

6. For an award of attorneys' fees and litigation expenses to the maximum allowed by law.

7. For costs of suit incurred herein.

8. For such other and further relief as the court may deem just and proper.

DATED: August 21, 2003

THE AFFINITY LAW GROUP APC

By: _____
Gregory P. Goonan
Attorneys for Plaintiff
Votivo Ltd.

## DEMAND FOR JURY TRIAL

Votivo hereby demands a trial by jury.

DATED: August 21, 2003

THE AFFINITY LAW GROUP APC

By: _____
Gregory P. Goonan
Attorneys for Plaintiff
Votivo Ltd.

Int. Cl.: 3

Prior U.S. Cls.: 1, 4, 6, 50, 51 and 52

United States Patent and Trademark Office

Reg. No. 2,717,256
Registered May 20, 2003

# TRADEMARK
## PRINCIPAL REGISTER

## SOKU LIME

VOTIVO, LTD. (WASHINGTON CORPORATION)
3450 4TH AVENUE S.
SEATTLE, WA 98134

FOR: SKIN SOAP, SCENTED BODY SPRAY, SCENTED ROOM SPRAY, AND INCENSE, IN CLASS 3 (U.S. CLS. 1, 4, 6, 50, 51 AND 52).

FIRST USE 8-19-1999; IN COMMERCE 8-19-1999.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "LIME", APART FROM THE MARK AS SHOWN.

SER. NO. 76-394,450, FILED 4-11-2002.

ALICIA COLLINS, EXAMINING ATTORNEY

Int. Cl.: 4

Prior U.S. Cls.: 1, 6 and 15

Reg. No. 2,717,257

United States Patent and Trademark Office

Registered May 20, 2003

# TRADEMARK
## PRINCIPAL REGISTER

## SOKU LIME

VOTIVO, LTD. (WASHINGTON CORPORATION)
3450 4TH AVENUE S.
SEATTLE, WA 98134

FOR: CANDLES AND TAPERS, IN CLASS 4 (U.S. CLS. 1, 6 AND 15).

FIRST USE 8-19-1999; IN COMMERCE 8-19-1999.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "LIME", APART FROM THE MARK AS SHOWN.

SER. NO. 76-394,451, FILED 4-11-2002.

ALICIA COLLINS, EXAMINING ATTORNEY

Int. Cl.: 3

Prior U.S. Cls.: 1, 4, 6, 50, 51 and 52

Reg. No. 2,720,906

United States Patent and Trademark Office

Registered June 3, 2003

# TRADEMARK
## PRINCIPAL REGISTER

## RED CURRANT

VOTIVO, LTD. (WASHINGTON CORPORATION)
3450 4TH AVENUE S.
SEATTLE, WA 98134

FOR: SKIN SOAP, SCENTED BODY SPRAY, SCENTED ROOM SPRAY, AND INCENSE, IN CLASS 3 (U.S. CLS. 1, 4, 6, 50, 51 AND 52).

FIRST USE 1-2-1997; IN COMMERCE 1-2-1997.

SEC. 2(F).

SER. NO. 76-394,462, FILED 4-11-2002.

ALICIA COLLINS, EXAMINING ATTORNEY

Int. Cl.: 4

Prior U.S. Cls.: 1, 6 and 15

United States Patent and Trademark Office

Reg. No. 2,720,907

Registered June 3, 2003

# TRADEMARK
## PRINCIPAL REGISTER

## RED CURRANT

VOTIVO, LTD. (WASHINGTON CORPORATION)
3450 4TH AVENUE S.
SEATTLE, WA 98134

FOR: CANDLES AND TAPERS, IN CLASS 4 (U.S. CLS. 1, 6 AND 15).

FIRST USE 1-2-1997; IN COMMERCE 1-2-1997.

SEC. 2(F).

SER. NO. 76-394,463, FILED 4-11-2002.

ALICIA COLLINS, EXAMINING ATTORNEY

INVICTA LAW GROUP, PLLC
1000 Second Avenue, Suite 3310
Seattle, WA 98104-1019
(206) 903-6364
(206) 903-6365 fax
www.invictalaw.com

August 11, 2003

Mark V. Jordan
Email: mjordan@invictalaw.com

**VIA DELIVERY:**
MINE DESIGN
c/o Ms. Melissa Dagodag
c/o Mr. Amal Flores
Jacob K. Javits Convention Center
655 West 34th Street
New York, NY 10001

**VIA CERTIFIED MAIL: 70010360000395284099**
Mine Design
P.O. Box 16775
Beverly Hills, CA 90209

Re: Trademark Infringement

Dear Sir and Madam:

We are counsel for VOTIVO, LTD ("VOTIVO"). VOTIVO is the exclusive owner of the following federal trademark registrations: SOKU LIME bearing U.S. Registration Nos. 2717256 and 2717257; and RED CURRANT bearing U.S. Registration Nos. 2720906 and 2720907 (collectively, the "Marks"). Copies of the registrations from the US Patent & Trademark Office are enclosed.

Our client recently attended the 2003, New York International Gift Market and was distressed to find numerous examples at the Mine Design booth wherein your company patently infringed upon the Marks. The Lanham Act gives VOTIVO certain intellectual property rights and remedies for any infringement of the Marks. Accordingly, VOTIVO demands that your company immediately cease and desist from all further use of the Marks.

VOTIVO is prepared to enforce its exclusive rights to the Marks to the fullest extent of the law. Its remedies include, but are not limited to, immediate and permanent injunctive relief, recovery of your company's profits, recovery of VOTIVO's lost profits, treble damages and attorneys' fees.

If you wish to resolve this matter without resorting to litigation, your company must immediately cease and desist from any further infringing use of the Marks. VOTIVO further requires that you immediately comply in writing with the following demands:

Exhibit: 1
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1. Immediately terminate all infringing or unauthorized use of the Marks together with all similar marks, including an acknowledgment that all items constituting infringement or use of the Marks have been removed from the Mine Design brochure, catalog, and all show rooms and exhibitions;

2. Immediately account for and forfeit all copies of the infringing works to counsel for VOTIVO; and

3. Provide a declaration or affidavit, signed under penalty of perjury by the principles, or an officer or director of Mine Design on behalf of all its respective parents, subsidiaries, divisions, affiliates and officers stating that all such entities and individuals will immediately, and for all time, cease using VOTIVO's Marks in any advertisement, promotion, sale or other commercial exploitation of its goods.

Unless these demands are complied with immediately and unless we receive the written documentation demanded above by August 15, 2003, VOTIVO will assume your company intends its willful disregard in violation of VOTIVO's rights, and VOTIVO will pursue whatever action or remedies it deems appropriate to protect its rights.

Very truly yours,

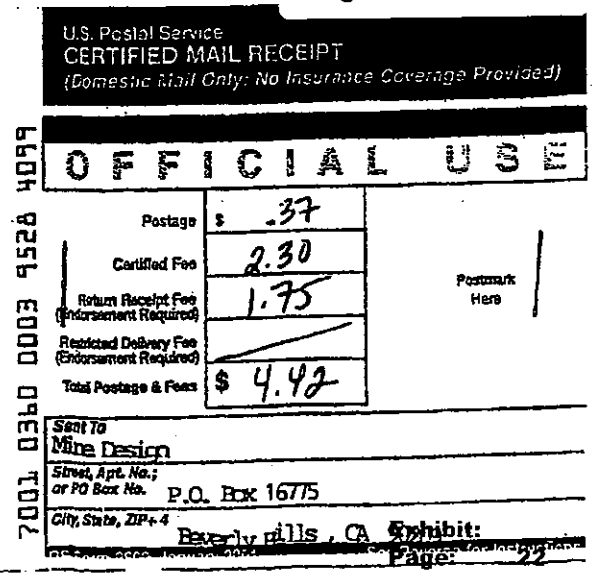
INVICTA LAW GROUP, PLLC

Jasmeen F. Ainbinder for

Mark V. Jordan

MVJ:zm
Encls.
cc: VOTIVO, LTD.

Exhibit: 1
Page: 22


U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only: No Insurance Coverage Provided)

OFFICIAL USE

7001 0360 0003 9528 4099

| | |
|---|---|
| Postage | $ .37 |
| Certified Fee | 2.30 |
| Return Receipt Fee (Endorsement Required) | 1.75 |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | $ 4.42 |

Postmark Here

Sent To: Mine Design
Street, Apt. No.; or PO Box No.: P.O. Box 16775
City, State, ZIP+4: Beverly Hills, CA

Exhibit:
Page: 22

97863.1

**EXHIBIT 2**

Amal Flores d/b/a
MINEDESIGN
Post Office Box 16775
Beverly Hills, California 90209
Telephone: (800) 973 0555
Facsimile: (310) 914-3205

Defendant *In Pro Per*

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VOTIVO, INC.,

Plaintiff,

v.

Mine Design, a business entity of unknown form.

Defendant.

Case No.. CV-03-6017 DT (Ex)

**ANSWER AND AFFIRMATIVE DEFENSES OF DEFENDANT MINE DESIGN TO PLAINTIFF'S COMPLAINT**

Fact Discovery Cutoff: Not yet set
Pretrial Conference: Not yet set
Trial Date: Not yet set

Defendant MINE DESIGN, a sole proprietorship (hereinafter, "MINE"), for itself and no other defendant, answers the Complaint for Trademark Infringement, Unfair Competition and False Advertising (hereinafter, the "Complaint") filed by VOTIVO, LTD. (hereinafter, "Plaintiff") in this action and denies all allegations not specifically admitted and states as follows:

1. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 1 of the Complaint and, on that basis, denies them.

2. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 2 of the Complaint and, on that basis, denies them.

3. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 3 of the Complaint and, on that basis, denies them.

4. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 4 of the Complaint and, on that basis, denies them.

5. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 5 of the Complaint and, on that basis, denies them.

6. MINE denies the allegations contained in Paragraph 6 of the Complaint.

7. Because the allegations of Paragraph 7 of the Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

8. Because the allegations of Paragraph 8 of the Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

9. Because the allegations of Paragraph 9 of the Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

10. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 10 of the Complaint and, on that basis, denies them.

11. MINE denies the allegations contained in Paragraph 11 of the Complaint.

12. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 12 of the Complaint and, on that basis, denies them.

13. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 13 of the Complaint and, on that basis, denies them.

14. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 14 of the Complaint and, on that basis, denies them.

15. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 15 of the Complaint and, on that basis, denies them.

16. MINE admits only that U.S. Trademark Registration No. 2,717, 256 attached as Exhibit 1 to the Complaint on its face appears to have been issued in Plaintiff's name for the purported mark SOKU LIME for "skin soap, scented body spray, scented room spray, and incense." MINE is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained in Paragraph 16 of the Complaint and, on that basis, denies them.

17. MINE admits only that U.S. Trademark Registration No. 2,717, 257 attached as Exhibit 2 to the Complaint on its face appears to have been issued in Plaintiff's name for the purported mark SOKU LIME for "candles and tapers." MINE is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained in Paragraph 17 of the Complaint and, on that basis, denies them.

18. MINE admits only that U.S. Trademark Registration No. 2,720,906 attached as Exhibit 3 to the Complaint on its face appears to have been issued in Plaintiff's name for the purported mark RED CURRANT for "skin soap, scented body spray, scented room spray, and incense." MINE is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained in Paragraph 18 of the Complaint and, on that basis, denies them.

19. MINE admits only that U.S. Trademark Registration No. 2,720,907 attached as Exhibit 4 to the Complaint on its face appears to have been issued in Plaintiff's name for the purported mark RED CURRANT for "candles and tapers." MINE is without sufficient knowledge or information to form a belief as to the truth

of the remaining allegations contained in Paragraph 19 of the Complaint and, on that basis, denies them.

20. MINE denies infringing or engaging in any conduct likely to cause confusion between Plaintiff's products and MINE's products. MINE is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained in Paragraph 20 of the Complaint and, on that basis, denies them.

21. MINE admits the truth of the allegations contained in Paragraph 21 of the Complaint and, on that basis, denies them.

22. Mine admits the truth of the allegations contained in Paragraph 22 of the Complaint.

23. Mine denies the truth of the allegations contained in Paragraph 23 of the Complaint.

24. Mine denies the truth of the allegations contained in Paragraph 24 of the Complaint.

**ANSWER TO THE ALLEGATIONS IN THE FIRST CAUSE OF ACTION FOR INFRINGEMENT OF TRADEMARK**

25. With respect to Paragraph 25 of the complaint, MINE incorporates by reference each and every response contained in paragraphs 1 through 24 above, as though fully set forth herein.

26. Because the allegations of Paragraph 26 of the Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

27. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 27 of the Complaint and, on that basis, denies them.

28. MINE denies the truth of the allegations contained in Paragraph 28 of the Complaint.

29. MINE denies the truth of the allegations contained in Paragraph 29 of the Complaint.

30. MINE denies the truth of the allegations contained in Paragraph 30 of the Complaint.

31. MINE denies the truth of the allegations contained in Paragraph 31 of the Complaint.

32. MINE denies the truth of the allegations contained in Paragraph 32 of the Complaint.

33. MINE denies the truth of the allegations contained in Paragraph 33 of the Complaint.

34. MINE denies the truth of the allegations contained in Paragraph 34 of the Complaint.

35. MINE denies the truth of the allegations contained in Paragraph 35 of the Complaint.

36. MINE denies the truth of the allegations contained in Paragraph 36 of the Complaint.

37. Because the allegations of Paragraph 37 of the Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

38. Because the allegations of Paragraph 39 of the Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

**ANSWER TO THE ALLEGATIONS IN THE SECOND CAUSE OF ACTION FOR UNFAIR COMPETITION**

39. With respect to paragraph 39 of the Complaint, MINE incorporates by reference each and every response contained in paragraphs 1 through 38 above, as though fully set forth herein.

40. MINE acknowledges only that the Complaint purports to arise, in part, under Section 43(a) of the Lanham Act. MINE denies the truth of the remaining allegations contained in Paragraph 41 of the Complaint.

41. MINE denies the truth of the allegations contained in Paragraph 41 of the Complaint.

42. MINE denies the truth of the allegations contained in Paragraph 42 of the Complaint.

43. MINE denies the truth of the allegations contained in Paragraph 43 of the Complaint.

44. Because the allegations of Paragraph 44 of the Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

45. MINE denies the truth of the allegations contained in Paragraph 45 of the Complaint.

46. MINE denies the truth of the allegations contained in Paragraph 46 of the Complaint.

47. Because the allegations of Paragraph 47 of the Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

48. Because the allegations of Paragraph 48 of the Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

**ANSWER TO THE ALLEGATIONS IN THE THIRD CAUSE OF ACTION FOR FALSE ADVERTISING**

49. With respect to paragraph 49 of the Complaint, MINE incorporates by reference each and every response contained in paragraphs 1 through 48 above, as though fully set forth herein.

50. MINE acknowledges only that the Complaint purports to arise, in part, under Cal. Bus. & Prof. Code 17200. MINE denies the truth of the remaining allegations contained in Paragraph 50 of the Complaint.

51. MINE denies the truth of the allegations contained in Paragraph 51 of the Complaint.

52. MINE denies the truth of the allegations contained in Paragraph 52 of the Complaint.

53. MINE denies the truth of the allegations contained in Paragraph 53 of the Complaint.

54. MINE denies the truth of the allegations contained in Paragraph 54 of the Complaint.

55. MINE denies the truth of the allegations contained in Paragraph 55 of the Complaint.

**ANSWER TO THE ALLEGATIONS IN THE FOURTH CAUSE OF ACTION FOR COMMON LAW TRADEMARK INFRINGEMENT**

56. With respect to paragraph 56 of the Complaint, MINE incorporates by reference each and every response contained in paragraphs 1 through 55 above, as though fully set forth herein.

57. MINE acknowledges only that the Complaint purports to arise, in part, under common law trademark infringement. MINE denies the truth of the remaining allegations contained in Paragraph 57 of the Complaint.

58. MINE denies the truth of the allegations contained in Paragraph 58 of the Complaint.

59. MINE denies the truth of the allegations contained in Paragraph 59 of the Complaint.

60. MINE denies the truth of the allegations contained in Paragraph 60 of the Complaint.

61. MINE denies the truth of the allegations contained in Paragraph 61 of the Complaint.

62. MINE denies the truth of the allegations contained in Paragraph 62 of the Complaint.

63. MINE denies the truth of the allegations contained in Paragraph 63 of the Complaint.

64. MINE denies the truth of the allegations contained in Paragraph 64 of the Complaint.

**ANSWER TO THE ALLEGATIONS IN THE FIFTH CAUSE OF ACTION FOR COMMON LAW TRADEMARK UNFAIR COMPETITION**

65. With respect to paragraph 65 of the Complaint, MINE incorporates by reference each and every response contained in paragraphs 1 through 64 above, as though fully set forth herein.

66. MINE acknowledges only that the Complaint purports to arise, in part, under common law unfair competition. MINE denies the truth of the remaining allegations contained in Paragraph 66 of the Complaint.

67. MINE denies the truth of the allegations contained in Paragraph 67 of the Complaint.

68. MINE denies the truth of the allegations contained in Paragraph 68 of the Complaint.

69. MINE denies the truth of the allegations contained in Paragraph 69 of the Complaint.

70. MINE denies the truth of the allegations contained in Paragraph 70 of the Complaint.

71. MINE denies the truth of the allegations contained in Paragraph 71 of the Complaint.

72. MINE denies the truth of the allegations contained in Paragraph 72 of the Complaint.

## AFFIRMATIVE DEFENSES

MINE asserts the following affirmative defenses to each Count and claim raised in the Complaint, unless otherwise indicated.

### FIRST AFFIRMATIVE DEFENSE

### (Failure to State a Claim)

73. The Complaint, and each claim raised, fails to state a claim against MINE upon which relief may be granted.

### SECOND AFFIRMATIVE DEFENSE

### (Invalidity/Unenforceability)

74. Plaintiff should not prevail because the descriptor "red currant" as used by the Plaintiff does not constitute a trademark use and therefore, is not capable of trademark protection.

### THIRD AFFIRMATIVE DEFENSE

### (Non-infringement)

75. MINE 's accused activities relating to its uses of the "red currant" and "soku lime" descriptors do not constitute trademark uses and therefore, cannot constitute infringement of any alleged trademark in those descriptors.

**FOURTH AFFIRMATIVE DEFENSE**

**(Fair Use)**

76. MINE 's accused activities relating to its uses of the "red currant" and "soku lime" descriptors constitute fair uses and thus are not actionable.

**FIFTH AFFIRMATIVE DEFENSE**

**(Estoppel)**

77. The Complaint, and each and every cause of action asserted therein against MINE, is barred, in whole or in part, by the doctrine of estoppel.

**SIXTH AFFIRMATIVE DEFENSE**

**(Laches)**

78. The Complaint, and each and every cause of action asserted therein against MINE, is barred, in whole or in part, by the doctrine of laches.

**SEVENTH AFFIRMATIVE DEFENSE**

**(Full Disclosure)**

79. Plaintiff should not prevail with respect to Plaintiff's Third Cause of Action against MINE because MINE provides full and adequate disclosure to customers.

**EIGHTH AFFIRMATIVE DEFENSE**

**(Unclean Hands)**

80. The Complaint, and each and every cause of action asserted therein against MINE, is barred, in whole or in part, by the doctrine of unclean hands.

**NINTH AFFIRMATIVE DEFENSE**

**(Mistake or Inadvertence)**

81. Plaintiff should not prevail with respect to Plaintiff's Third Cause of Action in the Complaint against MINE, because the conduct complained of occurred, if at all, as a result of mistake or inadvertence.

**TENTH AFFIRMATIVE DEFENSE**

**(Invalidity/Unenforceability)**

82. Plaintiff should not prevail because the descriptor "red currant" is generic and/or descriptive and therefore, is not capable of trademark protection.

83.

WHEREFORE, Defendant MINE prays for judgment against Plaintiff as follows:

a. That Plaintiff take nothing by reason of its Complaint or otherwise;

b. A dismissal of the Complaint with prejudice;

c. MINE be awarded its reasonable attorneys' fees, costs and other expenses incurred in this action; and

d. For such other and further relief as the Court deems proper.

DATED: July 14, 2004

MINE DESIGN, a sole proprietorship

By: _____
AMAL FLORES, owner



Exhibit: 2
Page: 33

**PROOF OF SERVICE BY MAIL**

I am a resident of Los Angeles county, am over the age of 18, and am representing the defendant in this action in pro per. Defendant's mailing address is Post Office Box 16775, Beverly Hills, California 90209.

On July 14, 2004, I served the within document entitled

**ANSWER AND AFFIRMATIVE DEFENSES OF DEFENDANT MINEDESIGN TO PLAINTIFF'S COMPLAINT**

on the interested parties in the above action, by placing a true copy thereof, enclosed in a sealed envelope addressed as follows:

Gregory P. Goonan
THE AFFINITY LAW GROUP APC
600 W Broadway, Suite 400
San Diego, CA 92101
Tel: 619-702-4335
Fax: 619-515-1197

[X] BY MAIL: I caused such envelope with postage thereon fully prepaid to be placed in the United States mail at Los Angeles, California as first class mail.

Executed on July 14, 2004 at Los Angeles, California.

AMAL FLORES

97863.1

# EXHIBIT 3

FILED
CLERK, U.S. DISTRICT COURT
NOV - 7 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

SCANNED

ENTERED
CLERK, U.S. DISTRICT COURT
NOV - 8 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

2005 OCT 20 PM 2:52

LODGED

Priority ✓
Send ✓
Enter
Closed ✓
JS-5/JS-6
JS-2/JS-3
Scan Only

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

Votivo, Ltd, a Washington corporation,

Plaintiff,

vs.

Mine Design, a business entity of unknown form,

Defendant.

Case No. CV 03-6017-DT (Ex)

~~[PROPOSED]~~
FINDINGS OF FACT AND CONCLUSIONS OF LAW

This matter comes before the Court on the Continued Motion for Entry of Default Judgment (the "Motion") filed by Plaintiff Votivo, Ltd. ("Votivo"). Pursuant to and in accordance with the Court's order dated July 15, 2005 (the "July 15 Order"), and after full consideration of the files and records in this matter and the evidence and briefing submitted by the parties, the Court grants Votivo's Motion and makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Votivo is a corporation organized and existing under the laws of the State of Washington with its principal place of business in Seattle, Washington.

EXHIBIT A

Exhibit 3
Page: 35

2. Votivo is one of the country's leading manufacturers and distributors of home decor products, gift products and personal care products. Among the many products sold by Votivo are candles, burning sticks and incense, scented room sprays, skin soaps, and scented body sprays.

3. Since at least as early as 1999, Votivo has used a variety of distinctive trademarks to advertise and promote its products.

4. Votivo's family of trademarks is distinctive when applied to Votivo's products. Because of the excellent sales and extensive promotion of Votivo's products, Votivo's family of trademarks have become well known to consumers and others in the personal care, home decor and gift industries as identifying unique and desirable products of the highest quality that originate with Votivo.

5. Consequently, Votivo's trademarks are very important and valuable business assets of Votivo, and represent significant business goodwill.

6. Among the distinctive and valuable trademarks owned and used by Votivo are the trademarks "Red Currant" and "Soku Lime." Votivo owns United States Trademark Registration Nos. 2,720,906 and 2,720, 907 for the Red Currant mark and United States Trademark Registration Nos. 2,717,256 and 2,717, 257 for the Soku Lime mark. Votivo's Red Currant trademark and Soku Lime trademark are sometimes collectively referred to herein as the "Votivo Trademarks."

7. From August 10, 2003 through August 14, 2003, representatives of Votivo attended the New York International Gift Show (the "New York Show") in New York City. During the New York Show, Votivo discovered for the first time that Defendant was infringing the Votivo Trademarks by selling scented candles and other products using the Votivo Trademarks and by using the Votivo Trademarks to market, advertise, and sell Defendant's products in a manner that was likely to cause confusion among the public.

8. On August 11, 2003, Votivo's counsel sent a cease and desist letter to Defendant notifying Defendant about Votivo's trademark rights and explaining to Defendant that it was

infringing Votivo's trademark rights by promoting and selling products using the Votivo Trademarks.

9. By its August 11 letter, counsel demanded that Defendant immediately cease and desist from any further use of the Votivo Trademarks and any further marketing or sale of products in association with the Votivo Trademarks.

10. Prior to the date Votivo filed this action, Defendant did not confirm in writing as demanded by the August 11 letter that Defendant would cease and desist from any further sale of products in association with the Votivo Trademarks and from any further infringement of the Votivo Trademarks.

11. Votivo filed its Complaint in this action on August 22, 2003.

12. Votivo's Complaint was personally served on Defendant on February 7, 2004.

13. Since Votivo filed this suit, it has learned that Defendant continues to market and sell products using product names and designations that are confusingly similar to Votivo's Red Currant trademark.

14. Since filing this lawsuit, Votivo also has discovered that – notwithstanding that Votivo already has sued Defendant for trademark infringement – Defendant has been marketing and selling products that infringe other registered trademarks owned by Votivo in addition to the Red Currant and Soku Lime marks.

15. Defendant filed its answer to Votivo's Complaint on July 14, 2004.

16. The Court held a Rule 16(b) Scheduling Conference on November 22, 2004. Counsel for Votivo appeared at the Rule 16(b) Scheduling Conference. No appearance was made on behalf of Defendant at the Rule 16(b) Scheduling Conference even though the Court had sent written notice of the Rule 16(b) Scheduling Conference both to counsel for Votivo and to Defendant, and counsel for Votivo had written to Defendant on October 22, 2004 and again on November 10, 2004 to also notify and remind Defendant of the Rule 16(b) Scheduling Conference.

17. Because Defendant failed to appear at the regularly-scheduled Rule 16(b) Scheduling Conference, the Court struck Defendant's answer and entered default against Defendant.

SCANNED

18. On May 2, 2005, Defendant filed a Motion to Set Aside Default, which was regularly scheduled for a hearing on May 31, 2005.

19. On May 9, 2005, Votivo filed a Motion for Entry of Default Judgment, which was regularly scheduled for hearing on May 31, 2005.

20. Defendant again failed to appear at the regularly-scheduled hearing on May 31, 2005. Consequently, the Court denied Defendant's Motion to Set Aside Default.

21. At the May 31, 2005 hearing, the Court denied Votivo's Motion for Entry of Default Judgment without prejudice. At the May 31, 2005 hearing, the Court stated it would enter a permanent injunction in the form requested by Votivo, but asked Votivo to submit additional briefing in support of its request for an award of attorneys' fees and its request for punitive damages.

22. Votivo filed a Continued Motion for Entry of Default Judgment on June 20, 2005. By its Continued Motion for Entry of Default Judgment, Votivo sought the following relief: (a) a permanent injunction prohibiting Defendant from infringing Votivo's Red Currant, Soku Lime, and Tall Grass registered trademarks, and any and all other trademarks owned by Votivo which are protected by federal trademark registrations; (b) an award of attorneys fees in the amount of $24,850.00; and (c) an award of punitive damages in the amount of $75,000.00.

23. On July 7, 2005, just two days before the regularly-scheduled hearing on Votivo's Continued Motion for Entry of Default Judgment, Defendant filed a Notice of Cross-Motion and another Motion to Set Aside Default.

24. The papers filed by Defendant on July 7, 2005 failed to provide any meaningful explanation why Defendant failed to appear either at the Rule 16(b) Scheduling Conference regularly scheduled for November 22, 2004 or the regularly-scheduled hearing scheduled for May 31, 2005 on Defendant's first Motion to Set Aside Default.

25. The papers filed by Defendant on July 7, 2005 also did not provide any meaningful explanation as to why Defendant waited until just two days before the hearing on Votivo's

SCANNED

Continued Motion for Entry of Default Judgment to file yet another motion seeking to set aside the default.

26. Defendant is not a minor or incompetent person.

27. The Soldiers and Sailors Civil Relief Act of 1990 does not apply to Defendant.

28. To the extent that any of the conclusions of law set forth below may be deemed to be findings of fact, they are incorporated herein by this reference.

SCANNED

## CONCLUSIONS OF LAW

1. Pursuant to Federal Rule of Civil Procedure 55(c), Defendant bears the burden of proving that good cause exists for the Court to set aside the default entered by the Court against Defendant. [*See American Ass'n of Naturopathic Physicians v. Hayhurst*, 227 F.3d 1104, 1108 (9th Cir. 2000).

2. Whether there is good cause to set aside a default is determined based on consideration of the following factors: (a) whether the defendant engaged in culpable conduct that lead to the default; (b) whether the defendant has a meritorious defense; and (c) whether the plaintiff would be prejudiced if the default was set aside. [*See id.*] If the defendant fails to meet its burden on any of the above three factors, it is appropriate for the Court to not set aside the default. [*See Meadows v. Dominican Republic*, 817 F.2d 517, 521 (9th Cir. 1987).]

3. For the reasons set forth herein and in the July 15 Order, and after due consideration of the factors set forth above, the Court finds and concludes that Defendant has failed to sustain its burden of proving that good cause exists to set aside the default entered against it. The Court accordingly finds and concludes that the default entered against Defendant should not and will not be set aside.

4. For the reasons set forth herein and in the July 15 Order, the Court finds and concludes that entry of a default judgment against Defendant is warranted and appropriate.

5. For purposes of a default judgment, the well-pled allegations of the plaintiff's complaint are taken as true. [*See Televideo Systems, Inc. v. Heidenthal*, 826 F.2d 915, 918 (9th Cir.

Exhibit: 3

1987).] If a defendant is in default, the defendant's liability is collectively established and the factual allegations in the complaint, except those relating to damages, are accepted as true. [*See Geddes v. United Financial Group*, 559 F.2d 557, 560 (9th Cir. 1977).]

6. Based upon the foregoing, the Court finds and concludes that the well-pled facts alleged in Votivo's complaint and set forth herein establish that Defendant is liable to Votivo for: (a) federal trademark infringement; (b) violation of Lanham Act Section 43(a); (c) violation of California Business & Professions Code section 17200 et seq.; (d) common law trademark infringement; and (e) common law unfair competition.

7. The Court is authorized under Section 34(a) of the Lanham Act, 15 U.S.C. § 1116(a), to enter injunctions, according to the principles of equity and upon such terms as the Court may deem reasonable, to prevent the violation of any registered trademark.

8. Pursuant to Section 34(a) of the Lanham Act, 15 U.S.C. § 1116(a), the Court finds and concludes that a permanent injunction in the form requested by Votivo should be entered to prohibit Defendant, and all persons acting in concert and participation with Defendant, from infringing (a) Votivo's Red Currant trademark; (b) Votivo's Soku Lime trademark; (c) Votivo's Tall Grass trademark; and (d) any and all other registered trademarks owned by Votivo.

9. For the reasons set forth in the July 15 Order, the Court finds and concludes that Votivo is entitled to an award of attorneys' fees in the amount of $19,800.00 as well as an award of litigation costs pursuant to 28 U.S.C. § 1920.

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10. For the reasons set forth in the July 15 Order, the Court finds and concludes that Votivo is not entitled to an award of punitive damages.

11. To the extent that any of the findings of facts set forth above may be deemed to be conclusions of law, they are incorporated herein by this reference.

SCANNED

Dated: NOV - 7 2005

DICKRAN TEVRIZIAN
United States District Judge

Presented By:

THE AFFINITY LAW GROUP APC

By: _____
Gregory P. Gorman
Attorneys for Plaintiff
Votivo Ltd.

SCANNED

**PROOF OF SERVICE**

**Votivo, Ltd. v. Mine Design, USDC Case No. 03-6017-DT (Ex)**

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

I am employed in the County of San Diego, State of California. I am over the age of 18 and not a party to the within entitled action; my business address is 600 West Broadway, Suite 2800, San Diego, California 92101.

On October 26, 2005, I served that document entitled **See Attached List** on the interested parties in this action by placing a copy thereof enclosed in a sealed envelope addressed as follows:

**See Attached List**

**BY PERSONAL DELIVERY.** I delivered such envelope by hand to the offices of the addressee.

X **BY MAIL.** I caused such envelope with postage thereon fully prepaid to be placed in the U.S. Mail at San Diego, California. I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at San Diego, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

**BY FACSIMILE TRANSMISSION.** I caused such document to be transmitted to the addressee(s) facsimile number(s) noted herein. The facsimile machine used complies with Rule 2003 and no error was reported by the machine. Pursuant to Rule 2008(e), I caused the machine to print a transmission record of the transmission, a copy of which is attached to this declaration.

**BY FEDERAL EXPRESS.** I caused such envelope to the deposited at the Federal Express office at San Diego, California for guaranteed one/two day delivery with delivery charges prepaid. I am "readily familiar" with the firm's practice of collection and processing correspondence for delivery by Federal Express delivery service. Under that practice, it would be deposited with the delivery service on that same day with delivery charges thereon fully prepaid at San Diego, California in the ordinary course of business for delivery to the addressee.

Executed on October 26, 2005, at San Diego, California.

(State) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

X (Federal) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Gregory P. Geonan

Exhibit: 3
Page: 42

**SERVICE LIST**

SCANNED

Carlos M. Candeloro, Esq.
Carlos M. Candeloro Law Offices
4724 Kester Avenue, Suite 205
Sherman Oaks, CA 91403

## DOCUMENTS SERVED

1. [Proposed] Findings of Fact and Conclusions of Law
2. [Proposed] Final Judgment
3. [Proposed] Permanent Injunction

SCANNED

97863.1

**EXHIBIT 4**

FILED
CLERK, U.S. DISTRICT COURT
NOV - 7 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

ENTERED
CLERK, U.S. DISTRICT COURT
NOV - 8 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

Priority
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JS-2/JS-3
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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

Votivo, Ltd, a Washington corporation,

Plaintiff,

vs.

Mine Design, a business entity of unknown form,

Defendant.

Case No. CV 03-6017-DT (Ex)

~~[PROPOSED]~~ PERMANENT INJUNCTION

This matter comes before the Court on the Motion for Continued Entry of Default Judgment (the "Application") filed by Plaintiff Votivo, Ltd. ("Votivo"). Pursuant to and in accordance with the Court's order dated July 15, 2005 granting Votivo's Motion and ordering the entry of judgment in this matter, and the Findings of Fact and Conclusions of Law entered by the Court pursuant thereto,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

1. Defendant, and its owners, controlling persons, officers, directors, agents, servants, employees, contractors, successors, and attorneys, and all those persons in active concert or participation with them who receive actual notice of this Permanent Injunction by personal service, service on Defendant's counsel, or otherwise, are hereby permanently enjoined and

restrained from:

a. using the term "Red Currant" or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to the term "Red Currant" – including, without limitation, the term "Currant (Red)" – in connection in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use;

b. using the term "Soku Lime" or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to the term "Soku Lime", in connection with in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use;

c. using the term "Tall Grass" or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to the term "Soku Lime", in connection with in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use;

d. using any of the terms set forth on Exhibit "A" hereto, each of which is the subject of a United States trademark registration owned by Votivo, or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to the terms listed on Exhibit "A", in connection with in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use.

2. Defendant shall take all reasonable steps to ensure that its owners, controlling persons, officers, directors, agents, servants, employees, contractors, successors, and attorneys, do not violate the terms of this Permanent Injunction. Defendant shall not assist any person or entity, directly or indirectly, in violating the terms of this Permanent Injunction or in forming new entities which violate the terms of this Permanent Injunction.

3. This Court shall retain jurisdiction over the parties hereto for the purposes of any proceeding to enforce this Permanent Injunction. In the event Defendant, or any of its owners, controlling persons, officers, directors, agents, servants, employees, contractors, successors, and attorneys, or any persons in active concert or participation with them who receive actual notice of this Permanent Injunction by personal service, service on Defendant's counsel, or otherwise, violate any of the terms of this Permanent Injunction, Votivo shall be entitled to immediately seek an order to show cause as to why Defendant should not be held in contempt because of such violation. In the event the Court finds that any violation by Defendant of the terms of this Permanent Injunction has taken place, Votivo shall be entitled to its reasonable attorneys' fees and costs incurred in addressing such violation.

4. This Permanent Injunction, along with the Final Judgment entered contemporaneously herewith, together constitute a final judgment in this action and suitable for entry by the Clerk pursuant to FRCP 58 and 79(a).

IT IS SO ORDERED.

NOV -7 2005

Dated:

DICKRAN TEVRIZIAN

United States District Judge

Presented By:

THE AFFINITY LAW GROUP APC

By: _____
Gregory P. Goonan
Attorneys for Plaintiff
Votiyo Ltd.

SCANNED

**Exhibit "A" To Permanent Injunction**

***Votivo, Ltd. v. Mine Design*** **(USDC Case No. CV 03-6017-DT)**

SCANNED

| Votivo Trademark | US Registration No. |
|---|---|
| V Votivo | 2,932,538; 2,555,183; 2,555,182; 1,932,316 |
| Tibetian Lily | 2,896,645; 2,827,319 |
| Cottage Light | 2,894,438 |
| River Rock | 2,894,148 |
| Votivo Flowers | 2,758,447; 2,883,829 |
| Votivo Aromatic Pillar | 2,892,674; 2,890,864 |
| Votivo Aromatic Floating Candles | 2,890,863 |
| Vanilla Grapefruit | 2,718,889; 2,718,890 |
| Bungalow Light | 2,883,736 |
| Teak | 2,720,905; 2,720,904 |
| Freesia & Tiger Lily | 2,846,979; 2,846,978 |
| Blackberry Basil | 2,841,930; 2,837,475 |
| ~~Joie-de-Noel~~ | ~~2,816,469; 2,816,468~~ |
| Celadon Tea | 2,793,818 |
| Woodland Hyacinth | 2,788,139 |
| Votivo | 2,758,447; 2,766,047; 2,741,443 |
| Minted Pomegranate | 2,758,232; 2,713,167 |
| Bradford Cucumber | 2,713,166 |
| Clean Crisp White | 2,711,059 |

| | |
|---|---|
| Cedar & Sage | 2,728,816; 2,731,600 |
| Deep Clover | 2,715,429; 2,713,162 |
| Anjou Pear | 2,749,671 |
| Gingered Currant | 2,749,670 |
| Golden Fuji Apple | 2,749,669 |
| Mt. Airy Azalea | 2,720,910 |
| Shenandoah Wildflower | 2,684,963 |
| Sea Island Grapefruit | 2,758,231 |
| Somerset Rain | 2,713,160 |
| Nantucket Christmas | 2,749,668 |
| Lavender Fields | 2,749,667 |
| Fresh Tomato Leaf | 2,731,598 |
| Augusta Peach | 2,684,962 |
| Black Ginger | 2,705,581 |
| Coventry Meadow | 2,708,993 |
| Paperwhite Narcissus | 2,731,597 |
| ~~Mandarine~~ | ~~2,720,908; 2,728,815~~ |
| Desert | 2,717,267; 2,717,266 |
| Moroccan Fig | 2,717,265; 2,717,264 |
| Forest | 2,717,263; 2,717,262 |
| Night | 2,717,261; 2,717,260 |
| Tall Grass | 2,717,259; 2,717,258 |
| Sumatra Lemongrass | 2,720,903 |

SCANNED

| | |
|---|---|
| Tuscan Olive | 2,749,665 |
| Squash Blossom | 2,720,902 |
| St. Germain-en-Laye Lavender | 2,720,901 |
| Rosemary Garden | 2,723,693 |
| Rhone Valley Lilac | 2,720,900 |
| Westminster Bayberry | 2,717,255 |
| Mahogany | 2,696,855 |
| Votivo Aromatic Candle No. 25 Joie de Noel 73 oz | 2,661,470 |
| Votivo Aromatic Moisturizing Soap | 2,699,254 |
| Votivo Aromatic Candle No. 7.3 oz | 2,554,977 |
| Votivo 20 Aromatic Burning Sticks | 2,554,976 |

SCANNED

SCANNED

**PROOF OF SERVICE**

**Votivo, Ltd. v. Mine Design, USDC Case No. 03-6017-DT (Ex)**

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

I am employed in the County of San Diego, State of California. I am over the age of 18 and not a party to the within entitled action; my business address is 600 West Broadway, Suite 2800, San Diego, California 92101.

On October 26, 2005, I served that document entitled See Attached List on the interested parties in this action by placing a copy thereof enclosed in a sealed envelope addressed as follows:

See Attached List

BY PERSONAL DELIVERY. I delivered such envelope by hand to the offices of the addressee.

X BY MAIL. I caused such envelope with postage thereon fully prepaid to be placed in the U.S. Mail at San Diego, California. I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at San Diego, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

BY FACSIMILE TRANSMISSION. I caused such document to be transmitted to the addressee(s) facsimile number(s) noted herein. The facsimile machine used complies with Rule 2003 and no error was reported by the machine. Pursuant to Rule 2008(e), I caused the machine to print a transmission record of the transmission, a copy of which is attached to this declaration.

BY FEDERAL EXPRESS. I caused such envelope to the deposited at the Federal Express office at San Diego, California for guaranteed one/two day delivery with delivery charges prepaid. I am "readily familiar" with the firm's practice of collection and processing correspondence for delivery by Federal Express delivery service. Under that practice, it would be deposited with the delivery service on that same day with delivery charges thereon fully prepaid at San Diego, California in the ordinary course of business for delivery to the addressee.

Executed on October 26, 2005, at San Diego, California.

(State) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

X (Federal) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Gregory P. Geonan

**SERVICE LIST**

SCANNED

Carlos M. Candeloro, Esq.
Carlos M. Candeloro Law Offices
4724 Kester Avenue, Suite 205
Sherman Oaks, CA 91403

**DOCUMENTS SERVED**

SCANNED

1. [Proposed] Findings of Fact and Conclusions of Law
2. [Proposed] Final Judgment
3. [Proposed] Permanent Injunction

PROOF OF SERVICE

97863.1

**EXHIBIT 5**

FILED
CLERK, U.S. DISTRICT COURT
NOV - 7 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

ENTERED
CLERK, U.S. DISTRICT COURT
NOV - 8 2005
CENTRAL DISTRICT OF CALIFORNIA
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CLERK, U.S. DISTRICT COURT
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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

Votivo, Ltd, a Washington corporation,

Plaintiff,

vs.

Mine Design, a business entity of unknown form,

Defendant.

Case No. CV 03-6017-DT (Ex)

~~[PROPOSED]~~
FINAL JUDGMENT

This matter comes before the Court on the Continued Motion for Entry of Default Judgment (the "Motion") filed by Plaintiff Votivo, Ltd. ("Votivo"). Pursuant to and in accordance with the Court's order dated July 15, 2005 and the Court's findings of fact and conclusions of law entered pursuant thereto, the Court grants Votivo's Motion and orders the entry of judgment in this matter as follows:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

1. A permanent injunction in the form attached hereto as Exhibit "A" shall be, and hereby is, entered against Defendant and in favor of Votivo.

///

47
Exhibit:
Page: 55

2. Attorneys' fees in the amount of $19,800.00 shall be, and hereby are, awarded against Defendant and in favor of Votivo.

3. Votivo shall recover costs in the amount of $_____ from and against Defendant.

IT IS SO ORDERED.

Dated: NOV - 7 2005

DICKRAN TEVRIZIAN
United States District Judge

Presented By:

THE AFFINITY LAW GROUP APC

By: _____
Gregory P. Goonan
Attorneys for Plaintiff
Votivo Ltd.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

| | |
|---|---|
| Votivo, Ltd, a Washington corporation,<br><br>Plaintiff,<br><br>vs.<br><br>Mine Design, a business entity of unknown form,<br><br>Defendant. | Case No. CV 03-6017-DT<br><br>[PROPOSED] PERMANENT INJUNCTION |

This matter comes before the Court on the Motion for Continued Entry of Default Judgment (the "Application") filed by Plaintiff Votivo, Ltd. ("Votivo"). Pursuant to and in accordance with the Court's order dated July 15, 2005 granting Votivo's Motion and ordering the entry of judgment in this matter, and the Findings of Fact and Conclusions of Law entered by the Court pursuant thereto,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

1. Defendant, and its owners, controlling persons, officers, directors, agents, servants, employees, contractors, successors, and attorneys, and all those persons in active concert or participation with them who receive actual notice of this Permanent Injunction by personal service, service on Defendant's counsel, or otherwise, are hereby permanently enjoined and

restrained from:

a. using the term "Red Currant" or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to the term "Red Currant" -- including, without limitation, the term "Currant (Red)" -- in connection in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use;

b. using the term "Soku Lime" or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to the term "Soku Lime", in connection with in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use;

c. using the term "Tall Grass" or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to the term "Soku Lime", in connection with in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use;

d. using any of the terms set forth on Exhibit "A" hereto, each of which is the subject of a United States trademark registration owned by Votivo, or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to the terms listed on Exhibit "A", in connection with in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use.

2. Defendant shall take all reasonable steps to ensure that its owners, controlling persons, officers, directors, agents, servants, employees, contractors, successors, and attorneys do not violate the terms of this Permanent Injunction. Defendant shall not assist any person or entity, directly or indirectly, in violating the terms of this Permanent Injunction or in forming new entities which violate the terms of this Permanent Injunction.

3. This Court shall retain jurisdiction over the parties hereto for the purposes of any proceeding to enforce this Permanent Injunction. In the event Defendant, or any of its owners, controlling persons, officers, directors, agents, servants, employees, contractors, successors, and attorneys, or any persons in active concert or participation with them who receive actual notice of this Permanent Injunction by personal service, service on Defendant's counsel, or otherwise, violate any of the terms of this Permanent Injunction, Votivo shall be entitled to immediately seek an order to show cause as to why Defendant should not be held in contempt because of such violation. In the event the Court finds that any violation by Defendant of the terms of this Permanent Injunction has taken place, Votivo shall be entitled to its reasonable attorneys' fees and costs incurred in addressing such violation.

4. This Permanent Injunction, along with the Final Judgment entered contemporaneously herewith, together constitute a final judgment in this action and suitable for entry by the Clerk pursuant to FRCP 58 and 79(a).

IT IS SO ORDERED.

Dated: _____

_____
United States District Judge

Presented By:

THE AFFINITY LAW GROUP APC

By: _____
Gregory P. Goonan
Attorneys for Plaintiff
Votivo Ltd.

SCANNED

**Exhibit "A" To Permanent Injunction**

***Votivo, Ltd. v. Mine Design*** **(USDC Case No. CV 03-6017-DT)**

SCANNED

| Votivo Trademark | US Registration No. |
|---|---|
| V Votivo | 2,932,538; 2,555,183; 2,555,182; 1,932,316 |
| Tibetian Lily | 2,896,645; 2,827,319 |
| Cottage Light | 2,894,438 |
| River Rock | 2,894,148 |
| Votivo Flowers | 2,758,447; 2,883,829 |
| Votivo Aromatic Pillar | 2,892,674; 2,890,864 |
| Votivo Aromatic Floating Candles | 2,890,863 |
| Vanilla Grapefruit | 2,718,889; 2,718,890 |
| Bungalow Light | 2,883,736 |
| Teak | 2,720,905; 2,720,904 |
| Freesia & Tiger Lily | 2,846,979; 2,846,978 |
| Blackberry Basil | 2,841,930; 2,837,475 |
| Joie de Noel | 2,816,469; 2,816,468 |
| Celadon Tea | 2,793,818 |
| Woodland Hyacinth | 2,788,139 |
| Votivo | 2,758,447; 2,766,047; 2,741,443 |
| Minted Pomegranate | 2,758,232; 2,713,167 |
| Bradford Cucumber | 2,713,166 |
| Clean Crisp White | 2,711,059 |

| | |
|---|---|
| Cedar & Sage | 2,728,816; 2,731,600 |
| Deep Clover | 2,715,429; 2,713,162 |
| Anjou Pear | 2,749,671 |
| Gingered Currant | 2,749,670 |
| Golden Fuji Apple | 2,749,669 |
| Mt. Airy Azalea | 2,720,910 |
| Shenandoah Wildflower | 2,684,963 |
| Sea Island Grapefruit | 2,758,231 |
| Somerset Rain | 2,713,160 |
| Nantucket Christmas | 2,749,668 |
| Lavender Fields | 2,749,667 |
| Fresh Tomato Leaf | 2,731,598 |
| Augusta Peach | 2,684,962 |
| Black Ginger | 2,705,581 |
| Coventry Meadow | 2,708,993 |
| Paperwhite Narcissus | 2,731,597 |
| Mandarine | 2,720,908; 2,728,815 |
| Desert | 2,717,267; 2,717,266 |
| Moroccan Fig | 2,717,265; 2,717,264 |
| Forest | 2,717,263; 2,717,262 |
| Night | 2,717,261; 2,717,260 |
| Tall Grass | 2,717,259; 2,717,258 |
| Sumatra Lemongrass | 2,720,903 |

| | |
|---|---|
| Tuscan Olive | 2,749,665 |
| Squash Blossom | 2,720,902 |
| St. Germain-en-Laye Lavender | 2,720,901 |
| Rosemary Garden | 2,723,693 |
| Rhone Valley Lilac | 2,720,900 |
| Westminster Bayberry | 2,717,255 |
| Mahogany | 2,696,855 |
| Votivo Aromatic Candle No. 25 Joie de Noel 73 oz | 2,661,470 |
| Votivo Aromatic Moisturizing Soap | 2,699,254 |
| Votivo Aromatic Candle No. 7.3 oz | 2,554,977 |
| Votivo 20 Aromatic Burning Sticks | 2,554,976 |

**PROOF OF SERVICE**

**Votivo, Ltd. v. Mine Design, USDC Case No. 03-6017-DT (Ex)**

SCANNED

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

I am employed in the County of San Diego, State of California. I am over the age of 18 and not a party to the within entitled action; my business address is 600 West Broadway, Suite 2800, San Diego, California 92101.

On October 26, 2005, I served that document entitled **See Attached List** on the interested parties in this action by placing a copy thereof enclosed in a sealed envelope addressed as follows:

**See Attached List**

**BY PERSONAL DELIVERY.** I delivered such envelope by hand to the offices of the addressee.

X **BY MAIL.** I caused such envelope with postage thereon fully prepaid to be placed in the U.S. Mail at San Diego, California. I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at San Diego, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

**BY FACSIMILE TRANSMISSION.** I caused such document to be transmitted to the addressee(s) facsimile number(s) noted herein. The facsimile machine used complies with Rule 2003 and no error was reported by the machine. Pursuant to Rule 2008(e), I caused the machine to print a transmission record of the transmission, a copy of which is attached to this declaration.

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Executed on October 26, 2005, at San Diego, California.

(State) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

X (Federal) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Gregory P. Goonan

Exhibit: 5

**SERVICE LIST**

SCANNED

Carlos M. Candeloro, Esq.
Carlos M. Candeloro Law Offices
4724 Kester Avenue, Suite 205
Sherman Oaks, CA 91403

**DOCUMENTS SERVED**

1. [Proposed] Findings of Fact and Conclusions of Law
2. [Proposed] Final Judgment
3. [Proposed] Permanent Injunction

97863.1

**EXHIBIT 6**

Carlos Candeloro, Esq.
4724 Kester Ave. #205
Sherman Oaks, CA 91403
California State Bar No. 194716
(818) 995 6766 (tel.)
carlos@candeloro.net

Attorney for Mine Design

FILED
CLERK, U.S. DISTRICT COURT
NOV 22 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPU

**UNITED STATES DISTRICT COURT**
**CENTRAL DISTRICT OF CALIFORNIA**

Votivo Ltd.,

Plaintiff,

v.

Mine Design,

Defendants.

**Case No. CV- 03-6017-DT (Ex)**

**MINE DESIGN'S F.R.C.P. 59(e) MOTION AND MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF**

**[Declarations of Carlos Candeloro and Request for Judicial Notice filed concurrently herewith]**

**Date: Dec. 19, 2005**
**Time: 10:00 a.m.**
**Courtroom: 880**
**Hon. Dickran Tevrizian**

TO PLAINTIFF AND ITS ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT, on December 19, 2005, at 10:00 a.m., or as soon thereafter as counsel may be heard, in the Courtroom of the Honorable Dickran Tevrizian, United States District Court Judge, located at the Edward R. Roybal Center & Federal Building, 255 East Temple Street, Los Angeles, California 90012, defendant Mine Design ("MINE") will and hereby does move this Court, pursuant to Rule 59(e) of the Federal Rule of Civil Procedure, to modify or amend the Judgment entered on November 8, 2005 on this case.

This Motion is based on this Notice of Motion and Motion; the attached Memorandum of Points and Authorities; the concurrently filed declaration of Carlos Candeloro the Request for Judicial Notice and exhibits thereto; the pleadings and other papers on file in this action; any further matters of which this Court may take judicial notice; and such further evidence and arguments as may be presented at or before the hearing on this matter.

DATED: November 22, 2005

By _____
Carlos Candeloro
Attorney for Defendant
Mine Design

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B) **Judgment Against MINE Was Premised On A Manifest Error Of Law, Namely, That MINE's Liability Was Established By MINE's Default.** ..... 7

C) **The Allegations In Plaintiff's Complaint Regarding MINE's Use Of The Term "Red Currant" As A Matter Of Law Fail To State A Valid Claim For Trademark Infringement.** ..... 9\\

1) As a matter of law, use of a name which is merely descriptive of the ingredients, qualities or characteristics of an article of trade cannot constitute trademark infringement. ..... 9

2) Plaintiff failed to allege that "red currant" does not properly indicate the ingredients, qualities or characteristics of MINE's red currant scented candles. ..... 10\\

3) The same result of no infringement as a matter of law is obtained using the "who-are-you/what-are-you test.\ ..... 12\

4) The fact that Plaintiff's alleged mark is allegedly "deceptively misdescriptive" is irrelevant to the issue of whether MINE's alleged use of the term would be infringing. ..... 13\\

D) **MINE respectfully requests that the Court revisit and reconsider the award of attorney's fees in the present case.** ... 14

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## I. Introduction

Pursuant to Fed.R.Civ.P. 59(e) Defendant Mine Design ("MINE") respectfully requests that the Court modify or amend the Judgment entered against MINE in the present case.

In particular, MINE would like the Court to reconsider reliance on *Geddes v. United Financial Group*, 559 F.2d 557, 560 (9th Cir. 1977), for the proposition that "[i]f the defendant is in default, the defendant's liability is collectively established." [Findings of Fact and Conclusions of Law, Nov. 8, 2005, ¶ 5, p. 6.] While *Geddes* may contain language to that effect, that is not a correct statement of the law.

Under Ninth Circuit precedent, a defendant may prevail on the merits, even after they default, if, taking the facts alleged in the pleadings as true, plaintiff is not entitled to relief as a matter of law. [*See, e.g., Cripps v. Life Ins. Co. of North America*, 980 F.2d 1261, 1267 (9th Cir. 1992) and citations therein.]

As explained in detail in section III.C of the present motion, the allegations in Plaintiff's complaint regarding MINE's use of the term "red currant" to label red currant scented candles cannot, as a matter of law, state a valid claim. Red currant is no different than vanilla, pine, mint, strawberries or lavender. It is a product of nature with a recognized fragrance. Because red currant scented candles are an article of trade in the public domain, MINE has the right to make and sell red currant scented candles, and to label MINE's red currant scented candles with a term that truthfully describes the candles' ingredients, qualities and characteristics. MINE accordingly respectfully requests that the Court modify the Judgment and enter Judgment for MINE on all of Plaintiff's claims relating to "red currant."

MINE also respectfully requests that the Court revisit and reconsider the award of attorney's fees in the present case.

Lastly, Plaintiff's gratuitous (and surreptitious) inclusion of findings of fact on the issue of the term "tall grass" – the subject of a pending related lawsuit that

was not decided in the present case – was in violation of clear and unambiguous instructions provided in the Court's July 21, 2005 Order. MINE accordingly hereby requests that the portion of the Findings of Fact and Conclusions of Law relating to "tall grass" and related material be stricken.

## II. Material Facts

1. Under circumstances that are disputed by the parties, the Court entered default against MINE and, in an Order filed July 15, 2005 and entered July 21, 2005 ("July 21, 2005 Order"), the Court granted Plaintiff's renewed motion for entry of default judgment against MINE.

2. In the July 21, 2005 Order, Plaintiff was instructed to prepare and resubmit a Proposed Judgment and Proposed Findings of Fact and Conclusions of Law in accordance with the Order.

3. On or about October 26, 2005, Plaintiff filed a [Proposed] Permanent Injunction, [Proposed] Findings of Fact and Conclusions of Law and a [Proposed] Final Judgment.

4. On November 8, 2005, the Court entered the Findings of Fact and Conclusions of Law, Permanent Injunction and Final Judgment against MINE in substantially identical form as had been submitted by Plaintiff.

5. According to the Court's Opinion MINE's liability was premised on MINE's default. [Findings of Fact and Conclusions of Law, ¶ 5, p. 6 ("If a defendant is in default, the defendant's liability is collectively established") citing *Geddes v. United Financial Group*, 559 F.2d 557, 560 (9th Cir. 1997).]

6. MINE was held to be liable to Votivo for: (a) federal trademark infringement; (b) violation of Lanham Act Section 43(a); (c) violation of California Business and Professions Code section 17200 et seq; (d) common law trademark infringement; and (e) common law unfair competition. [Findings of Fact and Conclusions of Law, ¶ 6, p. 6.]

7. The well-pled allegations of plaintiff's complaint were taken as true. [Findings of Fact and Conclusions of Law, ¶ 5, p. 5.]

8. Representative of the allegations in Plaintiff's complaint, the complaint alleges that "Votivo is informed and believes and on that basis alleges that Defendant has marketed, advertised and sold, and continues to market, advertise and sell, candles and other home décor products, gift products and personal care products using the Votivo Trademarks." [Complaint, ¶ 28, p. 6.]

9. The term "the Votivo Trademarks" is defined in the complaint to mean Votivo's alleged trademarks "Red Currant" and "Soku Lime." [Complaint, ¶ 4, p. 2.]

10. Noticeably absent from Plaintiff's complaint are any allegations that MINE was not using the alleged "Votivo Trademarks" to truthfully describe MINE's own product. In particular, there are no allegations in Plaintiff's complaint that, at a minimum, the term "red currant" did not properly describe the ingredients, qualities or characteristics of MINE's red currant scented candles.

11. Votivo's alleged trademark and registration are for the term "red currant," not the scent of red currant or the particular scent in Votivo's "Red Currant" scented candles.

12. Votivo does not hold a patent for red currant scent, or the red currant fragrance/oil for making candles that is widely available in candle making stores.

13. Votivo also does not hold a patent for the particular combination of scents in Votivo's Red Currant scented candle.

14. Votivo also does not hold a patent for red currant scented candles or for Votivo's own version of Red Currant scented candle.

15. Because they are not under patent, red currant scented candles in general, including Votivo's version of it, are in the public domain, and one and all are free to make, use and sell them.

16. Red currant fragrance is a staple article of trade. [Request for Judicial Notice, ¶¶ 4, 24-38, 45, 46.] Suppliers of the fragrance represent that their products have the scent of red currant. [*See, e.g.*, Request for Judicial Notice, ¶ 4 and exhibit thereto (General Wax and Candle represents that its red currant scent/fragrance oil has "The berry-licious fragrance of red currant."); Request for Judicial Notice, ¶ 25 and exhibit thereto (Supplies4candles.com describes its red currant fragrance as, *inter alia*, "A divinely layered fragrance that captures the essence of this unique citrus laden berry."); Request for Judicial Notice, ¶ 26 and exhibit thereto (Rustic Escentuals describes its red currant fragrance, *inter alia*, as "Sweet, deep red currant berries harvested at their perfection."); Request for Judicial Notice, ¶ 31 and exhibit thereto (Body Perfumery and Soy Chandlery describes its "Red Currant Sorbet" fragrance as having a "deliciously sweet red currant fragrance"); Request for Judicial Notice, ¶ 35 and exhibit thereto (Wellington Fragrance Company states "Red Currant – unique and powerful [sic] you will enjoy an intoxicating berry scent."); Request for Judicial Notice, ¶ 38 and exhibit thereto (Candles Etcetera describes its Red Currant fragrance "Sweet deep red currant berries harvested at their peak of perfection.").]

17. Not surprising given the wide availability of red currant fragrance, the term "red currant" is widely used in labels and descriptions of products in the cosmetic, fragrance and scented candle industries to inform consumers that the product has a red currant fragrance, or that red currant is a "note" of said product's fragrance. [Request for Judicial Notice, ¶ 3, p. 2.]

18. A large number of candle producers manufacture red currant scented candles and label them as such. [Request for Judicial Notice, ¶¶ 5-23.] Red currant, when applied to scented candles, tells the consumers what the product is, namely, a red currant scented candle.

19. The red currant fragrance descriptor is not limited to scented candle products, but is also used in many other industries. Examples include the cosmetics, perfume, skincare, home décor, and pet products industries. [Request for Judicial Notice, ¶¶ 39-50.]

## III. Argument

### A) The Present Motion Is Proper And Is Being Timely Filed.

Fed. R. Civ. P. 59(e) ("Rule 59(e)") provides for the filing of a motion to alter or amend a judgment. The Rule provides an efficient mechanism by which a trial court judge may alter, amend, or vacate an otherwise erroneous judgment without implicating the appellate process. [*Clipper Express v. Rocky Mountain Motor Tariff*, 674 F.2d 1252, 1260 (9th 1982).]

A motion pursuant to Rule 59(e) must be filed no later than 10 days after entry of the judgment. In the present case, Judgment was entered on November 8, 2005. Accordingly, the present motion, filed on November 22, 2005, was timely filed pursuant to Rule 59(e) and Rule 6(a).

### B) Judgment Against MINE Was Premised On A Manifest Error Of Law, Namely, That MINE's Liability Was Established By MINE's Default.

According to the "Findings of Fact and Conclusions of Law" the Court reasoned that MINE's liability was established by MINE's default. [Findings of Fact and Conclusions of Law, Nov. 8, 2005, ¶ 5, p. 6.] MINE respectfully submits that was in error. While liability may have been proper in the case cited by the Court, *Geddes v. United Financial Group*, 559 F.2d 557, 560 (9th Cir. 1977), the statement in *Geddes*, as a general proposition of law, is incorrect.

In a line of cases that includes *Danning v. Lavine*, 572 F.2d 1386 (9th Cir. 1978), *Alan Neuman Productions v. Albright*, 862 F.2d 1388 (9th Cir. 1988) and

*Cripps v. Life Ins. Co. of North America*, 980 F.2d 1261 (9th Cir. 1992) the law established in the Ninth Circuit is that a court should determine whether the pleadings in the case allege a valid cause of action before a defaulting party is held liable.

The facts and holding in *Cripps* are believed to be particularly instructive on this issue. In that case cross-claimant alleged that life insurance proceeds were due to her under a holographic will. [*Cripps*, 980 F.2d at 1267.] Cross-defendant defaulted and judgment was entered in favor of cross-claimant. [*Id.*] On appeal the default judgment was set aside because it was legally unsupportable. [*Id.* at 1268.] Taking the alleged facts as true, cross-claimant had not made out a claim for relief because under California law a holographic will could not operate to change the beneficiary designated in a life insurance policy.

> Taking Cynthia's alleged facts as true, we must decide whether the holographic will was effective under California law. Under California law, except in specified situations not present here, a holographic will cannot operate to change the beneficiary designated on a life insurance policy. That being the case, Cynthia has not made a claim for relief.

[*Id.* at 1268.]

Accordingly, contrary to the Court's reasoning in the present case, entry of default against MINE did not necessarily have to result in a finding of trademark infringement (and the other causes of action alleged in Plaintiff's complaint). MINE respectfully submits that, pursuant to *Cripps*, the Court should have still considered whether Plaintiff's complaint states a valid cause of action before holding MINE liable. [*Id.* at 1267 ("necessary facts not contained in the pleadings, and claims which are legally insufficient, are not established by default.").]

As explained in the next section, the allegations in Plaintiff's complaint regarding MINE's use of the term "red currant" as a matter of law do not state a

valid claim for trademark infringement and the other alleged business torts dependent thereon.

**C) The Allegations In Plaintiff's Complaint Regarding MINE's Use Of The Term "Red Currant" As A Matter Of Law Fail To State A Valid Claim For Trademark Infringement.**

1) As a matter of law, use of a name which is merely descriptive of the ingredients, qualities or characteristics of an article of trade cannot constitute trademark infringement.

Just like the allegations in *Cripps* failed to state a valid claim because, as a matter of law, under California law a holographic will could not operate to change the beneficiary of a life insurance policy, Votivo's allegations that MINE used the term "red currant" to market, advertise and sell red currant scented candles and other scented articles fails to state a valid claim for trademark infringement because it has always been the law that "[a] name which is merely descriptive of the ingredients, qualities or characteristics of an article of trade cannot be appropriated as a trademark and the exclusive use of it afforded legal protection. *Canal Co. v. Clark*, 13 Wall. 311, 323, 327, 20 L.Ed. 581; *Standard Paint Co. v. Trinidad Asphalt [Mfg.] Co.*, 220 U.S. 446, 453, 31 S.Ct. 456, 55 L.Ed. 536; *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U.S. 118, 140, 25 S.Ct. 609, 49 L.Ed. 972." [*Skinner Mfg. Co. v. Kellogg Sales Co.*, 143 F.2d 895, 898 (8th Cir. 1944) *citing Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 528, 44 S.Ct. 615, 616, 68 L.Ed. 1161.]

In *Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 528, 44 S.Ct. 615, 616, 68 L.Ed. 1161 (1924) the U.S. Supreme Court held names such as "Coco-Quinine" and

"Quin-Coco" could not be appropriated as trademarks, the Court saying in part:

> The name "Coco-Quinine" is descriptive of the ingredients which enter into the preparation. The same is equally true of the name "Quin-Coco." A name which is merely descriptive of the ingredients, qualities or characteristics of an article of trade cannot be appropriated as a trademark and the exclusive use of it afforded legal protection. The use of a similar name by another to truthfully describe his own product does not constitute a legal or moral wrong, even if its effect be to cause the public to mistake the origin or ownership of the product.

This is still the law today. [*See, e.g., Surgicentes of America v. Medical Dental Surgeries*, 601 F.2d 1011, 1018 (9th Cir. 1979).]

Not surprisingly, the law of the Ninth Circuit is that a court should hold as a matter of law that there is no trademark infringement when an alleged trademark infringer is using an alleged mark to describe the ingredients, qualities or characteristics of an article of trade. [*New Kids On The Block v. New America Pub., Inc.*, 971 F.2d 302, 306 (9th Cir. 1992) ("the courts will hold as a matter of law that the original producer does not sponsor or endorse another product that uses his mark in a descriptive manner.").]

2) Plaintiff failed to allege that "red currant" does not properly indicate the ingredients, qualities or characteristics of MINE's red currant scented candles.

MINE, like many other scented candle producers, makes its red currant scented candles by adding a proper amount of a commercially available red currant oil/fragrance to molten soy wax. The mixture is then poured into a glass, metal sphere or compact having a properly positioned wick. Accordingly, red currant oil/fragrance is an ingredient of MINE's red currant scented candles. In addition, red currant properly describes the qualities and characteristics of the scented candle,

namely, its fragrance. Tellingly, no allegations to the contrary are made in Plaintiff's complaint or anywhere else in the pleadings.

Because, as a matter of law, it cannot be trademark infringement for a candle maker to label a scented candle with the term "red currant" when this is not only an ingredient of the candle, but also a proper description of the qualities and characteristics of the scented candle, *i.e.*, a description that the candle smells like red currant, Plaintiff's complaint fails to state a valid cause of action. [*See, e.g.*, *Kellogg Co. v. Nat. Biscuit Co.*, 305 U.S. 111, 116-117 (1938)("shredded wheat" not infringing for shredded wheat biscuit); *Skinner Mfg. Co. v. Kellogg Sales Co.*, 143 F.2d 896 (8th Cir. 1944)("raisin bran" not infringing for bran with raisins in it); *Hesmer Foods, Inc. v. Campbell Soup Co.*; 346 F.2d 356, 358 (7th Cir. 1965)(affirming directed verdict because "barbeque beans" used not as a trademark but rather a description of the product); *Eagle Snacks, Inc. v. Nabisco Brands, Inc.*, 625 F.Supp 571 (D.N.J. 1985)("honey roast" not infringing when used for peanuts roasted in honey).]

The present case is distinguishable from *Elizabeth Taylor Cosmetics v. Annick Goutal*, 673 F.Supp. 1238 (S.D.N.Y. 1987), which involved the term "Passion" for a line of fragrance products. [*Id.* at 1240.] In that case the court held that the word "passion" when applied to fragrance products is not a descriptive term. [*Id.* at 1243-1244.] The court reasoned that "[i]nstead of describing the product, it describes an *emotion* the fragrance seeks to induce." [*Id.* (emphasis added).] In the present case, the term "red currant" when applied to MINE's red currant scented candles is a descriptive term because it describes the ingredients and scent of the candles. [*See, e.g.*, *In re Gyulay*, 820 F.2d 1216 (Fed.Cir. 1987)(term APPLE PIE not registrable under section 2(e) of the Lanham Act because it "conveys the key characteristic of the potpourri, its scent."); *In re American Greetings Corp.*, 226 U.S.P.Q. 365, 366 (T.T.A.B. 1985)(APRICOT

identifies the fact that applicant's dolls are apricot scented and that this is a significant characteristic of the goods as far as purchasers are concerned).]

In conclusion, because the term "red currant" would properly describe the ingredients, qualities and characteristics of MINE's red currant scented candles and no allegations to the contrary are made in Plaintiff's complaint, Plaintiff's complaint, as a matter of law, fails to state a valid cause of action against MINE for trademark infringement. Accordingly, it is respectfully requested that the Judgment be altered and Judgment of non-infringement be entered in favor of MINE on that issue.

3) The same result of no infringement as a matter of law is obtained using the "who-are-you/what-are-you test."

The same result of non infringement as a matter of law is obtained when analyzing MINE's alleged use of the term "red currant" under the "who-are-you/what-are-you test." [*Filipino Yellow Pgs.*, 198 F.3d 1143, 1147 (9th Cir. 1999).] Under the test, a mark answers the buyer's question "Who are you?" "Where do you come from?" "Who vouches for you?" while the generic name of the product answers the question "what are you?" [*Id. See also, New Kids On The Block*, 971 F.2d at 306 ("When a trademark comes to describe a class of goods rather than an individual product, the courts will hold as a matter of law that use of that mark does not imply sponsorship or endorsement of the product by the original holder.").]

As shown in the accompanying Request for Judicial Notice, it is beyond reasonable dispute that "red currant" answers the question "what are you" for at least dozens, and possibly hundreds, of articles of trade in the U.S. that have a red currant fragrance.

When considering the specific market relating to scented candles, numerous commercial suppliers offer a red currant oil/fragrance for making red currant scented candles. [Request for Judicial Notice, ¶¶ 4, 24-38, 45, 46.] Moreover several candle makers, other than Votivo and MINE, use the term "red currant" on the label of their scented candles to describe what their candles are, namely, that their candles include a red currant fragrance. [Request for Judicial Notice, ¶¶ 5-23.]

The evidence leaves little room for doubt that the consuming public, when confronted with the term "red currant" on the label of a product that has a scent, including a scented candle, would understand that the term describes what the product is, not where it comes from.

Because MINE has the right to make red currant scented candles, it also has the right to use the term by which the public knows them. [*See, e.g., Kellogg Co. v. Nat. Biscuit Co.*, 305 U.S. 111, 116-117 (1938)("As Kellogg Company had the right to make the article, it had, also, the right to use the term by which the public knows it."); 2 McCarthy on Trademarks, § 12:11, 12-26 ("A seller cannot latch on to the name of an article and merely by use, claim it to be his own trademark for that article.").]

4) <u>The fact that Plaintiff's alleged mark is allegedly "deceptively misdescriptive" is irrelevant to the issue of whether MINE's alleged use of the term would be infringing.</u>

The fact that Votivo alleges that its "Red Currant" scented candle does not in fact smell like red currant, or is not made with red currant scent, goes to the validity and registrability of Votivo's mark, and is irrelevant to the issue of whether MINE's alleged use of the term would infringe Plaintiff's alleged mark. When it comes to a determination of infringement, what should be considered is MINE's alleged use of the term, not Votivo's.

It would defy the purpose of the Lanham Act if Plaintiff could obtain a trademark for the term "red currant" for scented candles that do not have a red currant scent and that Plaintiff could then preclude producers of red currant scented candles from truthfully labeling their red currant scented candles with the term.

Plaintiff's position would be analogous to a manufacturer of plastic toys obtaining a trademark registration for the term "stainless steel" for plastic toy wrenches and then using the trademark registration to preclude makers of real stainless steel wrenches from labeling their wrenches "stainless steel." Plaintiff's position would basically turn trademark law on its head.

**D) MINE respectfully requests that the Court revisit and reconsider the award of attorney's fees in the present case.**

The Lanham Act provides for an award of attorney's fees only in "exceptional cases." [17 U.S.C. § 1117.] The only thing that is exceptional about the present case is that Plaintiff's allegedly highly experienced counsel filed a complaint and continued to prosecute the case to enforce Votivo's alleged "red currant" trademark on a defendant whose alleged use of the term was non-infringing.

If someone should be awarded attorney's fees in the present case it should be the defendant. [*See, e.g., Mennen Co. v. Gillette Co.*, 565 F. Supp. 648 (S.D.N.Y. 1983), *aff'd*, 742 F.2d 1437 (2d Cir. 1984)(awarding defendant attorney's fees because plaintiff's claims had no real substance and suit was initiated as a competitive ploy); *Universal City Studios, Inc. v. Nintendo Co. Ltd.*, 615 F.Supp. 838, 864 (D.C.N.Y. 1985)(awarding defendant attorney's fees pursuant to 17 U.S.C. § 1117 because suit was initiated in bad faith and was designed to serve ulterior business motives).]

## IV. Conclusion

MINE should prevail on the merits regarding its alleged use of the term "red currant" to label red currant scented candles. Taking the facts alleged in Plaintiff's pleadings as true, Plaintiff is not entitled to relief. [*See, Cripps*, 980 F.2d at 1267 ("Susan, [the defaulting party,] may prevail on the merits if she can demonstrate that, taking the facts alleged in the pleadings as true, Cynthia [the non-defaulting party,] was not entitled to relief.").]

For the foregoing reasons, MINE respectfully submits that the Judgment should be modified and amended and Judgment of non-liability on the merits entered in favor of MINE on all the causes of action in Plaintiff's complaint based on MINE's alleged use of the term "red currant."

DATED: November 22, 2005

By _____
Carlos Candeloro
Attorney for Defendant
Mine Design

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**EXHIBIT 7**

ENTERED
CLERK, U.S. DISTRICT COURT
DEC 27 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

FILED
CLERK, U.S. DISTRICT COURT
DEC 27 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

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Priority ✓
Send ✓
Enter ✓
Closed ✓
JS-5/JS-6 ___
JS-2/JS-3 ___
Scan Only ___

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

Votivo, Ltd, a Washington corporation

Plaintiff,

vs.

Mine Design, a business entity of unknown form,

Defendant.

CASE NO. CV 03-6017 DT (Ex)

ORDER AND OPINION DENYING DEFENDANT MINE DESIGN'S F.R.C.P. 59(e) MOTION TO ALTER OR AMEND FINAL JUDGMENT

## I. Background

On November 7, 2005, this Court entered Final Judgment in favor of Plaintiff Votivo, Ltd. ("Plaintiff") on all of its causes of action against Defendant Mine Design ("Defendant"). Final Judgment was entered after Defendant (1) failed to appear at a November 22, 2004 Scheduling Conference, (2) failed to appear at a scheduled hearing on its own Motion to Set Aside Default, and (3) failed to offer a reasonable explanation for its nonappearance at the two mandatory hearings.

During this litigation, Defendant claimed that, on advice of its legal adviser, it believed it was not required to attend the November 22, 2004 Scheduling Conference without receiving court documentation. (Defendant's May 2, 2005 Motion to Set Aside Default ("Motion to Set Aside Default"), lines 2-3). Due to Defendant's failure to attend or otherwise have representation present at the Scheduling Conference, this Court struck Defendant's Answer and entered default against Defendant.

On May 31, 2005, the following motions were set for hearing: (1) Defendant's Motion to Set Aside Default, and (2) Plaintiff's Motion for Default Judgment ("May 31, 2005 Hearing"). At the May 31, 2005 Hearing, Defendant again failed to make an appearance or otherwise have representation present. As such, this Court denied Defendant's Motion to Set Aside Default, and stated that it would grant Plaintiff's Motion for Default Judgment upon the submission of additional evidence to support Plaintiff's request for attorneys' fees and punitive damages.

On June 20, 2005, Plaintiff renewed its motion for default judgment. Then, two days before the scheduled hearing date for the renewed motion for default judgment, Defendant filed a second Motion to Set Aside Default. Defendant's second Motion to Set Aside Default failed to provide any explanation for Defendant's failure to appear at the prior May 31, 2005 Hearing. "Thus, after consideration of Defendant's disregard for procedure and scarce judicial resources, this Court [found] that Defendant ha[d] failed to meet its burden of good cause, and accordingly denie[d] Defendant's [second] Motion to Set Aside Default." (July 15, 2005 Order Granting Plaintiff's Continued Motion for Entry

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of Default and Denying Defendant's Cross-Motion to Set Aside Default, at 5:19-22 ("July 15, 2005 Order"))[1].

On July 15, 2005, this Court granted Plaintiff's renewed motion for default judgment and ordered, in relevant part, as follows:

(1) Defendant, its respective agents, representatives, and employees, are permanently enjoined from infringing Votivo's "Red Currant" and "Soku Lime" trademarks, and any and all other trademarks owned by Votivo;

(2) Defendant is to pay Plaintiff attorney's fees in the amount of $19,800; and

(3) Plaintiff is awarded costs.

(July 15, 2005 Order, at 13:11-20). Final Judgment was then entered on November 7, 2005.

Presently before the Court is Defendant's FRCP 59(e) Motion to modify or amend the Final Judgment ("Motion"). For the reasons discussed below, Defendant's Motion is denied.

A. **Factual Summary**

Plaintiff initiated the instant action against Defendant for: (1) Trademark Infringement; (2) Violation of Lanham Act Section 43(a); (3) Violation of California Business and Professions Code Section 17200 et seq.; (4) Common Law Unfair Competition; and (5) Common Law Trademark Infringement.

The following facts are alleged in the Complaint:

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[1]This Court's July 15, 2005 Order was filed on July 15, 2005 and entered on July 21, 2005.



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On May 20, 2003, Plaintiff obtained United States Trademark Registration No. 2,717,256, and No. 2,717,257 to protect its "Soku Lime" mark for use with skin soap, scented body spray, scented room spray, incense, candles, and tapers. (Complaint, ¶¶ 16-17).

On June 3, 2003, Plaintiff obtained United States Trademark Registration No. 2,720,906 and 2,720,907 to protect its "Red Currant" mark for use with skin soap, scented body spray, scented room spray, incense, candles, and tapers. (Id. at ¶18-19). The "Soku Lime" and "Red Currant" marks are hereinafter collectively called, the "Trademarks."

From August 10, 2003 through August 14, 2003, representatives of Plaintiff attended the New York International Gift Show in New York City ("Show"). (Id. at ¶ 20). While attending the Show, Plaintiff's representatives discovered that Defendant was infringing upon the above referenced Trademarks by selling scented candles and other products using the Trademarks. (Id. at ¶ 20).

On August 11, 2003, Plaintiff's counsel sent a cease and desist letter to Defendant, explaining that Defendant was infringing upon the above-referenced Trademarks, and demanding that Defendant immediately cease and desist from the further marketing or sale of products using the Trademarks. (Id. at ¶ 21). Defendant never responded to Plaintiff's August 11, 2003 letter, and Defendant continues to infringe the Votivo Trademarks. (Id. at ¶ 21-24).

**B. Procedural Summary**

On August 22, 2003, Plaintiff filed the Complaint.

On January 29, 2004, this Court ordered Plaintiff to show cause in writing why this action should not be dismissed for lack of prosecution (the "OSC"). The OSC was withdrawn by this court on March 15, 2004.

On July 14, 2004, Defendant filed its Answer to the Complaint.



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On November 22, 2004, this Court held a Rule 16(b) Scheduling Conference. Counsel for Plaintiff made an appearance, but no appearance was made on behalf of Defendant. The Court therefore struck Defendant's Answer and entered default for failure to appear at a regularly scheduled hearing.

On May 2, 2005, Defendant filed a Motion to Set Aside Default, which was scheduled to be heard on May 31, 2005.

On May 9, 2005, Plaintiff filed a Motion for Entry of Default Judgment, which was also scheduled for hearing on March 31, 2005.

On May 31, 2005, Defendant again failed appear at a scheduled hearing, and this Court denied Defendant's Motion to Set Aside Default. Additionally, the Court denied without prejudice Plaintiff's Motion for Entry of Default Judgment, which requested an injunction. The Court stated that it would enter the permanent injunctive relief sought by Plaintiff, but requested that Plaintiff submit additional briefing to support its requests for an award of attorney's fees and for an award of punitive damages.

On June 20, 2005, Plaintiff filed a Continued Motion for Entry of Default Judgment, which was granted.

On July, 7 2005, Defendant filed a Notice of Cross-Motion and Motion to Set Aside Default, which was denied.

On November 7, 2005, this Court issued an order permanently enjoining and restraining Defendants from using the term "Red Currant" or any other term, symbol name that is confusingly similar to the term "Red Currant."

Also on this date, this Court entered Final Judgment in favor of Plaintiff and against Defendant. This Court awarded Plaintiff attorneys' fees in favor in of Plaintiff the amount of $19,800.00.

On November 22, 2005, Defendant filed a FRCP 59(e) Motion to modify or amend Final Judgment, which is before the Court.

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## II. Discussion

### A. Standard For Rule 59(e) Motion To Alter Or Amend Final Judgement

District courts have power to alter or amend a final judgment by motion under Rule 59(e). Fed. R. Civ. P. 59(e). The rule also has been interpreted as permitting a motion to vacate a judgment rather than merely amend it. Foman v. Davis, 371 U.S. 178 (1962). The motion must be filed no later than 10 days after entry of the judgment, and seek a substantive change that would result in a substantive alteration of the judgment rather than just a clerical correction or change in a purely procedural matter. Fed. R. Civ. P. 59(e); Britton v. Swift Transp. Co., Inc., 127 F.3d 616, 618 (7th Cir. 1997); United States v. 47 West 644 Route 38, Maple Park, Ill., 190 F.3d 781, 782 (7th Cir. 1999). Rule 59(e) is an "extraordinary remedy, to be used sparingly in the interests of finality and conservation of judicial resources." Kona Enters., Inc. v. Estate of Bishop, 229 F.3d 877, 890 (9th Cir. 2000).

Rule 59(e) does not set forth any specific grounds for relief, but generally, a motion will lie where: 1) there is newly discovered evidence; 2) the district court committed clear error or its initial decision was manifestly unjust; or 3) there is an intervening change in the controlling law. School Dist. No. 1J, Multnomah County v. AC and S, Inc., 5 F.3d 1255, 1262 (9th Cir. 1993). This showing is a "high hurdle." Weeks v. Bayer, 246 F.3d 1231, 1236 (9th Cir. 2001). A judgment is not properly reopened "absent highly unusual circumstances." Id. A motion to alter or amend a judgment may not be used merely to reconsider factual or legal arguments that were or could have been raised prior to entry of

judgment. Zimmerman v. City of Oakland, 255 F.3d 734 (9th Cir. 2001) (motion to alter or amend judgment properly denied because it repeated legal arguments that had been made before and sought to introduce previously available facts).

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**B. Analysis[2]**

**1. Defendant's Motion Is Properly Before This Court**

As a preliminary matter, this Court addresses whether the present Motion is procedurally proper. According to Plaintiff, Defendant's Motion is improperly brought under Rule 59(e) because the only remedy available to a defendant who has a default judgment entered against it is a motion to set aside default judgment under Rule 60(b). However, this Court disagrees with Plaintiff.

"'[A]ny motion to amend a judgment served within ten days after the entry of judgment, except for a proper Rule 60(a) motion to correct purely clerical errors, is to be considered a Rule 59(e) motion.'" U.S. v. One 1988 Dodge Pickup, 959 F.2d 37, 40 (5th Cir. 1992) (quoting Willie v. Continental, 784 F.2d 706, 707 (5th Cir. 1986) (en banc). "No exception is made or suggested for default judgments. To countenance such an exception would undermine the

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[2]Defendant requests judicial notice of fifty (50) documents in support of its Motion. For the reasons discussed below, Defendants's request is denied.

A court must take judicial notice if a party requests it and supplies the court with the requisite information. Fed. R. Evid. 201(d). "A judicially noticed fact must be one not subject to reasonable dispute in that it is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned." Fed. R. Evid. 201(b).

Defendant fails to provide the requisite information for this Court to take judicial notice of the fifty documents submitted in support of Defendant's Motion. This Court is not required to sift though Plaintiff's documents to determine which documents, if any, satisfy the standard for judicial notice. The burden is appropriately placed on the party requesting judicial notice. Fed. R. Evid. 201(d). Therefore, this Court denies Defendant's request for judicial notice.

central rationale . . . to create a uniform 'brightline rule.'" Id. (quoting Harcon Barge Co. v. D & G Boat Rentals, Inc., 784 F.2d 665, 670 (5th Cir.) (en banc), cert. denied, 479 U.S. 930 (1986).

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Defendant filed its Motion within 10 court days of the entry of Final Judgment.[3] As such, Defendant's Motion is properly before this Court.

**2. Considering The Totality Of The Circumstances, Altering Or Amending Final Judgment In This Matter Is Not Warranted Under Rule 59(e)**

Defendant argues that its Motion to alter or amend Final Judgment pursuant to Rule 59(e) should be granted because this Court committed clear error by: (1) Entering default judgment where Plaintiff's allegations, even if taken as true, failed to state a valid claim for trademark infringement; (2) Finding that Plaintiff's liability was established by its default; and (3) Awarding attorney's fees where this action is not an "exceptional case" under 17 U.S.C. § 1117. Defendant's arguments are unpersuasive.

Defendant's first contention that the allegations in Plaintiff's Complaint are inadequate to plead a cause of action for trademark infringement is unconvincing. A claim for trademark infringement requires a plaintiff to plead only the following: (1) the existence of protectable trademark rights; (2) conduct by a defendant that causes a likelihood of confusion; and (3) resulting harm. See 15 U.S.C. § 114. Plaintiff's Complaint appropriately pleads such elements (see

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[3]Rule 59(e) provides that "[a]ny motion to alter or amend a judgment shall be filed no later than 10 days after entry of the judgment." Computation of the 10 day period excludes "intermediate Saturdays, Sundays and legal holidays." Fed. R. Civ. P. 6. Final Judgment was entered on November 7, 2005, and thus, the filing deadline for a Rule 59(e) motion was November 22, 2005, the date Defendant filed the instant Motion.

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Complaint, ¶¶ 27-33), and thus, vacating Final Judgment is not warranted on this ground.

Defendant's second argument that its liability is not established by default is equally unpersuasive.[4] As noted in this Court's July 15, 2005 Order granting default judgment, if the court determines that a defendant is in default, the defendant's liability is collectively established and the factual allegations in the complaint, except those relating to damages, are accepted as true. See Geddes v. United Financial Group, 559 F.2d 557, 560 (9th Cir. 1977). Since this Court found that Defendant was in default, the factual allegations in Plaintiff's Complaint were deemed admitted, and as such, this Court appropriately determined that the facts as set forth in the Complaint established Defendant's liability to Plaintiff for 1) federal trademark infringement, 2) violation of Lanham Act Section 43(a), 3) violation of California Business and Professions Code § 17200 et seq., 4) common law trademark infringement, and 5) common law unfair competition. Contrary to Defendant's contentions, Defendant's liability is established by its default.

This Court also rejects Defendant's final contention that the fee award should be reconsidered. Defendant fails to address how this Court's award of attorney's fees is manifestly unjust or made in clear error. Defendant appears to

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[4]Defendant attempts to belatedly litigate the merits of this case by arguing that Red Currant is "merely descriptive," and therefore cannot have trademark protection. To consider Defendant's argument at this late stage of litigation, after Final Judgment has been entered, and after Defendant has had a full and fair opportunity to timely bring its contentions during the pendency of this action, would needlessly waste valuable judicial resources and encourage parties to unreasonably delay and neglect their obligations to this Court to adjudicate matters pursuant to well established Court rules. Under the facts of this case, allowing Defendant to argue issues after the close of litigation is unjustified and inappropriate.

argue that Plaintiff initiated this litigation in bad faith, and as such, it is Defendant who should be awarded attorneys' fees. (See Mennen Co. v. Gillette Co., 565 F. Supp. 648 (S.D.N.Y. 1983), aff'd, 742 F. 2d 1437 (2d Cir. 1984) (awarding the defendant attorney's fees because the plaintiff's claims had no real substance and suit was initiated as a competitive ploy); Universal City Studios, Inc. v. Nintendo Co. Ltd., 615 F. Supp. 838, 864 (D.C.N.Y. 1985) (awarding attorney's fees pursuant to 17 U.S.C. § 1117 because the suit was initiated in bad faith and designed to serve ulterior business motives). Defendant, however, does not demonstrate that Plaintiff initiated this action in bad faith or to serve an improper motive. Moreover, Defendant fails to articulate why this case cannot be considered "exceptional" for purposes of awarding attorneys' fees under 17 U.S.C. § 1117. Under such facts, revisiting the issue of attorneys' fees is not warranted.

As the Ninth Circuit has held, a judgment is not properly reopened "absent highly unusual circumstances." Weeks v. Bayer, 246 F.3d 1231, 1236 (9th Cir. 2001). This case presents no such unusual circumstances. Defendant's Motion is essentially a third motion to set aside default to "rescue [itself] from the consequences of [its] own choices" in unreasonably failing to timely defend this action. Zarcone v. United States, 2004 WL 2196560, at *1, *2 (N.D. Cal. 2004). The record reflects that Defendant had ample opportunity to litigate or otherwise defend this action, yet it failed to do so. As such, Defendant's attempt to litigate the merits of this case now is not well taken. There are no appropriate grounds to alter, amend or vacate Final Judgment, and thus, Defendant's Motion is accordingly denied.

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## III. Conclusion

Based on the foregoing discussion, this Court **DENIES** Defendant's F.R.C.P. 59(e) Motion to alter or amend Final Judgment in this matter.

IT IS SO ORDERED.

DATED: DEC 27 2005

DICKRAN TEVRIZIAN

Dickran Tevrizian, Judge
United States District Court

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**EXHIBIT 8**

FILED

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California State Bar No. 194716
(818) 995 6766 (tel.)
carlos@candeloro.net

Attorney for Defendant/Appellant

2006 JAN 26 PM 3:00

CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY _____

**UNITED STATES DISTRICT COURT**
**CENTRAL DISTRICT OF CALIFORNIA**

Votivo Ltd.,

Plaintiff/Appellee,

v.

Mine Design,

Defendant/Appellant.

**No.**

**Dist. Ct. No. CV- 03-6017-DT (Ex)**

**NOTICE OF APPEAL TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT**

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# NOTICE OF APPEAL

Notice is hereby given that MINE DESIGN, (defendant/appellant) in the above named case, hereby appeals to the United States Court of Appeals for the Ninth Circuit from (a) the final judgment entered in this action on the eighth day of November, 2005, (Exhibit 1 filed with the Docketing Statement, which also includes the permanent injunction and Findings of Fact and Conclusions of Law) and all interlocutory orders that gave rise to that judgment, including but no limited to the order entered on the twenty first of July, 2005, (Exhibit 2 filed with the Docketing Statement), the order entered on the eighth day of June, 2005, (Exhibit 3 filed with the Docketing Statement) and the order entered on the sixth day of December, 2004, (Exhibit 4 filed with the Docketing Statement); and (b) the order entered on the twenty seventh of December, 2005, (Exhibit 5 filed with the Docketing Statement) including the denial of defendant's Request for Judicial Notice.

DATED: January 26, 2006

Respectfully submitted,

By _____
Carlos Candeloro
Attorney for Defendant
Mine Design

Certificate of Service

This is to certify that on January 26, 2006, a true and correct copy of the foregoing **NOTICE OF APPEAL TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT**, in the appeal from D.C. No. CV- 03-6017-DT (Ex)(C.D. Cal. Los Angeles), was served by United States Mail, first class, on counsel of record for all parties to the action below in this matter, as follows:

For plaintiff Votivo, Ltd.:

Gregory P. Goonan, Esq.
The Affinity Law Group APC
600 West Broadway, Suite 2800
San Diego, California 92101

Carlos Candeloro
Attorney at Law

97863.1

**EXHIBIT 9**

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VOTIVO, Ltd., a Washington corporation,

Plaintiff,

v.

AMAL FLORES D.B.A. MINE DESIGN, a sole proprietorship and DOES 1 through 20,

Defendants.

NO.

VERIFIED COMPLAINT FOR:

(1) FEDERAL TRADEMARK INFRINGEMENT 15 U.S.C. §1114;

(2) VIOLATION OF LANHAM ACT, 15 U.S.C. §§1125(a);

(3) VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTION 17200;

(4) COMMON LAW TRADEMARK INFRINGEMENT; AND

(5) COMMON LAW UNFAIR COMPETITION

**JURY TRIAL DEMANDED**

Plaintiff VOTIVO, Ltd. ("VOTIVO"), complains and alleges as follows:

## I. INTRODUCTION.

1.1 This matter is about trademark infringement and unfair competition by Defendant against VOTIVO. VOTIVO brings this action to secure relief under Federal and California law. VOTIVO seeks: (a) a temporary, preliminary and permanent injunction prohibiting Defendant from further infringement of the VOTIVO Trademarks; (b) an order requiring the seizure and impoundment of all infringing products in Defendant's possession, custody or control pending completion of this action; and (c) money damages for Defendant's past and continuing infringement of the VOTIVO Trademarks.

## II. THE PARTIES.

2.1 Plaintiff. Plaintiff VOTIVO is a corporation duly organized and existing under the laws of the state of Washington with its principal place of business in Seattle, Washington. VOTIVO is in good standing with the Washington Secretary of State's Office has done all things necessary and proper to bring this lawsuit.

2.2 Defendant. Based on information and belief, Defendant Amal Flores is an individual doing business as Mine Design with his principal place of business in Beverly Hills, California.

2.3 The true names and capacities, whether individual, corporate or otherwise, of Defendant DOES 1 through 20, inclusive, are unknown to Plaintiff at this time. Therefore, Plaintiff sues these defendants by fictitious names pursuant to §474 of the California Code of Civil Procedure. Plaintiff will seek leave of the Court to amend his complaint to set forth the true names of the defendants when the same have been ascertained. Plaintiff is informed and believes, and on that basis alleges, that except where otherwise expressly alleged to the contrary, each of the defendants, including Does 1 through 20, inclusive, is, and at all relevant times herein mentioned was, the agent, partner, joint venturer, employee, and/or coconspirator of the remaining defendants and is, and at all relevant times herein mentioned

was, in performing and failing to perform the acts and conduct hereinafter alleged, acting within the course and scope of such agency, partnership, joint venture, employment and/or conspiracy. Plaintiff is further informed and believes, and on that basis alleges, that the acts and conduct of each of the defendants were known to, and authorized and ratified by, the remaining defendants, and that each of the defendants is legally responsible for the conduct and damages alleged.

## III. JURISDICTION AND VENUE.

3.1 This Court has jurisdiction over Count I under 15 U.S.C. §1121(a) and 28 U.S.C. §§1331, 1338(a) in that this case arises under the Trademark Laws of the United States, 15 U.S.C. §§1051-1127.

3.2 This Court has jurisdiction over Count II under 15 U.S.C. §1121(a) and 28 U.S.C. §§1331, 1338(b) in that this case contains claims for unfair competition joined with claims under the Trademark Laws of the United States, 15 U.S.C. §§1051-1127.

3.3 This Court has jurisdiction over Counts III-V under 28 U.S.C §1338(b) in accordance with the principles of pendant jurisdiction in that said claims are joined with substantial and related claims under the Trademarks Laws of the United States, 15 U.S.C. §§1051-1127.

3.4 Venue is proper in this district pursuant to 28 U.S.C. §1391(b).

## IV. FACTUAL BACKGROUND.

**VOTIVO's Trademark Rights.**

4.1 VOTIVO is one of the country's leading manufacturers and distributors of designer aromatic products for the home décor, gift and personal care industries. Among the many products sold by VOTIVO are candles, burning sticks and incense, scented room sprays, skin soaps, and scented body sprays. Since at least as early as 1996, VOTIVO has used a variety of distinctive trademarks to advertise and promote its aromatic products.

4.2 VOTIVO's family of trademarks is distinctive when applied to VOTIVO's aromatic products. Because of the excellent sales and extensive promotion of VOTIVO's products, VOTIVO's family of trademarks have become well known to consumers and others in the home décor, gift and personal care industries as identifying unique and desirable aromatic products of the highest quality that originate with VOTIVO.

4.3 Consequently, VOTIVO's trademarks are very important and valuable business assets of VOTIVO, and represent significant business goodwill.

4.4 Among the distinctive and valuable trademarks owned and used by VOTIVO are the trademarks RED CURRANT and TALL GRASS (collectively the "VOTIVO Trademarks").

4.5 VOTIVO owns United States Trademark Registration Nos. 2,720,906 and 2,720, 907 for RED CURRANT and United States Trademark Registration Nos. 2,717,259 and 2,717,258 for TALL GRASS (collectively the "VOTIVO Trademarks"). The VOTIVO Trademark Registrations protect the RED CURRANT trademark and the TALL GRASS trademark in connection with the following goods: candles, tapers, skin soap, scented body spray, scented room spray and incense.

4.6 VOTIVO began using the VOTIVO Trademarks in association with the promotion and sale of candles, tapers, incense, skin soap, scented body spray and scented room spray since at least as early as January 1998, has used the VOTIVO Trademarks in such manner at all times relevant to the allegations of this complaint, and continues to use the VOTIVO Trademarks in such manner on a continuous basis to the present.

4.7 VOTIVO has used the VOTIVO Trademarks extensively in print advertisements, brochures and other printed marketing materials and on the Internet. VOTIVO also has sold a significant amount of products to distributors and consumers using the VOTIVO Trademarks.

4.8 As a result of VOTIVO's extensive promotion and use of the VOTIVO

Trademarks and the substantial amount of sales accomplished by VOTIVO of products bearing the VOTIVO Trademarks, the VOTIVO Trademarks have become well-known in the home décor, gift and the personal care industries as signifying unique and desirable aromatic products of the highest quality that originate with VOTIVO.

4.9 Through the use of the VOTIVO Trademarks, VOTIVO has generated substantial business goodwill for and from the VOTIVO Trademarks and the VOTIVO Trademarks have become important and valuable business assets for VOTIVO.

4.10 On May 20, 2003, VOTIVO obtained United States Trademark Registration No. 2,717,258 to protect the TALL GRASS trademark for use in association with candles and tapers. United States Trademark Registration No. 2,717,258 has been valid and subsisting at all relevant times. A true and correct copy of the registration certificate for United States Trademark Registration No. 2,717,258 is attached hereto as **Exhibit 1**.

4.11 On May 20, 2003, VOTIVO obtained United States Trademark Registration No. 2,717,259 to protect the TALL GRASS trademark for use in association with skin soap, scented body spray, scented room spray and incense. United States Trademark Registration No. 2,717,259 has been valid and subsisting at all relevant times. A true and correct copy of the registration certificate for United States Trademark Registration No. 2,717,259 is attached hereto as **Exhibit 2**.

4.12 On June 3, 2003, VOTIVO obtained United States Trademark Registration No. 2,720,907 to protect the RED CURRANT trademark for use in association with candles and tapers. United States Trademark Registration No. 2,720,907 has been valid and subsisting at all relevant times. A true and correct copy of the registration certificate for United States Trademark Registration No, 2,720,907 is attached hereto as **Exhibit 3**.

4.13 On June 3, 2003, VOTIVO obtained United States Trademark Registration No. 2,720,906 to protect the RED CURRANT trademark for use in association with skin

soap, scented body spray, scented room spray and incense. United States Trademark Registration No. 2,720,906 has been valid and subsisting at all relevant times. A true and correct copy of the registration certificate for United States Trademark Registration No. 2,720,906 is attached hereto as **Exhibit 4**.

**Defendant's Wrongful Acts.**

4.14 On January 30, 2005, representatives of VOTIVO attended the New York International Gift Show (the "New York Show") in New York City. During the New York Show, VOTIVO discovered that Defendant was selling scented candles and other products using the VOTIVO Trademarks and/or other terms that are confusingly similar to the VOTIVO Trademarks, i.e., by using the terms "Currant (Red)" and "Tall Grass" to market, advertise, and sell Defendant's products in a manner that was likely to cause confusion among the public as to the VOTIVO Trademarks.

4.15 Defendant continues to advertise, market and sell candles and, on information and belief, other aromatic products in the home decor, gift, and/or personal care industry using the terms "Currant (Red)" and "Tall Grass," terms that are confusingly similar to the VOTIVO Trademarks. In doing so, Defendant has infringed, and continues to infringe, VOTIVO's trademark rights.

## V. FIRST CAUSE OF ACTION
## FEDERAL TRADEMARK INFRINGEMENT.
## (15 U.S.C. §1114)

5.1 VOTIVO realleges and incorporates herein by reference the allegations contained in paragraphs 1.1 through 4.15 of this Complaint as part of this cause of action.

5.2 VOTIVO holds four valid and existing federal registrations for the VOTIVO Trademarks. VOTIVO has marketed, advertised and sold candles, tapers, skin soap, scented body spray, scented room spray, incense and other aromatic products to the home décor, gift and personal care industries since at least as early as 1998 using the VOTIVO Trademarks.

5.3 Defendant has marketed, advertised and sold, and continues to market, advertise and sell, candles and other aromatic products to the home décor, gift and personal care industries using the VOTIVO Trademarks and/or trademarks confusingly similar to the VOTIVO Trademarks.

5.4 Defendant's activities and wrongful use of the VOTIVO Trademarks as alleged herein have caused, and are likely to continue to cause, confusion in the minds of public to the detriment of VOTIVO.

5.5 Defendant's use of the VOTIVO Trademarks as alleged herein, and marketing, advertising and sale of products using the VOTIVO Trademarks, was done without the knowledge, consent or permission of VOTIVO and continues without the consent or permission of VOTIVO.

5.6 Defendant has violated the trademark rights of VOTIVO under the Trademark Act, thereby giving rise to a cause of action under 15 U.S.C. § 1114.

5.7 VOTIVO will be irreparably harmed unless Defendant is temporarily, immediately and permanently enjoined from any further use of the VOTIVO Trademarks and any further marketing, advertising or sale of products using the VOTIVO Trademarks.

5.8 VOTIVO has no adequate remedy at law and serious damage to its trademark rights will result unless Defendant's wrongful use of the VOTIVO Trademarks is enjoined by the court.

5.9 VOTIVO also is entitled to an order requiring the impoundment of all infringing products and materials pending the trial of this matter, and the destruction of all infringing products and materials following trial.

5.10 Defendant has continued to use the VOTIVO Trademarks notwithstanding that it has actual knowledge of VOTIVO's superior trademark rights as alleged herein. Defendant's infringement of the VOTIVO Trademarks accordingly constitutes intentional,

willful, knowing and deliberate trademark infringement.

5.11 Defendant's infringement of the VOTIVO Trademarks as alleged herein has caused, and will continue to cause, VOTIVO to suffer damages in an amount unknown at this time and has caused, and will continue to cause, Defendant to gain revenues and profit in an amount unknown at this time. Pursuant to 15 U.S.C. § 1117(a). VOTIVO is entitled to an award of monetary damages in an amount equal to the losses suffered by VOTIVO and the revenues and/or profits gained by Defendant, which damages should be augmented as provided by 15 U.S.C. §1117(a).

5.12 Pursuant to 15 U.S.C. § 1117(a), any monetary damages awarded to VOTIVO should be trebled.

5.13 Pursuant to 15 U.S.C. § 1117(a), VOTIVO is entitled to an award of attorneys fees and costs of suit.

## VI. SECOND CAUSE OF ACTION
## VIOLATION OF LANHAM ACT SECTION 43(A).
15 U.S.C. §1125(a)

6.1 VOTIVO realleges and incorporates herein by reference the allegations contained in paragraphs 1.1 through 5.13 of this Complaint as part of this cause of action.

6.2 The actions of Defendant as alleged herein constitute unfair competition and false advertising in violation of the Lanham Act Section 43(a).

6.3 VOTIVO will be irreparably harmed unless Defendant is temporarily, immediately and permanently enjoined from any further use of the VOTIVO Trademarks and any further marketing, advertising or sale of products using the VOTIVO Trademarks.

6.4 VOTIVO has no adequate remedy at law and serious damage to its trademark rights will result unless Defendant's wrongful use of the VOTIVO Trademarks is enjoined by the court.

6.5 VOTIVO also is entitled to an order requiring the impoundment of all infringing products and materials pending the trial of this matter, and the destruction of all infringing products and materials following trial.

6.6 The actions of Defendant as alleged herein constitute intentional, willful, knowing and deliberate unfair competition and false advertising pursuant to Lanham Act Section 43(a).

6.7 Defendant's acts of unfair competition and false advertising in violation of the Lanham Act Section 43(a) as alleged herein have caused, and will continue to cause, VOTIVO to suffer damages in an amount unknown at this time and have caused, and will continue to cause Defendant to gain revenues and profit in an amount unknown at this time. Pursuant to 15 U.S.C. §1117(a), VOTIVO is entitled to an award of monetary damages in an amount equal to the losses suffered by VOTIVO and the revenues and/or profits gained by Defendant, which damages should be augmented as provided by 15 U.S.C. §1117(a).

6.8 Pursuant to 15 U.S.C. §1117(a), any monetary damages awarded to VOTIVO should be trebled.

6.9 Pursuant to 15 U.S.C. §1117(a), VOTIVO is entitled to an award of attorneys fees and costs of suit.

## VII. THIRD CAUSE OF ACTION.

(Violation of California B&P Code Section 17200 *et seq.*)

7.1 VOTIVO realleges and incorporates herein by reference the allegations contained in paragraphs 1.1 through 6.9 of this Complaint as part of this cause of action.

7.2 The actions of Defendant as alleged herein constitute unfair competition and false advertising in violation of California Business and Professions Code section 17200 *et seq.*

7.3 VOTIVO will be irreparably harmed unless Defendant is enjoined from any further use of the VOTIVO Trademarks, from any further marketing, advertising and sale of products using the VOTIVO Trademarks, and from any further acts of unfair competition and false advertising relating to the VOTIVO Trademarks.

7.4 VOTIVO has no adequate remedy at law and serious damage to its rights will result unless the Defendant's wrongful use of the VOTIVO Trademarks is enjoined by the court.

7.5 The actions of Defendant as alleged herein constitute intentional, willful, knowing and deliberate unfair competition and false advertising.

7.6 Defendant's acts of unfair competition and false advertising have caused the Defendant to gain revenues and profit in an amount unknown at this time. Pursuant to California Business & Professions Code section 17203, VOTIVO is entitled to a disgorgement in an amount equal to the revenues and/or profits gained by Defendant.

## VIII. FOURTH CLAIM FOR RELIEF.
(Common Law Trademark Infringement)

8.1 VOTIVO realleges and incorporates herein by reference the allegations contained in paragraphs 1.1 through 7.6 of this Complaint as part of this cause of action.

8.2 The actions of Defendant as alleged herein constitute common law trademark infringement.

8.3 VOTIVO will be irreparably harmed unless Defendant is temporarily, immediately and permanently enjoined from any further use of the VOTIVO Trademarks and any further marketing, advertising or sale of products using the VOTIVO Trademarks.

8.4 VOTIVO has no adequate remedy at law and serious damage to its trademark rights will result unless Defendant's wrongful use of the VOTIVO Trademarks is enjoined by the court.

8.5 VOTIVO also is entitled to an order requiring the impoundment of all infringing products and materials pending the trial of this matter, and the destruction of all infringing products and materials following trial.

8.6 Defendant has continued to use the VOTIVO Trademarks notwithstanding that it has actual knowledge of VOTIVO's superior trademark rights as alleged herein. Defendant's infringement of the VOTIVO Trademarks accordingly constitutes intentional, willful, knowing and deliberate trademark infringement.

8.7 Defendant's infringement of the VOTIVO Trademarks as alleged herein has caused, and will continue to cause, VOTIVO to suffer damages in an amount unknown at this time and has caused, and will continue to cause, Defendant to gain revenues and profit in an amount unknown at this time. VOTIVO is entitled to an award of monetary damages in an amount equal to the losses suffered by VOTIVO and the revenues and/or profits gained by Defendant.

8.8 Defendant committed the acts of trademark infringement alleged herein intentionally, deliberately, maliciously, with intent to injure and oppress VOTIVO and in conscious disregard of the rights of VOTIVO. VOTIVO accordingly is entitled to an award of punitive and exemplary damages in an amount sufficient to punish and deter Defendant and make it an example to others.

## IX. FIFTH CLAIM FOR RELIEF.
(Common Law Unfair Competition)

9.1 VOTIVO realleges and incorporates herein by reference the allegations contained in paragraphs 1.1 through 8.8 of this Complaint as part of this cause of action.

9.2 The actions of Defendant as alleged herein constitute common law unfair competition.

9.3 VOTIVO will be irreparably harmed unless Defendant is temporarily, immediately and permanently enjoined from any further use of the VOTIVO Trademarks,

any further marketing, advertising or sale of products using the VOTIVO Trademarks, and any further acts of unfair competition and false advertising.

9.4 VOTIVO has no adequate remedy at law and serious damage to its rights will result unless Defendant's wrongful use of the VOTIVO Trademarks is enjoined by the court.

9.5 VOTIVO also is entitled to an order requiring the impoundment of all infringing products and materials pending the trial of this matter, and the destruction of all infringing products and materials following trial.

9.6 Defendant's acts of unfair competition and false advertising as alleged herein have caused, and will continue to cause, VOTIVO to suffer damages in an amount unknown at this time and have caused, and will continue to cause, Defendant to gain revenues and profit in an amount unknown at this time. VOTIVO is entitled to an award of monetary damages in an amount equal to the losses suffered by VOTIVO and the revenues and/or profits gained by Defendant.

9.7 Defendant committed the acts of unfair competition and false advertising alleged herein intentionally, deliberately, maliciously, with intent to injure and oppress VOTIVO and in conscious disregard of the rights of VOTIVO. VOTIVO accordingly is entitled to an award of punitive and exemplary damages in an amount sufficient to punish and deter Defendant and make it an example to others.

**PRAYER FOR RELIEF.**

WHEREFORE, VOTIVO prays for relief against Defendant as follows:

1. For a temporary, preliminary and permanent injunction restraining and enjoining Defendant, and its agents, servants, employees, and all others in active concert or participation with it, as follows:

a. From further using the VOTIVO Trademarks, and any packaging

and advertising and promotional materials containing the VOTIVO Trademarks, in any way or manner whatsoever;

b. From further infringing VOTIVO's trademark rights;

c. From further advertising, promoting, distributing, offering for sale, and/or selling any products using the VOTIVO Trademarks or any mark confusingly similar with the VOTIVO Trademarks; and

d. From further acts of false advertising and unfair competition as alleged herein.

2. For an order requiring the impoundment of all infringing products and materials pending the trial of this matter, and the destruction of all infringing products and materials following trial.

3. For an award of damages suffered by VOTIVO in the sum of $75,000.00 or such further amounts as may be proven at trial, plus any revenues or profits earned by Defendant as a result of Defendant's trademark infringement, unfair competition and false advertising in an amount to be proven at trial.

4. For an award of augmented and treble damages as alleged herein.

5. For an award of punitive and exemplary damages in an amount to be proven at trial, but sufficient to punish and deter the defendants.

6. For an award of attorneys' fees and litigation expenses to the maximum extent allowed by law.

7. For costs of suit incurred herein.

8. For such other and further relief as the court deems just and proper.

Dated: April 18, 2005.

By _____
Stephen R. Pappas, Esq.

Attorney for Plaintiff VOTIVO, Ltd.

**DEMAND FOR JURY TRIAL**

VOTIVO demands a trial by jury.

DATED: April 18, 2005.

By _____
Stephen R. Pappas, Esq.

Attorney for Plaintiff VOTIVO, Ltd.

**VERIFICATION**

Edgar F. Lee declares on this 29th day of March, 2005, at Seattle, Washington, under penalty of perjury under the laws of the state of Washington that he is the President of the Plaintiff, VOTIVO, Ltd., named in this Complaint, has read the Complaint and knows its contents, and that the statements made in this Complaint are true and correct to the best of his knowledge.

Edgar F. Lee,

President of VOTIVO, Ltd.

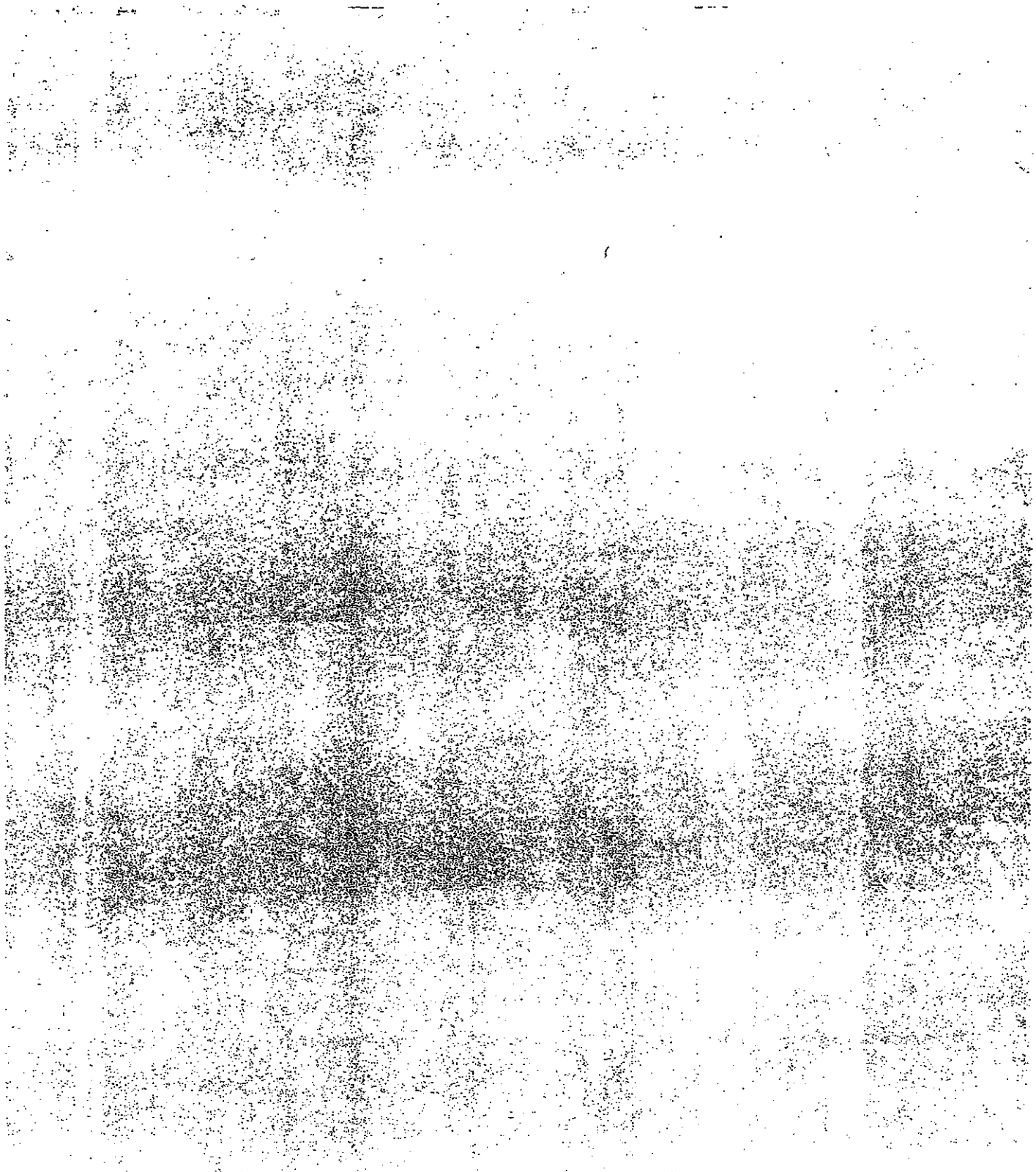

Exhibit "1"

Int. Cl.: 3

Prior U.S. Cls.: 1, 4, 6, 50, 51 and 52

United States Patent and Trademark Office

Reg. No. 2,717,258

Registered May 20, 2003

TRADEMARK
PRINCIPAL REGISTER

# TALL GRASS

VO-TOYO, LTD. (WASHINGTON CORPORATION)
3450 4TH AVENUE S.
SEATTLE, WA 98134

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "GRASS", APART FROM THE MARK AS SHOWN.

FOR: SKIN SOAP AND SCENTED ROOM SPRAY, IN CLASS 3 (U.S. CLS. 1, 4, 6, 50, 51 AND 52).

SER. NO. 76/394,451, FILED 4-11-2002.

FIRST USE 1-29-1998; IN COMMERCE 1-29-1998.

ALICIA COLLINS, EXAMINING ATTORNEY

Exhibit "1"

Exhibit: 9
Page: 116

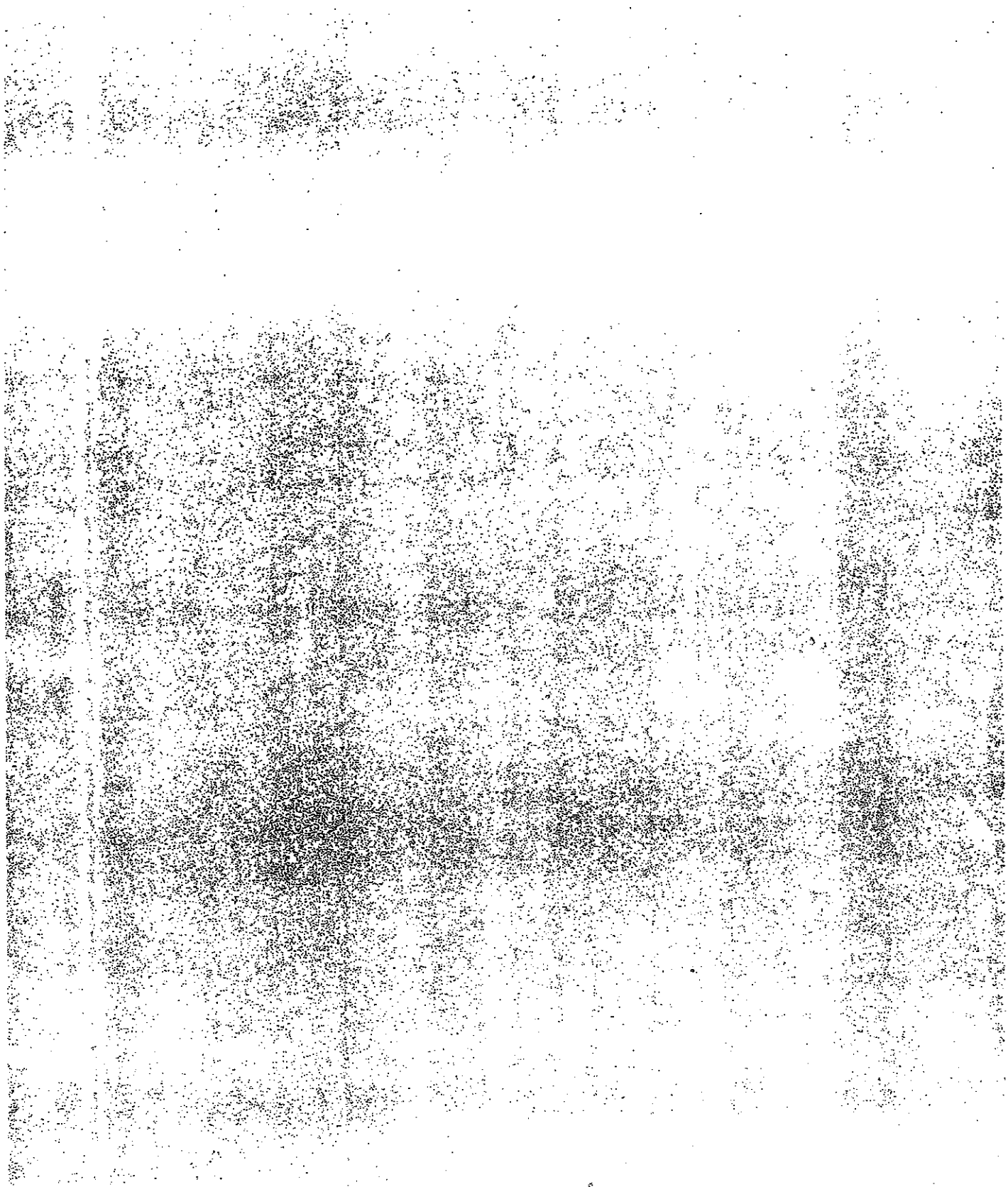

Exhibit "2"

Int. Cl.: 4

Prior U.S. Cls.: 1, 6 and 15

Reg. No. 2,717,259

United States Patent and Trademark Office

Registered May 20, 2003

TRADEMARK
PRINCIPAL REGISTER

TALL GRASS

VOTIVO, LTD. (WASHINGTON CORPORATION)
3450 4TH AVENUE S.
SEATTLE, WA 98134

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "GRASS", APART FROM THE MARK AS SHOWN.

FOR: CANDLES AND TAPERS, IN CLASS 4 (U.S. CLS. 1, 6 AND 15).

SER. NO. 76-394,459, FILED 4-11-2002.

FIRST USE 1-29-1998; IN COMMERCE 1-29-1998.

ALICIA COLLINS, EXAMINING ATTORNEY

Exhibit 2

Exhibit: 9
Page: 118

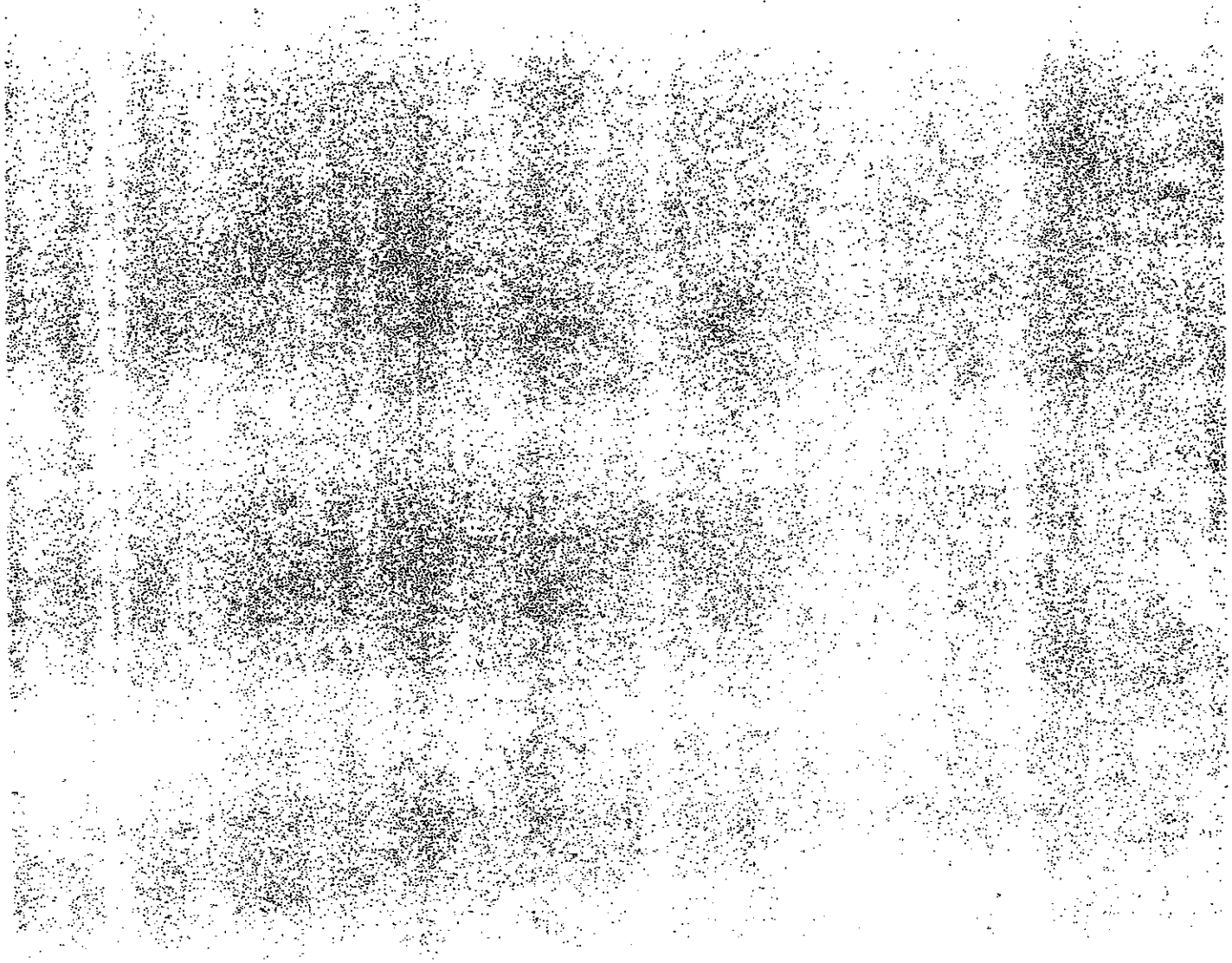

Exhibit "3"

Int. Cl.: 4

Prior U.S. Cls.: 1, 6 and 15

Reg. No. 2,720,907

United States Patent and Trademark Office

Registered June 3, 2003

TRADEMARK

PRINCIPAL REGISTER

RED CURRANT

VOLVO, LTD. (WASHINGTON CORPORATION)
345 4TH AVENUE S
SEATTLE, WA 98104

SEC. 2(F).

FOR: CANDLES AND TAPERS, IN CLASS 4 (U.S. CLS. 1, 6 AND 15).

SER. NO. 76/304,467, FILED 4-11-2002.

FIRST USE 1-0-1997; IN COMMERCE 1-0-1997.

ALICIA COLLINS, EXAMINING ATTORNEY

Exhibit "3"

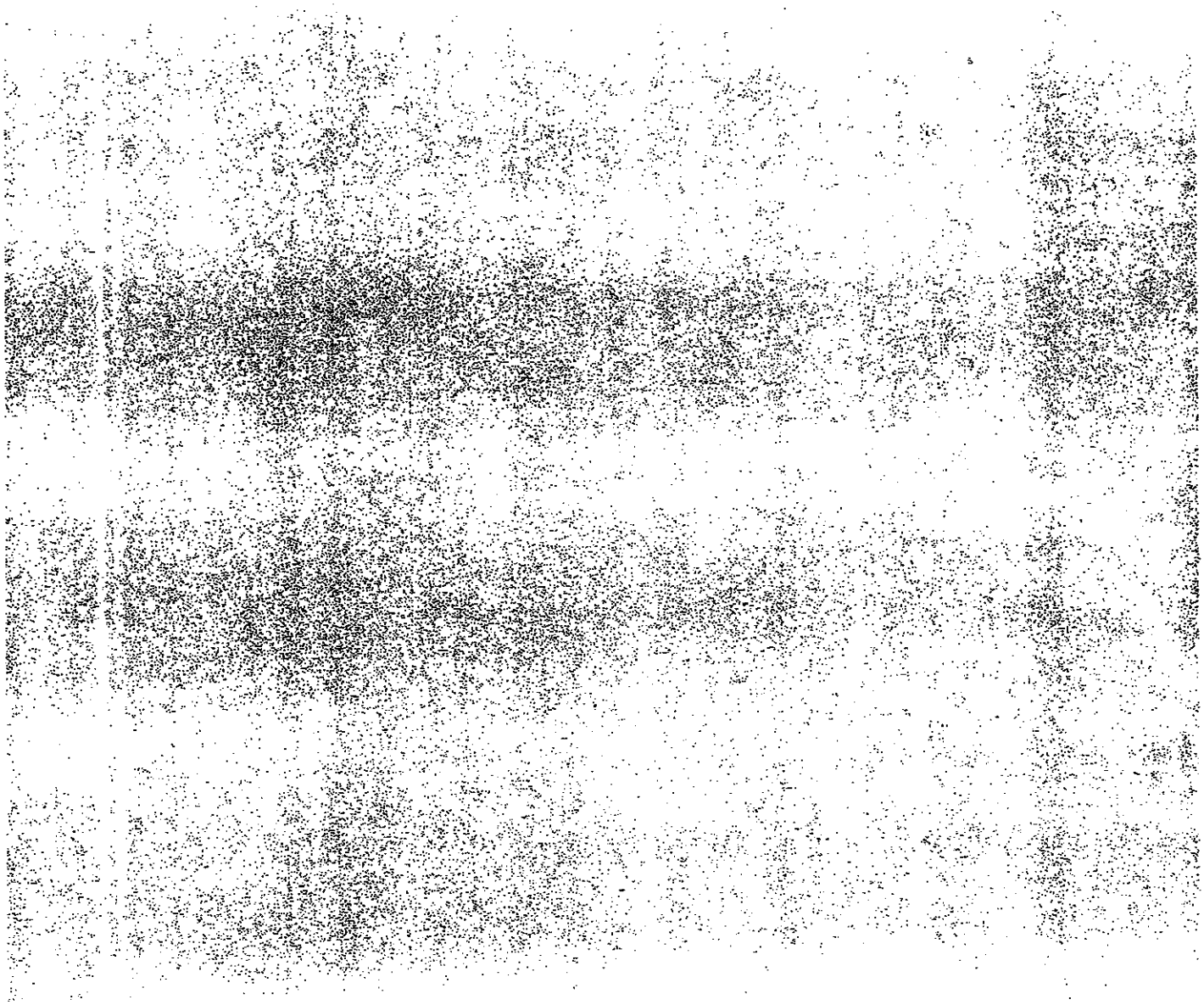

Exhibit "4"

Int. Cl.: 3

Prior U.S. Cls.: 1, 4, 6, 50, 51 and 52

Reg. No. 2,720,906

United States Patent and Trademark Office

Registered June 3, 2003

TRADEMARK

PRINCIPAL REGISTER

RED CURRANT

VOLVO LTD. (WASHINGTON CORPORATION)
1550 UTAH AVENUE S.
SEATTLE, WA 98134

FOR: SKIN SOAP, SCENTED BODY SPRAY, SCENTED ROOM SPRAY, AND INCENSE, IN CLASS 3 (U.S. CLS. 1, 4, 6, 50, 51 AND 52).

FIRST USE 1-2-1997; IN COMMERCE 1-2-1997.

SEC. 2(F).

SER. NO. 76-194,462, FILED 4-11-2002.

ALICIA COLLINS, EXAMINING ATTORNEY

Exhibit "4"

97863.1

**EXHIBIT 10**

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carlos@candeloro.net

Attorney for Mine Design

FILED
CLERK, U.S. DISTRICT COURT
SEP 19 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

**UNITED STATES DISTRICT COURT**
**CENTRAL DISTRICT OF CALIFORNIA**

Votivo Ltd., a Washington corporation,

Plaintiff/ Counter Defendant

v.

Amal Flores d.b.a. MINE DESIGN

Defendant/ Counter Claimant.

**Case No. CV- 05-2942-DT**

**FIRST AMENDED ANSWER AND AFFIRMATIVE DEFENSES OF DEFENDANT/COUNTER CLAIMANT AMAL FLORES D.B.A. MINE DESIGN TO PLAINTIFF/COUNTER-DEFENDANT'S FIRST AMENDED COMPLAINT;**

**AND COUNTERCLAIMS OF DEFENDANT/COUNTER CLAIMANT AMAL FLORES D.B.A. MINE DESIGN AGAINST PLAINTIFF/COUNTER-DEFENDANT**

**DEMAND FOR JURY TRIAL**

## I. INTRODUCTION

Defendant counterclaimant Amal Flores d.b.a. Mine Design (hereinafter "MINE"), for itself and no other defendant counter claims and answers the First

Amended Complaint for trademark infringement, unfair competition and false advertising (hereinafter, the "First Amended Complaint") filed by Votivo, Ltd. (hereinafter, "plaintiff/counter defendant") in this action and denies all allegations not specifically admitted and states as follows:

1.1 MINE denies the allegations in Paragraph 1.1 of the First Amended Complaint.

## II. THE PARTIES

2.1 MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 2.1 of the First Amended Complaint and, on that basis, denies them.

2.2 Admitted that Amal Flores is an individual doing business as Mine Design.

2.3 MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in the first sentence of Paragraph 2.3 of the First Amended Complaint and, on that basis, denies them. To the extent the second sentence of Paragraph 2.3 of the First Amended Complaint contains and alleges only conclusions of law, MINE is not required to provide a response, and therefore, denies the same. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in the third sentence of Paragraph 2.3 of the First Amended Complaint and, on that basis, denies them. MINE denies all remaining allegations contained in Paragraph 2.3 of the First Amended Complaint.

## III. JURISDICTION AND VENUE

3.1 Because the allegations of Paragraph 3.1 of the First Amended Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

3.2 Because the allegations of Paragraph 3.2 of the First Amended Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

3.3 Because the allegations of Paragraph 3.3 of the First Amended Complaint contain only conclusions of law, MINE is not required to provide a response, and therefore, denies the same.

3.4 Admitted.

## III. FACTUAL BACKGROUND

4.1 MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in the first sentence of Paragraph 4.1 of the First Amended Complaint and, on that basis, denies them.

4.2 MINE denies the allegations in Paragraph 4.2 of the First Amended Complaint.

4.3 MINE denies the allegations in Paragraph 4.3 of the First Amended Complaint.

4.4 MINE denies the allegations contained Paragraph 4.4 of the First Amended Complaint.

4.5 MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained the first sentence of Paragraph 4.5 of the First Amended Complaint and, on that basis, denies them. MINE admits that the Trademark Registration Nos. 2,717,259 and 2,717,258 on their face appear to have issued to plaintiff counter-defendant for "TALL GRASS" in connection with the goods listed in paragraph 4.5 of the First Amended Complaint. MINE denies all other allegations in paragraph 4.5 of the First Amended Complaint.

4.6 MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained Paragraph 4.6 of the First Amended Complaint and, on that basis, denies them.

4.7 MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained Paragraph 4.7 of the First Amended Complaint and, on that basis, denies them.

4.8 MINE denies the allegations contained Paragraph 4.8 of the First Amended Complaint.

4.9 MINE denies the allegations contained Paragraph 4.9 of the First Amended Complaint.

4.10 The First Amended Complaint as served on MINE lacked an Exhibit 1. Accordingly, MINE denies the allegations contained Paragraph 4.10 of the First Amended Complaint.

4.11 The First Amended Complaint as served on MINE lacked an Exhibit 2. Accordingly, MINE denies the allegations contained Paragraph 4.11 of the First Amended Complaint.

4.12 MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in the first sentence of Paragraph 4.12 of the First Amended Complaint and, on that basis, denies them. To the extent the second sentence of Paragraph 4.12 of the First Amended Complaint contains and alleges conclusions of law, MINE is not required to provide a response, and therefore denies the same. MINE denies all other allegations in Paragraph 4.12 of the First Amended Complaint.

4.13 MINE denies having infringed or engaged in any conduct likely to cause confusion between the origin of MINE's products and plaintiff/counter defendant's products. MINE denies continuing to infringe or engage in any conduct likely to cause confusion between the origin of MINE's products and plaintiff/counter defendant's products. MINE denies the allegations regarding selling candles and other aromatic products in the home décor, gift, and/or personal care industry using the term "Tall Grass." To the extent Paragraph 4.13 of the First

Amended Complaint contains and alleges one or more conclusions of law, MINE is not required to provide a response, and therefore, denies the same. MINE denies all other allegations in Paragraph 4.13 of the First Amended Complaint.

**ANSWER TO THE ALLEGATIONS IN THE FIRST CAUSE OF ACTION FOR FEDERAL TRADEMARK INFRINGEMENT**

5.1 MINE incorporates by reference each and every response contained in paragraphs 1.1 through 4.15 above, as though fully set forth herein.

5.2 MINE denies that plaintiff/counter defendant's trademark registrations are valid. To the extent Paragraph 5.2 of the First Amended Complaint contains and alleges one or more conclusions of law, MINE is not required to provide a response, and therefore, denies the same. MINE is without sufficient knowledge or information to form a belief as to the truth of the other allegations contained in Paragraph 5.2 of the First Amended Complaint and, on that basis, denies them.

5.3 MINE denies the allegations in Paragraph 5.3 of the First Amended Complaint.

5.4 MINE denies the allegations in Paragraph 5.4 of the First Amended Complaint.

5.5 MINE denies use "of the VOTIVO Trademarks" as alleged in Paragraph 5.5 of the First Amended Complaint. MINE is without sufficient knowledge or information to form a belief as to the truth of the allegations contained regarding the knowledge or consent of VOTIVO, as alleged in Paragraph 5.5 of the First Amended Complaint and, on that basis, denies them. MINE denies the implicit allegation in Paragraph 5.5 of the First Amended Complaint that MINE would require VOTIVO's consent or permission to use the generic term "tall grass" as alleged.

5.6 MINE denies the allegations contained in Paragraph 5.6 of the First Amended Complaint.

5.7 MINE denies the allegations contained in Paragraph 5.7 of the First Amended Complaint.

5.8 MINE denies the allegations contained in Paragraph 5.8 of the First Amended Complaint.

5.9 MINE denies the allegations contained in Paragraph 5.9 of the First Amended Complaint.

5.10 MINE denies the allegations contained in Paragraph 5.10 of the First Amended Complaint.

5.11 MINE denies the allegations contained in Paragraph 5.11 of the First Amended Complaint.

5.12 MINE denies the allegations contained in Paragraph 5.12 of the First Amended Complaint.

5.13 MINE denies the allegations contained in Paragraph 5.13 of the First Amended Complaint.

**ANSWER TO THE ALLEGATIONS IN THE SECOND CAUSE OF ACTION FOR VIOLATION OF LANHAM ACT SECTION 43(A)**

6.1 MINE incorporates by reference each and every response contained in paragraphs 1.1 through 5.13 above, as though fully set forth herein.

6.2 MINE denies the allegations contained in Paragraph 6.2 of the First Amended Complaint.

6.3 MINE denies the allegations contained in Paragraph 6.3 of the First Amended Complaint.

6.4 MINE denies the allegations contained in Paragraph 6.4 of the First Amended Complaint.

6.5 MINE denies the allegations contained in Paragraph 6.5 of the First Amended Complaint.

6.6 MINE denies the allegations contained in Paragraph 6.6 of the First Amended Complaint.

6.7 MINE denies the allegations contained in Paragraph 6.7 of the First Amended Complaint.

6.8 MINE denies the allegations contained in Paragraph 6.8 of the First Amended Complaint.

6.9 MINE denies the allegations contained in Paragraph 6.9 of the First Amended Complaint.

**ANSWER TO THE ALLEGATIONS IN THE THIRD CAUSE OF ACTION**

7.1 MINE incorporates by reference each and every response contained in paragraphs 1.1 through 6.9 above, as though fully set forth herein.

7.2 MINE denies the allegations contained in Paragraph 7.2 of the First Amended Complaint.

7.3 MINE denies the allegations contained in Paragraph 7.3 of the First Amended Complaint.

7.4 MINE denies the allegations contained in Paragraph 7.4 of the First Amended Complaint.

7.5 MINE denies the allegations contained in Paragraph 7.5 of the First Amended Complaint.

7.6 MINE denies the allegations contained in Paragraph 7.6 of the First Amended Complaint.

**ANSWER TO THE ALLEGATIONS IN THE FOURTH CLAIM FOR RELIEF**

8.1 MINE incorporates by reference each and every response contained in paragraphs 1.1 through 7.6 above, as though fully set forth herein.

8.2 MINE denies the allegations contained in Paragraph 8.2 of the First Amended Complaint.

8.3 MINE denies the allegations contained in Paragraph 8.3 of the First Amended Complaint.

8.4 MINE denies the allegations contained in Paragraph 8.4 of the First Amended Complaint.

8.5 MINE denies the allegations contained in Paragraph 8.5 of the First Amended Complaint.

8.6 MINE denies the allegations contained in Paragraph 8.6 of the First Amended Complaint.

8.7 MINE denies the allegations contained in Paragraph 8.7 of the First Amended Complaint.

8.8 MINE denies the allegations contained in Paragraph 8.8 of the First Amended Complaint.

**ANSWER TO THE ALLEGATIONS IN THE FIFTH CLAIM FOR RELIEF**

9.1 MINE incorporates by reference each and every response contained in paragraphs 1.1 through 8.8 above, as though fully set forth herein.

9.2 MINE denies the allegations contained in Paragraph 9.2 of the First Amended Complaint.

9.3 MINE denies the allegations contained in Paragraph 9.3 of the First Amended Complaint.

9.4 MINE denies the allegations contained in Paragraph 9.4 of the First Amended Complaint.

9.5 MINE denies the allegations contained in Paragraph 9.5 of the First Amended Complaint.

9.6 MINE denies the allegations contained in Paragraph 9.6 of the First Amended Complaint.

9.7 MINE denies the allegations contained in Paragraph 9.7 of the First Amended Complaint.

**AFFIRMATIVE DEFENSES**

Mine asserts the following affirmative defenses to each Count and claim raised in the First Amended Complaint, unless otherwise indicated.

**FIRST AFFIRMATIVE DEFENSE**

**(Failure to State a Claim)**

10.1 The First Amended Complaint, and each claim raised, fails to state a claim against MINE upon which relief may be granted.

**SECOND AFFIRMATIVE DEFENSE**

**(Invalidity/Unenforceability)**

11.1 Plaintiff should not prevail because the generic descriptor "tall grass" as used by the Plaintiff does not constitute a trademark use and therefore, is not capable of trademark protection.

**THIRD AFFIRMATIVE DEFENSE**

**(Non-infringement)**

12.1 MINE's alleged activities relating the "tall grass" generic descriptor would not constitute trademark use and therefore cannot constitute infringement of any alleged trademark in that generic descriptor.

**FOURTH AFFIRMATIVE DEFENSE**

**(Fair Use)**

13.1 MINE's alleged activities relating to the "tall grass" generic descriptor would constitute fair use and thus not be actionable.

**FIFTH AFFIRMATIVE DEFENSE**

**(Estoppel)**

14.1 The First Amended Complaint, and each and every cause of action asserted therein against MINE, is barred, in whole or in part, by the doctrine of estoppel.

**SIXTH AFFIRMATIVE DEFENSE**

**(Laches)**

15.1 The First Amended Complaint, and each and every cause of action asserted therein against MINE, is barred, in whole or in part, by the doctrine of laches.

**SEVENTH AFFIRMATIVE DEFENSE**

**(Full disclosure)**

16.1 Plaintiff should not prevail because MINE provides full and adequate disclosure to customers.

**EIGHTH AFFIRMATIVE DEFENSE**

**(Unclean Hands)**

17.1 The First Amended Complaint, and each and every cause of action asserted therein against MINE, is barred, in whole or in part, by the doctrine of unclean hands.

**NINTH AFFIRMATIVE DEFENSE**

**(Mistake or Inadvertence)**

18.1 Plaintiff should not prevail against MINE because the conduct complained of occurred, if at all, as a result of mistake or inadvertence.

**TENTH AFFIRMATIVE DEFENSE**

**(Invalidity/Unenforceability/Abandonment)**

19.1 Plaintiff should not prevail because the descriptor "tall grass" is generic and/or descriptive and therefore is not capable of trademark protection.

19.2 Plaintiff should not prevail because Plaintiff has ceased using the term "tall grass" and does not intend to resume use of the term.

## MINE'S COUNTERCLAIMS

20.1 Without waiving the foregoing Defenses, MINE asserts the following Counterclaims seeking a declaration of MINE's noninfringement of the Plaintiff's alleged trademarks, the invalidity and/or unenforceability of those alleged trademarks and the cancellation of Plaintiff's trademark registrations.

20.2 These counterclaims are an action for declaratory judgment pursuant to Title 28, United States Code, § 2201, for the purpose of determining a question of actual controversy between the parties, as more fully appears below.

20.3 Jurisdiction of this action is based on Title 28, United States Code, § 1331 and, *inter alia*, Title 15, United States Code, § 1119.

20.4 Venue is proper in this district pursuant to 28 U.S.C. § 1391(b).

20.5 MINE has an interest in the use of the term "tall grass" as a common descriptive term of the scent of tall grass in scented aromatic candles and other articles produced by MINE that carry the aromatic scent of tall grass.

20.6 Plaintiff has allegedly registered the term "Tall Grass" as a trademark in connection with aromatic candles, tapers and other goods.

20.7 "Tall grass" is a noun defined in the online dictionary at http://www.thefreedictionary.com/tallgrass as "any of various grasses that are tall and that flourish with abundant moisture."

20.8 VOTIVO does not hold a patent for the formulation of the scent that is the ingredient in its tall grass scented candle.

20.9 VOTIVO does not hold a patent for a tall grass scented candle.

20.10 VOTIVO's line of aromatic candles is sold in a box.

20.11 VOTIVO obtained a trademark, Reg. No. 2,554,977 (hereinafter the '977 mark), for elements of the box in which it sells its candles.

20.12 Among the elements of the '977 mark, "the box contains an aromatic candle and a colored label on the front of the box identifying the aromatic scent [of the candle] along with the 'VOTIVO' name."

20.13 VOTIVO has alleged in litigation against third parties that the design and appearance of VOTIVO's '977 mark has come to be associated with VOTIVO and serves to distinguish VOTIVO's products from the goods of other companies, and that, accordingly, consumers have come to understand that the origin of VOTIVO's aromatic scented candles is indicated by VOTIVO's '977 mark.

20.14 VOTIVO has alleged that one of the candles in VOTIVO's line of aromatic candles was labeled "Tall Grass."

20.15 The term "Tall Grass" on the label of the box of VOTIVO's candle identified the aromatic scent of the aromatic candle in the box. In particular, the "Tall Grass" term as used by VOTIVO described that the candles had the aromatic scent of tall grass.

20.16 The VOTIVO name (hereinafter "the VOTIVO house mark") figured prominently on the label of the box in which VOTIVO's tall grass scented candles were sold.

20.17 Consumers understand that "Tall Grass" on the label of an aromatic scented candle bearing a house mark serves as an identifier of the scent of the candle.

20.18 Consumers do not understand "Tall Grass" on the label of an aromatic scented candle bearing a house mark as indicating the origin of the candle.

20.19 Plaintiff/counter defendant's trademark registrations and alleged trademarks are invalid and would not be infringed by MINE's use of the term to label tall grass scented candles and other articles. The term "tall grass" when

applied to the articles of trade at issue is merely descriptive of the ingredients, qualities or characteristics of the articles, thus it cannot be appropriated as a trademark and the exclusive use of it afforded legal protection.

WHEREFORE, Defendant counter claimant MINE prays for judgment against plaintiff/counter defendant as follows:

a. That plaintiff/counter defendant take nothing by reason of its First Amended Complaint or otherwise;

b. A dismissal of the First Amended Complaint with prejudice;

c. That the Court enter a declaratory judgment that United States Trademark Registration Nos. 2,717,258 and 2,717,259 are invalid and an Order directing the Director of the Patent and Trademark Office to cancel said registrations;

d. That the Court enter a declaratory judgment that MINE's use of the term "tall grass" as a descriptor of the scent of tall grass scented articles is lawful;

e. MINE be awarded its reasonable attorney's fees, costs and other expenses incurred in this action; and

f. For such other and further relief as the Court deems proper.

**DATED:** September 19, 2005

**By:** _____

Carlos Candeloro
Attorney for Defendant
MINE

## DEMAND FOR JURY TRIAL

MINE demands a trial by jury.

**DATED:** September 19, 2005

**By:** _____
Carlos Candeloro
Attorney for Defendant
MINE

PROOF OF SERVICE – U.S. MAIL

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am and was at all times herein mentioned employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action or proceeding. My address is 4724 Kester Ave. #205, Sherman Oaks, CA 91403.

On September 19, 2005, I served a true copy of:
**FIRST AMENDED ANSWER AND AFFIRMATIVE DEFENSES OF DEFENDANT/COUNTER CLAIMANT AMAL FLORES D.B.A. MINE DESIGN TO PLAINTIFF/COUNTER-DEFENDANT'S FIRST AMENDED COMPLAINT;**
**AND COUNTERCLAIMS OF DEFENDANT/COUNTER CLAIMANT AMAL FLORES D.B.A. MINE DESIGN AGAINST PLAINTIFF/COUNTER-DEFENDANT**

on the interested parties in this action by placing said document enclosed in a sealed envelope addressed as follows:

Stephen R. Pappas
550 South California Ave., Suite 320
Palo Alto, California 94306

I caused such envelope with postage thereon fully prepaid to be placed in the U.S. Mail at Los Angeles, California. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the forgoing is true and correct; and that this Proof of Service was executed on September 19, 2005, at Los Angeles, California.

*Carlos Candeloro*

97863.1

# EXHIBIT 11

Mine II

**SETTLEMENT AGREEMENT**

This Settlement Agreement (the "Agreement") is made by and between VOTIVO, Ltd., a Washington corporation ("VOTIVO") on the one hand, and Amal Flores d.b.a. Mine Design, a sole proprietorship ("MINE") on the other hand, and shall be deemed entered into on the "EFFECTIVE DATE," defined as the date upon which this Agreement is fully signed by, between and among VOTIVO and MINE ("the Parties").

**RECITALS**

WHEREAS, VOTIVO is also the owner of the following trademarks each of which are registered with the United States Patent and Trademark Office: Reg. Nos. 2,720,906 and 2,720,907 for RED CURRANT, Reg. Nos. 2,717,257 and 2,717,256 for SOKU LIME, and Reg. Nos. 2,717,259 and 2,717,258 for TALL GRASS (collectively, the "VOTIVO Registrations");

WHEREAS, the following two litigations pending between the Parties in federal court: (i) U.S. Court of Appeals (9th Cir.), Docket No. 06-55147; and (ii) District Court (C.D. Cal.), Case No. CV 05-2942 (the "Lawsuits");

WHEREAS, a Default Judgment and Permanent Injunction were entered in favor of VOTIVO and against MINE in the District Court (C.D. Cal.), Case No. CV 03-6017 (Exhibit A hereto) (the "Permanent Injunction");

WHEREAS, MINE has paid VOTIVO in full for the judgment entered in Case No. CV 03-6017, while reserving his rights on appeal, to collaterally attack the judgment and any other rights MINE may have against VOTIVO regarding said judgment (Exhibit B hereto);

WHEREAS, MINE has appealed the judgment in Case No. CV 03-6017 (U.S. Court of Appeals (9th Cir.) Docket No. 06-55147);

WHEREAS, Case No. CV 05-2942 is still in the discovery phase;

WHEREAS, both Parties desire to fully, completely and finally settle and compromise, in accordance with the terms set forth below, without the further cost, expense or continued litigation, the Lawsuit and the dispute between them;

NOW, THEREFORE, in mutual consideration for the promises, payments and other consideration in the Agreement it is hereby stipulated and agreed by the undersigned parties as follows:

AGREEMENT

1. Dismissal of Pending Suits. Upon execution of this Agreement by both Parties and payment as set forth in Section 2 below, MINE and VOTIVO, each agree, respectively to dismiss their claims against the other in the Lawsuits, without attorneys' fees or costs, by executing and filing the Stipulation of Dismissal in the form attached hereto as Exhibit C.

2. Payments. VOTIVO acknowledges receipt from MINE of $20,166.00 remitted March 23, 2006, and accepts such payment in full satisfaction of the judgment entered Nov. 7, 2005 in Case No. CV 03-6017 and any other and all fees and costs associated therewith. MINE agrees to pay VOTIVO an additional $3,000.00 within 15 days of the EFFECTIVE DATE.

3. Use of VOTIVO Registrations. MINE agrees that he will not, directly or indirectly, alone or in association with others, either as a principal agent, director, indirect owner, shareholder, partner, joint venturer or member, officer, director, employee, investor, consultant, manager or in any other capacity use (i) the VOTIVO Registrations or any confusingly similar words, terms, trademarks or trade names in connection with any of his products or services, or (ii) any of the trademarks set forth in the Permanent Injunction provided such trademarks remain registered with the United States Patent and Trademark Office. Finally, prior to introducing any

new product names, MINE agrees to perform a search of the records of the United States Patent and Trademark Office for any other registered or pending VOTIVO trademarks.

4. No Challenge to VOTIVO Registrations. MINE will not, directly or indirectly, alone or in association with others, initiate any proceeding challenging the protectability or validity of the VOTIVO Registrations.

5. Representations and Warranties.

a. VOTIVO represents and warrants that it fully and exclusively owns every cause of action, claim, demand, right or other matter that VOTIVO asserted in the Lawsuits; and that no other person or entity has or claims any interest in any such trademark, cause of action, claim, demand or right. VOTIVO further represents that it is under no obligation or legal disability that would prevent it from releasing said actions, claims, demands and rights, or from entering into this Agreement.

b. MINE represents and warrants that he fully and exclusively owns every cause of action, claim, demand, right or other matter that MINE asserted in the Lawsuits; and that no other person or entity has or claims any interest in any such trademark, cause of action, claim, demand or right. MINE further represents that he is under no obligation or legal disability that would prevent him from releasing said actions, claims, demands and rights, or from entering into this Agreement. MINE further represents that to his knowledge, except as set forth in the Lawsuits, he has not used or infringed any of the trademarks set forth in Permanent Injunction up until the EFFECTIVE DATE. For purposes of this Agreement, "knowledge" means such knowledge after due inquiry and reasonable investigation.

6. Mutual Releases. In exchange for good and valuable consideration, including the promises and commitments set forth in this Agreement, both Parties mutually agree to waive and

release any and all claims and/or liabilities the Parties may have against each other and their respective owners, officers, employees, directors, shareholders, agents, representatives, parent corporations, affiliates and subsidiaries, and the successors and assigns of any of them, including any and all demands, claims, rights, obligations, liabilities, causes of action, duties, debts, sums of money, promises, and accounts, of whatever kind, nature or description, direct or indirect, in law or in equity, in contract or tort or otherwise up until the EFFECTIVE DATE.

7. Release of Unknown Claims. The Parties understand that this agreement includes the release of certain types of unknown claims. The Parties acknowledge that they have had the opportunity to obtain advice of legal counsel and are familiar with California Civil Code Section 1542, which provides as follows:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Having been fully informed of the provisions of California Civil Code Section 1542, the Parties nevertheless hereby waive and release any rights that the Parties may otherwise have to dispute the scope of this agreement on the ground of said code section.

8. Notice of Trademark Rights.

a. After the EFFECTIVE DATE, in each instance VOTIVO or any of its successors in interest in good faith believes MINE or any of its successors in interest is using a term in connection with the sale of goods for which VOTIVO has a valid and subsisting federal trademark registration ("the OFFENDING TERM"), VOTIVO shall inform MINE in writing as set forth in Section 23 below of such claim ("WRITTEN NOTICE"). MINE shall have 30 days from the NOTICE DATE ("the GRACE PERIOD") to respond to said WRITTEN NOTICE. Provided MINE complied with its obligations as set forth in Section 3 above, VOTIVO shall not

bring suit, and shall recover no damages, attorneys' fees or any other costs for activity that occurred up until the date by which MINE's response was due if MINE during said GRACE PERIOD (a) changes the OFFENDING TERM on its products, catalogs, etc., with an acceptable substitute term ("SUBSTITUTE TERM") or (b) provides VOTIVO with reasonable assurances that MINE has otherwise discontinued its use of the OFFENDING TERM.

b. VOTIVO shall have the right to bring a trademark infringement suit against MINE only if, after 30 days have elapsed from the NOTICE DATE,:

(i) the Parties cannot reasonably agree on a SUBSTITUTE TERM;

(ii) MINE has not provided VOTIVO with reasonable assurance that MINE has otherwise discontinued its use of the OFFENDING TERM; or

(iii) MINE does not respond to the WRITTEN NOTICE within the GRACE PERIOD.

9. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties respecting the settlement of all demands, claims, rights, obligations, liabilities, causes of action, duties, debts, sums of money, promises, or accounts between the Parties up until the EFFECTIVE DATE, and supersedes all other agreements, express or implied, between the Parties respecting its subject matter. This Agreement may not be changed or modified, except by a writing signed by the parties hereto.

10. Covenant Not To Sue. Each Party hereto and their respective representatives covenants and agrees that they will forever refrain and forebear from bringing, commencing or prosecuting any action, lawsuit, claim, or proceeding against the other Party hereto based on any claim, debt or obligation of any kind that is released or discharged herein.

11. Consent to Jurisdiction. This Agreement will be governed by and construed under the laws of the State of California. The Central District of California will retain jurisdiction for the purpose of enforcing this Agreement.

12. Consultation with Counsel. The Parties acknowledge that each of them has consulted with, or had the opportunity to consult with, legal counsel of their own selection about this Agreement and the releases contained herein, including California Civil Code Section 1542. The Parties each understand that this Agreement will affect their legal rights, and voluntarily enter into this Agreement with such knowledge and understanding. Each of the Parties warrants and represents that the person signing the Agreement on behalf of that party has full authority to do so.

13. Severability. The Parties agree that if any part, term, or provision of this Agreement shall be found illegal or in conflict with any valid controlling law, the validity of the remaining provisions shall not be affected thereby.

14. Headings, Exhibits and Pronouns. Section headings and pronouns contained in this Agreement are for convenience only and shall not be considered for any purpose in construing the Agreement. The exhibits hereto shall be construed with and as an integral part of this Agreement to the same effect as if the contents thereof had been set forth verbatim herein.

15. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assigns.

16. No Waiver. Any waiver by a Party of any term of this Agreement shall not be deemed a waiver of any other term. No term of this Agreement may be waived except by a written waiver signed by the waiving Party.

17. Integration. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and fully supersedes any and all prior understandings, representations, warranties and agreements between the Parties pertaining to the subject matter hereof. This Agreement may not be explained or supplemented by evidence of consistent additional terms or contradicted by evidence of any prior or contemporaneous agreement. The recitals set forth above are incorporated in this Agreement as if fully set forth herein.

18. Mutual Drafting. The Parties agree that this Agreement has been drafted by and is the product of both Parties and that it is the intention of the Parties that this Agreement shall not be construed against either Party based on the assumption or premise that one Party or the other was the drafter of the Agreement.

19. Modification. The Parties agree that any amendments or modifications to this Agreement shall be deemed null and void unless such amendments and modifications are in writing, specifically refer to this Agreement, and are signed by authorized representatives of all Parties.

20. Costs. Each Party will bear its own costs, expenses and attorneys' fees.

21. Authority to Sign. Each signatory to the Agreement represents and warrants that s/he has the necessary authority to bind such Party to the terms contained herein.

22. Counterparts. This Agreement may be executed in counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. Notice. Any written notice required or permitted to be given under this Agreement shall be sufficient if sent by facsimile or overnight mail to the other party at the addresses shown below, and shall be deemed given as of the day after the date so sent. Although

notice is to be given in writing, the parties agree to make a good-faith effort to telephone applicable counsel when notice is being given.

For VOTIVO: VOTIVO, LTD.
3450 4th Avenue S.
Seattle, WA 98134
Attn.: Mr. Edgar F. Lee

With a copy to: INVICTA LAW GROUP, PLLC
1000 Second Avenue, Suite 3310
Seattle, Washington 98104-1019
Attn.: Mr. Mark V. Jordan

For MINE: MINE Design
11151 Mississippi Ave.
Los Angeles, CA 90025
Attn.: Amal Flores

With a copy to: Carlos Candeloro
1601 N. Sepulveda Blvd. 239
Manhattan Beach, CA 90266
or
carlos@candeloro.net

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the date written below and on behalf of the parties listed with their respective signatures.

**VOTIVO, LTD.**

Date: May 1, 2006

By: _____
Edgar F. Lee, President

Date: 5/5/06

_____
Amal Flores d.b.a. Mine Design

97863.1

**EXHIBIT 12**

Carlos Candeloro
4724 Kester Ave. #205
Sherman Oaks, CA 91403
Tel: (818) 995-6766

Attorney for Defendant/Appellant
Mine Design

**UNITED STATES COURT OF APPEALS**
**FOR THE NINTH CIRCUIT**

| | |
|---|---|
| Votivo Ltd.,<br><br>Plaintiff/Appellee,<br><br>v.<br><br>Mine Design,<br><br>Defendant/Appellant. | **No. 06-55147**<br><br>**D.C. No. CV- 03-6017-DT**<br>**(C.D. Cal. Los Angeles)**<br><br>**DISMISSAL AGREEMENT PURSUANT TO F.R.A.P. 42(b)** |

IT IS HEREBY STIPULATED and agreed by and between the parties to this appeal through their designated counsel that the above-captioned appeal be and hereby is dismissed pursuant to Fed. R. App. P. 42(b), each party to pay its own costs. While it is believed no court fees are due, to the extent any court fees remain, these shall be charged to Appellant Mine Design.

Dated: 5/30, 2006.

INVICTA LAW GROUP PLLC

By _____
Mark Jordan
Attorneys for Plaintiff/Appellee

Exhibit: 12
Page: 146

Dated: May 30, 2006.

TALMADGE LAW GROUP PLLC

By Philip A. Talmadge
Philip A. Talmadge
Attorneys for Plaintiff/Appellee

Dated: June 2, 2006.

By
Carlos Candeloro
Attorney for Defendant/Appellant

DECLARATION OF SERVICE

On said day below I deposited in the U.S. Postal Service a true and correct copy of the following documents: Dismissal Agreement Pursuant To F.R.A.P. 42(b), United States Court of Appeals for the Ninth Circuit No. 06-55147, to the following:

Mark Jordan, Esq.
Invicta Law Group PLLC
1000 Second Avenue, Suite 3310
Seattle, WA 98104-1019

Philip A. Talmadge, Esq.
Talmadge Law Group PLLC
18010 Southcenter Parkway
Tukwila, WA 98188

Peter W. Sherwood, Circuit Mediator
Circuit Mediation Office
U.S. Court of Appeals
P.O. Box 193939
San Francisco, CA 94119-3939

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct.

DATED: Jan 2, 2006, at Los Angeles, California

Carlos Candeloro
Attorney at Law

97863.1

**EXHIBIT 13**

Stephen R. Pappas, Esq.
650 South California Avenue, Suite 320
Palo Alto, California 94306-1441
650/858-8400 - Telephone
650/858-8508 - Facsimile
California State Bar No. 158560

Attorney for Plaintiff
Votivo, Ltd.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

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| VOTIVO, LTD., a Washington corporation,<br><br>Plaintiff,<br><br>vs.<br><br>AMAL FLORES D.B.A. MINE DESIGN, a sole proprietorship and DOES 1 through 20,<br><br>Defendants. | Case No. CV05 2942 DT (EX)<br><br>STIPULATION FOR DISMISSAL WITH PREJUDICE AND WITHOUT COSTS |

COME NOW the parties hereto, by and through their respective counsel of record herein, and hereby stipulate that the above-entitled action, including all claims and counterclaims, may and shall be dismissed with prejudice, and that judgment of dismissal may be entered accordingly, without costs to either party. It is further stipulated by and between the parties, that an Order pursuant to the foregoing may be entered of record by judge, magistrate or clerk, without notice to either party, upon

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presentation of this Stipulation,

Dated: 5/30/06

By: _____
Stephen R. Pappas, Esq.
Attorney For Plaintiff
Votivo, Ltd.

Dated: May 22 2006

By: _____
Carlos Candeloro, Esq.
Attorney For Defendant
Amal Flores d/b/a Mine Design



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**PROOF OF SERVICE**

I am employed in the County of Santa Clara, State of California. I am over the age of eighteen years and not a party to the within action; my business address is 550 South California Avenue, Suite 320, Palo Alto, California 94306-1441. On May 30, 2006, I served the foregoing documents described as

**STIPULATION FOR DISMISSAL WITH PREJUDICE AND WITHOUT COSTS**

on the following interested party(s) in said cause:

Carlos Candeloro, Esq.
4724 Kester Avenue, #205
Sherman Oaks, California 91403

[X] **VIA MAIL -- CCP §§1013(a), 2015.5:**
By placing a true copy thereof enclosed in a sealed envelope(s), addressed as above, and placing each for collection and mailing on that date following ordinary business practices. I am readily familiar with my firm's business practice of collection and processing of correspondence for mailing with the United States Postal Service and correspondence placed for collection and mailing would be deposited with the United States Postal Service at Palo Alto, California, with postage thereon fully prepaid, that same day in the ordinary course of business.

[ ] **VIA OVERNIGHT MAIL/COURIER -- CCP §§1013(c), 2015.5:**
By placing a true copy thereof enclosed in a sealed envelope(s), addressed as above, and placing each for collection by overnight mail service or overnight courier service. I am readily familiar with my firm's business practice of collection and processing of correspondence for overnight mail or overnight courier service, and any correspondence placed for collection for overnight delivery would, in the ordinary course of business, be delivered to an authorized courier or driver authorized by the overnight mail carrier to receive documents, with delivery fees paid or provided for, that same day, for delivery on the following business day.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on May 30, 2006, at Palo Alto, California.

Stephen R. Pappas

97863.1

**EXHIBIT 14**

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# INTELLECTUAL PROPERTY, INVENTORY, AND OTHER PHYSICAL PROPERTY ASSET PURCHASE AND TRANSFER AGREEMENT

**THIS INTELLECTUAL PROPERTY, INVENTORY, AND OTHER PHYSICAL PROPERTY ASSET PURCHASE AND TRANSFER AGREEMENT** (the "Agreement") is made on the latter date of execution below by either Party,

**BETWEEN:**

**BUYER, VOTIVO, LLC**, a limited liability company organized under the laws of the State of South Carolina, having a main business office at 951 South Pine Street, Suite 135, Spartanburg, South Carolina 29302 (hereinafter also the "Buyer"); and

**SELLER, VOTIVO, LTD.**, a corporation organized under the laws of the State of WASHINGTON, having a main business office at 3450 Fourth Avenue South, Seattle, Washington 98134 (hereinafter also "Seller's").

**WHEREAS:**

A. Seller has agreed to sell and transfer to Buyer certain of the Assets consisting of all of Seller's right, title and interest in such Assets as constitute Intellectual Property Assets (as defined below), All Accounts Receivable (as defined below), All Accounts Payable (as defined below), All Contractual Rights (as defined below), All Inventory (as detailed in Schedule F) (the "Inventory") and other Physical Property/Fixed Assets (as detailed in Schedule G) (the "Physical Property/Fixed Assets").

B. Buyer has agreed to purchase and acquire the Intellectual Property Assets (as defined below), All Accounts Receivable (as defined below), All Accounts Payable (as defined below), All Contractual Rights (as defined below), All Inventory (as detailed in Schedule F) (the "Inventory") and other Physical Property/Fixed Assets (as detailed in Schedule G) (the "Physical Property/Fixed Assets") for the Consideration (as defined below).

**NOW, THEREFORE**, in consideration of the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the **PARTIES HEREBY AGREE AS FOLLOWS**:

1. **IN THIS AGREEMENT**—Definitions and Interpretations:

1.1 **Business** means the commercial operations of Seller pertaining to development, sales, marketing, support manufacturing and distribution of candles, home fragrance products, and personal care/bath products (hand and body soaps, lotions, body mists, and bath salts), as conducted by or on behalf of Seller prior to, and as of the Transfer Time.



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If to the Buyer, to:

BUYER: VOTIVO, LLC
Address: 951 South Pine Street, Suite 135, Spartanburg, SC 29302
Attention: Mr. Bob Caldwell, Sr.

or to such other address as a Party may specify by notice from time to time in writing to the other Parties in the manner specified in this Section.

**6. WAIVER OF BULK SALES REQUIREMENTS**

Seller and Buyer each waives compliance with any applicable bulk sales laws, including, without limitation, the Uniform Commercial Code Bulk Transfer provisions.

**7. LEGAL REPRESENTATION**

Seller has been represented by the law firm of Invicta Law Group, PLLC in connection with the preparation and negotiation of this Agreement and the documents related hereto and in connection with the consummation of the transactions contemplated hereby. Buyer has been represented by the law firm of Dority & Manning, Attorneys At Law, P.A in connection with the preparation and negotiation of this Agreement and the documents related hereto and in connection with the consummation of the transactions contemplated hereby.

***AS WITNESS***, this Agreement has been signed respectively by or on behalf of the Parties the day and year as written below with the respective, authorized signatures.

**SELLER:** VOTIVO, LTD

By: _____

Name: EDGAR F. LEE

Title: PRESIDENT

Date: 9-28-2007

**BUYER:** VOTIVO, LLC

By: _____

Name: ROBERT E. CALDWELL, JR.

Title: EXECUTIVE VICE PRESIDENT

Date: 9/28/2007

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# SCHEDULE A: Intellectual Property Assets

## SCHEDULE A
## INTELLECTUAL PROPERTY ASSETS

A. All Intellectual Property Assets of Seller, including, but not limited to the following specific intellectual property assets: all Registered and Common Law Trademarks, Copyrights and Patents; all customer lists, files, and records; all sales records and files; all accounting records and files; all vendor records and files; all cost related records and files; all Inventory records and files; all recipe and formulation records and files; all telephone and fax numbers; all web domain names; and all email accounts; and all other Intellectual Property Assets as defined in Section 1.5 of this Agreement, and including the following listing of US federal registration and US federal registration application matters, with items listed as "Dead" hereunder understood to be subject to claims of common law rights of Seller:

### 1.1 USPTO Registrations/Applications

| Serial No. | Reg. No. | Trademark Name |
|---|---|---|
| 76/665239 | 3259802 | Amber Essence |
| 76/394521 | 2749671 | Anjou Pear |
| 76/616216 | 3026000 | Anjou Pear |
| 76/636187 | 3172622 | Apricot Peach Coriander |
| 76/636186 | 3175626 | Apricot Peach Coriander |
| 76/603842 | 3061686 | Aromatic Burning Sticks |
| 76/626961 | 3061895 | Aromatic Candle Box with Color Claim |
| 76/612572 | 3077879 | Aromatic Collection |
| 76/603835 | 3273165 | Aromatic Collection |
| 76/603836 | 3273165 | Aromatic Collection |
| 76/041198 | 2554977 | Aromatic Collection: aromatic candle box |
| 76/504696 | 3038885 | Aromatic Collection: body/room mist box |
| 76/041197 | 2554976 | Aromatic Collection: burning sticks box |
| 76/504432 | 2890863 | Aromatic Collection: floating candle box |
| 76/041199 | 2584438 | Aromatic Collection: aromatic candle |
| 76/504433 | 2890864 | Aromatic Collection: pillar (short) |
| 76/092816 | 2699254 | Aromatic Collection: moisturizing soap box |
| 76/504449 | 2892674 | Aromatic Collection: pillar (tall) |
| 76/603841 | 3102670 | Aromatic Room Mist |



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|---|---|---|
| 76/665238 | | Lemon DesertFlower |
| 76/364394 | 2696855 | Mahogany |
| 76/636178 | 3195469 | Malabar Oak |
| 76/636179 | 3195470 | Malabar Oak |
| 76/612570 | 3080277 | Mandarin Grove |
| 76/978166 | 3139688 | Mandarin Grove |
| 76/394471 | 2720908 | Mandarine |
| 76/394470 | 2728815 | Mandarine |
| 76/613881 | | Mandarine |
| 76/394784 | 2713167 | Minted Pomegranate |
| 76/394785 | 2758232 | Minted Pomegranate |
| 76/613882 | 3121284 | Minted Pomegranate |
| 76/394466 | 2717264 | Moroccan Fig |
| 76/394467 | 2717265 | Moroccan Fig |
| 76/607961 | 3033700 | Moroccan Fig |
| 76/613883 | 3127427 | Moroccan Fig |
| 76/394518 | 2720910 | Mt. Airy Azalea |
| 76/616207 | 3025993 | Mt. Airy Azalea |
| 76/571740 | 2985971 | Murano |
| 76/564880 | 2985942 | Murano Collection |
| 76/603834 | 3214472 | Murano Collection: candle box |
| 76/394493 | 2749668 | Nantucket Christmas |
| 76/394499 | 3024971 | Newbury Holly |
| 76/616221 | 3026003 | Newbury Holly |
| 76/394460 | 2717260 | Night |
| 76/394461 | 2717261 | Night |
| 76/629604 | 3171937 | NOLA |
| 76/629605 | 3171938 | NOLA |
| 76/394487 | 2731597 | Paperwhite Narcissus |
| 76/665175 | | Pink Tangerine |
| 76/636188 | 3214167 | Pomegranate Teak |
| 76/636189 | 3214168 | Pomegranate Teak |
| 76/394486 | 3072388 | Prairie Sage |
| 76/394485 | 2990877 | Provencal Honey |
| 76/616217 | 3026001 | Provencal Honey |
| 76/636196 | 3108523 | Red Courage Poppy |

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**EXHIBIT 15**

# ASSIGNMENT OF TRADEMARK INTERESTS

WHEREAS, ASSIGNOR (VOTIVO, LTD., a corporation organized under the laws of the State of WASHINGTON, having a main business office at 3450 Fourth Avenue South, Seattle, Washington 98134), is the sole and exclusive owner of the common law trademarks United States Registrations and foreign registrations as included within Exhibit A attached hereto, and/or is the named Applicant of pending applications for federal registration (based on claimed use) as included within Exhibit A attached hereto;

WHEREAS, ASSIGNEE (VOTIVO, LLC, a limited liability company organized under the laws of the State of South Carolina, having a main business office at 951 South Pine Street, Suite 135, Spartanburg, South Carolina, 29302), is desirous of acquiring the aforesaid trademarks, registrations thereof and/or above-referenced pending use-based registration applications;

NOW, THEREFORE, be it known that for and in consideration of the sum of one dollar ($ 1.00) and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, ASSIGNOR hereby sells, transfers, and assigns to ASSIGNEE all rights, titles, and interests in and to the said trademarks, registrations thereof, and/or pending registration applications, together with the goodwill of the business symbolized thereby, and the Commissioner of Patents and Trademarks is requested to issue to ASSIGNEE as the owner of the full and exclusive title thereto all certificates of registration of the aforesaid marks based on the above-referenced applications.

FURTHER, ASSIGNOR assigns unto ASSIGNEE all right to sue for and to receive all damages occurring from past infringement of the trademarks and/or registrations referenced above.

ASSIGNOR further warrants that upon the request of ASSIGNEE it shall make all rightful oaths, testify on the behalf of ASSIGNEE in matters involving the trademarks, registrations and/or applications, referenced above, and do all other lawful acts reasonably necessary to carry out the intent of this Assignment, as well as to provide such other material, information, and/or assistance to ASSIGNEE as will be considered reasonably necessary in connection therewith.

IN WITNESS WHEREOF, Assignor hereby executes this Assignment by its duly authorized President at Seattle, Washington as of this 28th day of September 2007.

VOTIVO, LTD.

By _____
Edgar F. Lee, Its President

STATE OF WASHINGTON )
) ss.
COUNTY OF KING )

On September 29, 2007, I certify that I know or have satisfactory evidence that Edgar F. Lee is the person who appeared before me, and he acknowledged that he signed the foregoing instrument as President and on behalf of VOTIVO, Ltd., a Washington corporation, as his free and voluntary act and deed for the uses and purposes therein mentioned, being authorized to do so.

WITNESS my hand and official seal the date and year in this certificate written above.

MARK V. JORDAN NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 04-29-10

_____
NOTARY PUBLIC in and for the State of Washington, residing at Seattle.
My Commission expires: 4/29/2010



Exhibit: 15
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**EXHIBIT A**

**FOR**

**ASSIGNMENT OF TRADEMARK INTERESTS**



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| | | |
|---|---|---|
| 76/603840 | 3000225 | Garden Incense |
| 76/394520 | 2749670 | Gingered Currant |
| 76/616214 | 3025999 | Gingered Currant |
| 76/636223 | 3178969 | Gingered Tangerine |
| 76/636224 | 3178970 | Gingered Tangerine |
| 76/611644 | 3061794 | Gingersnap Set of 4 Aromatic Soaps Box |
| 76/611649 | 3052563 | Gingersnap 3 Wick Aromatic Candle Box |
| 76/610550 | 3025827 | Gingersnap Aromatic Candle Box |
| 76/611648 | 3052562 | Gingersnap Aromatic Room Mist Box |
| 76/394519 | 2749669 | Golden Fuji Apple |
| 76/610169 | 3088144 | Greenfield Melon |
| 76978196 | 3139692 | Greenfield Melon |
| 76/636182 | 3152599 | Greenmountain Papaya |
| 76/636183 | 3155735 | Greenmountain Papaya |
| 76/476559 | 2816468 | Joie De Noel |
| 76/476560 | 2816469 | Joie De Noel |
| 76/611645 | 3052560 | Joie De Noel Set of 4 Aromatic Soaps Box |
| 76/611647 | 3061795 | Joie De Noel 3 Wick Aromatic Candle Box |
| 76/611646 | 3052561 | Joie De Noel Aromatic Room Mist Box |
| 76/097649 | 2661470 | Joie De Noel: aromatic candle box |
| 76/636192 | 3172880 | Lavender Chamomile |
| 76/636193 | 3172881 | Lavender Chamomile |
| 76/394492 | 2749667 | Lavender Fields |
| 76/665238 | | Lemon Desertflower |
| 76/364394 | 2696855 | Mahogany |
| 76/636178 | 3195469 | Malabar Oak |
| 76/636179 | 3195470 | Malabar Oak |
| 76/612570 | 3080277 | Mandarin Grove |
| 76/978166 | 3139688 | Mandarin Grove |
| 76/394471 | 2720908 | Mandarine |
| 76/394470 | 2728815 | Mandarine |
| 76/394784 | 2713167 | Minted Pomegranate |
| 76/394785 | 2758232 | Minted Pomegranate |
| 76/613882 | 3121284 | Minted Pomegranate |
| 76/394466 | 2717264 | Moroccan Fig |
| 76/394467 | 2717265 | Moroccan Fig |
| 76/607961 | 3033700 | Moroccan Fig |

# ASSIGNMENT OF INTENT-BASED TRADEMARK INTERESTS

WHEREAS, ASSIGNOR (VOTIVO, LTD., a corporation organized under the laws of the State of WASHINGTON, having a main business office at 3450 Fourth Avenue South, Seattle, Washington 98134), is the sole and exclusive Applicant for registration of the trademark per a pending intent to use based application for federal registration per Exhibit B attached hereto;

WHEREAS, ASSIGNOR has intended to use in commerce the mark listed on the attached Exhibit B, and as indicating such intention, has filed an application for registration as per such Exhibit B, but has not yet filed any Allegation of Use pertaining to such pending application per Exhibit B;

WHEREAS, ASSIGNOR is assigning the mark and registration application set forth on Exhibit B as part of the entire business or portion thereof to which the mark referenced on Exhibit B pertains, as required by 15 US.C. Section 1060;

WHEREAS, ASSIGNEE (VOTIVO, LLC, a limited liability company organized under the laws of the State of South Carolina, having a main business office at 951 South Pine Street, Suite 135, Spartanburg, South Carolina, 29302), is desirous of acquiring the aforesaid trademark and/or above-referenced pending intent to use-based registration application, and the entire business or portion thereof to which the mark referenced on Exhibit B pertains, as required by 15 US.C. Section 1060;

NOW, THEREFORE, be it know that for and in consideration of the sum of one dollar ($ 1.00) and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, ASSIGNOR hereby sells, transfers, and assigns to ASSIGNEE all right, title, and interest in and to the said trademark and/or pending registration application referenced on Exhibit B, together with the goodwill of the business symbolized thereby, all in conjunction with ASSIGNEE acquiring the entire business or portion thereof to which the mark referenced on Exhibit B pertains, as required by 15 US.C. Section 1060, and the Commissioner of Patents and Trademarks is requested to issue to ASSIGNEE as the owner of the full and exclusive title thereto the certificate of registration of the aforesaid mark based on the above-referenced application.

FURTHER, ASSIGNOR assigns unto ASSIGNEE all right to sue for and to receive all damages occurring from past infringement of the trademark and/or registration matters referenced above.

ASSIGNOR further warrants that upon the request of ASSIGNEE it shall make all rightful oaths, testify on the behalf of ASSIGNEE in matters involving the trademark, registration and/or application, referenced above, and do all other lawful acts reasonably necessary to carry out the intent of this Assignment, as well as to provide such other material, information, and/or assistance to ASSIGNEE as will be considered reasonably necessary in connection therewith.

IN WITNESS WHEREOF, Assignor hereby executes this Assignment by its duly authorized officer at Seattle, Washington as of this 28th day of September, 2007.

VOTIVO, LTD

By _____
Edgar F. Lee, President

STATE OF WASHINGTON )
) ss.
COUNTY OF KING )

On September 28, 2007, I certify that I know or have satisfactory evidence that Edgar F. Lee is the person who appeared before me, and he acknowledged that he signed the foregoing instrument as President and on behalf of VOTIVO, LTD., a Washington corporation, as his free and voluntary act and deed for the uses and purposes therein mentioned, being authorized to do so.

WITNESS my hand and official seal the date and year in this certificate written above.

MARK V. JORDAN NOTARY PUBLIC COMMISSION EXPIRES 04-29-10 STATE OF WASHINGTON

_____
NOTARY PUBLIC in and for the State of Washington, residing at
SEATTLE
My Commission expires: 4/29/2010



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**EXHIBIT B**

**FOR**

**ASSIGNMENT OF ITU TRADEMARK INTERESTS**

| Serial No. | Trademark Name |
|---|---|
| 76/613881 | Mandarine |
| 76/612571 | Mandarin Grove |



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**EXHIBIT 16**

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

In the matter of Trademark Application Serial No. 76/613881
For the Mark MANDARINE
Published in the Official Gazette JUNE 5, 2007

| | |
|---|---|
| MINE DESIGN D/B/A/ OF AMAL FLORES (U.S.),<br><br>Opposer,<br><br>v.<br><br>VOTIVO, LTD., a Washington corporation,<br><br>Applicant,<br><br>VOTIVO, LLC, a South Carolina Limited Liability Company,<br><br>Defendant | DECLARATION OF ROBERT E. CALDWELL, JR. (1) IN OPPOSITION TO OPPOSER'S MOTION FOR SUMMARY JUDGMENT AND (2) IN SUPPORT OF CROSS-MOTION FOR SUMMARY JUDGMENT<br><br>Opposition No. 91178747 |

Robert E. Caldwell, Jr., declares and states as follows:

1. I am Executive Vice President of VOTIVO, LLC. I have personal knowledge of the following facts, and am competent to testify thereto.

2. I make this declaration in support of VOTIVO, Ltd.'s, and VOTIVO, LLC's, Opposition to Mine Design's Motion for Summary Judgment and in Support of Cross-Motion for Summary Judgment.

3. VOTIVO, LLC is in the business of designing, manufacturing and wholesaling aromatic products for home and personal care, including candles, tapers,

skin soap, scented body spray, scented room spray, incense, bath salts, and hand lotion, under a wide variety of trademarks, including Mandarine (collectively, the "Marks").

4. VOTIVO, LLC is a limited liability company based in Spartanburg, South Carolina.

5. On September 28, 2007, VOTIVO, LLC, and VOTIVO, Ltd., a Washington corporation, executed an Intellectual Property, Inventory, and other Physical Property Asset Purchase and Transfer Agreement ("Asset Agreement") wherein VOTIVO, LLC acquired, among other things, all rights for the VOTIVO, Ltd. products at issue in this matter, including the trademark registrations and other intellectual property rights for United States P.T.O. Registration Nos. 2720908 (candles and tapers) and 2728815 (skin soap, scented body spray, scented room spray, and incense), and Serial No. 76/613881 (bath salts and hand lotion), all for the mark "Mandarine."

6. To my knowledge, the business and operations of VOTIVO, LLC, including the product development and design process, product marketing, products sales, manufacturing, operations, and ongoing efforts to manage and protect intellectual property, especially in connection with home and personal care products bearing the mark "Mandarine," are the substantially the same as the business and operations of VOTIVO, Ltd. as of September 27, 2007.

7. I have reviewed the May 5, 2005 Declaration of Edgar Lee, former President of VOTIVO, Ltd., that is attached to the Declaration of Steven W. Edmiston, VOTIVO's counsel in this matter. During the due diligence process that

occurred by and between VOTIVO, LLC and VOTIVO, Ltd. prior to the September 28, 2007 Asset Agreement, and subsequent thereto, I have also reviewed the history of VOTIVO, Ltd.'s product development and design process, product marketing, products sales, manufacturing, operations, and intellectual property management and protection. Based upon my own personal knowledge and the extensive due diligence process, I agree with the statements set forth in Mr. Lee's 2005 Declaration, and believe that to the extent they pertain to VOTIVO, LLC, home and personal care products bearing the mark "Mandarine," including bath salts and hand lotion, they remain true today.

8. To this day, VOTIVO, LLC maintains an aggressive intellectual property protection policy and vigorously defends its Marks against unlawful infringement by third parties.

9. To this day, VOTIVO LLC sells its aromatic products, including bath salts and hand lotions, in the United States through a network of approximately 6,659 retailers such as Saks Fith Avenue, Neiman Marcus and Nordstrom's, as well as home furnishing boutiques, specialty gift stores and retail websites.

10. VOTIVO utilizes a hired-sales force of 28 persons through its affiliate, Grace Direct, Inc. to cover the U.S.A.

11. For the 2008 fiscal year VOTIVO has budgeted $314,700 for product development and marketing.

12. The Marks are promoted in a permanent showroom in Atlanta as well as at 10 trade shows in Chicago, Dallas, Los Angeles and New York with a budget of $192,008 for this activity.

13. Thousands of competing manufacturers and retailers in the aromatic products and gift industries attend the trade shows.

14. The determination of an aromatic home or personal care product name is a highly creative process that is not always dictated by the precise fragrance ingredients of the product. Instead, the product scent name is usually inspired by emotions, moods, fantasies, or feelings evoked by a particular product aroma.

15. The aromatic products manufactured and sold by VOTIVO, including bath salts and hand lotions, are a mixture of various synthetic and natural compounds. These compounds contain top notes, middle notes, and base notes which are layered together to suggest certain moods, thoughts, and/or feelings. The interpretation of a particular product aroma is highly subjective and different people often have different interpretations of the same product aroma.

16. Except for this opposition case, to my knowledge, as long as VOTIVO, LLC or VOTIVO, Ltd. has been selling aromatic products, neither company has ever received a single claim that the product name for a bath salt or hand lotion was a generic term for the actual product. Nor has VOTIVO, LLC ever received any information from any consumer or competitor suggesting that the term "Mandarine" referred to "bath salts" as a category of goods, or that it referred to "hand lotion" as a category of goods.

17. Similarly, except for this opposition case, to my knowledge no consumer or competitor has ever maintained with VOTIV0, LLC that the term "Mandarine" referred to "scented bath salts" or "scented hand lotion" as a category of goods.

18. I am unaware of any survey, dictionary definition, trade journal, newspaper or other publication using the term "Mandarine" (Mandarin) for any purpose other than in reference to a Chinese language dialect, or a fruit.

19. To the best of VOTIVO's knowledge, there is no 100% Mandarine bath salt or hand lotion product on the market.

I declare under penalty of perjury under the laws of the state of South Carolina that the foregoing is true and correct to the best of my knowledge and belief.

EXECUTED at Spartanburg, South Carolina this 12th day of March 2008.

Robert E. Caldwell, Jr., Declarant

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**EXHIBIT 17**

THE HONORABLE MARSHA J. PECHMAN

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

| | |
|---|---|
| VOTIVO, LTD., a Washington corporation,<br><br>Plaintiff,<br><br>v.<br><br>TYLER CANDLE COMPANY, LLC, a Texas limited liability company,<br><br>Defendant. | NO. CV03-2661P<br><br>DECLARATION OF EDGAR F. LEE IN SUPPORT OF PLAINTIFF'S RESPONSE TO DEFENDANT'S MOTION FOR SUMMARY JUDGMENT AND MEMORANDUM IN SUPPORT THEREOF |

EDGAR F. LEE, declares and states as follows:

1. I am the President of VOTIVO, Ltd., over the age of eighteen (18) years and have personal knowledge of the following facts, and am competent to testify thereto.

2. I make this declaration in support of Plaintiff's Response to Tyler Candle Company's Motion for Summary Judgment and Memorandum in Support Thereof.

3. VOTIVO is a Washington corporation based in Seattle. VOTIVO is in the business of designing, manufacturing and wholesaling aromatic products, namely, scented candles under the trademarks RED CURRANT, GINGERED CURRANT, PAPERWHITE NARCISSUS, MANDARINE, and CLEAN CRISP WHITE, (the "Marks").



INVICTA LAW GROUP, PLLC
1000 SECOND AVENUE, SUITE 3310
SEATTLE, WA 98104-1019
FAX (206) 903-6365
TEL (206) 903-6364

4. Due to the continued strong sales and popular acclaim of the Marks, VOTIVO filed for federal trademark registrations for the Marks on April 11, 2002. VOTIVO was issued Trademark Registration No. 2,711,059 for CLEAN CRISP WHITE on April 29, 2003; Registration Nos. 2,720,907 for RED CURRANT and 2,720,908 for MANDARINE on June 3, 2003; Registration No. 2,731,597 for PAPERWHITE NARCISSUS on July 1, 2003; and Registration No. 2,749,670 for GINGERED CURRANT on August 12, 2003.

5. VOTIVO maintains an aggressive intellectual property protection policy and vigorously defends its Marks against unlawful infringement by third parties.

6. VOTIVO sells its aromatic products in the United States, Canada, and Europe through a network of approximately 11,900 retailers and distributors such as home furnishing boutiques, specialty gift stores and retail websites.

7. The Marks are promoted in permanent showrooms throughout the United States in cities such as Columbus, Chicago, Minneapolis, Atlanta, Kansas City, Seattle, Los Angeles, New York, San Francisco and Dallas.

8. VOTIVO spends approximately $120,000 to $150,000 per year promoting the Marks nationally and internationally at over 24 trade shows in cities such as Atlanta, Dallas, Los Angeles, Seattle, New York, San Francisco, Boston and Denver.

9. These trade shows are attended by thousands of competing manufacturers and retailers in the aromatic products and gift industries. It is a common practice for attendees and participants of these trade shows to walk the shows to observe the booths of competitors and to stay aware of emerging trends in the market.



INVICTA LAW GROUP, PLLC
1000 SECOND AVENUE, SUITE 3310
SEATTLE, WA 98104-1019
FAX (206) 903-6365
TEL (206) 903-6364

10. The determination of an aromatic candle name is a highly creative process that is not always dictated by the precise fragrance ingredients of the candle. Instead, the candle scent name is usually inspired by emotions, moods, fantasies, or feelings evoked by a particular candle aroma.

11. The aromatic candles manufactured and sold by VOTIVO are a mixture of various synthetic and natural compounds. These compounds contain top notes, middle notes, and base notes which are layered together to suggest certain moods, thoughts, and/or feelings. The interpretation of a particular candle aroma is highly subjective and different people often have different interpretations of the same candle aroma.

12. In the past eight plus years that VOTIVO has been selling aromatic candles, not a single complaint has been received alleging that a candle scent name was misdescriptive of the actual candle scent. In addition, not a single complaint has ever been received alleging that a candle was defective because it did not actually contain the ingredient suggested by the candle scent name.

13. To the best of VOTIVO's knowledge, there is no 100% natural Narcissus product on the market.

14. In early January, 2003, VOTIVO discovered Defendant selling candles under the trade names Red Currant, Gingered Currant, Narcissus Paperwhite, Mandarin, and Crisp White.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.



INVICTA LAW GROUP, PLLC
1000 SECOND AVENUE, SUITE 3310
SEATTLE, WA 98104-1019
FAX (206) 903-6365
TEL (206) 903-6364

EXECUTED AT SAN FRANCISCO, CALIFORNIA this 7th day of February, 2005.

Edgar F. Lee



INVICTA LAW GROUP, PLLC
1809 SECOND AVENUE, SUITE 1310
SEATTLE, WA 98104-1013
FAX (206) 903-0365
TEL (206) 903-0364

97863.1

**EXHIBIT 18**

Int. Cl.: 3

Prior U.S. Cls.: 1, 4, 6, 50, 51 and 52

United States Patent and Trademark Office

Reg. No. 2,728,815

Registered June 24, 2003

# TRADEMARK
## PRINCIPAL REGISTER

# MANDARINE

VOTIVO, LTD. (WASHINGTON CORPORATION)
3450 4TH AVENUE S.
SEATTLE, WA 98134

FOR: SKIN SOAP, SCENTED BODY SPRAY, SCENTED ROOM SPRAY, AND INCENSE, IN CLASS 3 (U.S. CLS. 1, 4, 6, 50, 51 AND 52).

FIRST USE 1-2-1997; IN COMMERCE 1-2-1997.

THE ENGLISH TRANSLATION OF "MANDARINE" IS "MANDARIN".

SEC. 2(F).

SER. NO. 76-394,470, FILED 4-11-2002.

ALICIA COLLINS, EXAMINING ATTORNEY

97863.1

**EXHIBIT 19**

Int. Cl.: 4

Prior U.S. Cls.: 1, 6 and 15

Reg. No. 2,720,908

Registered June 3, 2003

United States Patent and Trademark Office

# TRADEMARK
## PRINCIPAL REGISTER

# MANDARINE

VOTIVO, LTD. (WASHINGTON CORPORATION)
3450 4TH AVENUE S.
SEATTLE, WA 98134

FOR: CANDLES AND TAPERS, IN CLASS 4 (U.S. CLS. 1, 6 AND 15).

FIRST USE 1-2-1997; IN COMMERCE 1-2-1997.

THE ENGLISH TRANSLATION OF "MANDARINE" IS "MANDARIN".

SEC. 2(F).

SER. NO. 76-394,471, FILED 4-11-2002.

ALICIA COLLINS, EXAMINING ATTORNEY

97863.1

**EXHIBIT 20**

TRADEMARK APPLICATION
(Principal Register; Intended Use)

**Mark:** MANDARINE
**Class No.:** 003

To the Commissioner of Patents and Trademarks:

VOTIVO, LTD.
A corporation organized under the laws of the state of Washington
3450 4th Avenue S.
Seattle, WA 98134

The above-identified applicant requests registration of the trademark shown in the accompanying drawing for

**Bath salts and hand lotion**

and requests that said mark be registered in the United States Patent and Trademark Office on the Principal Register established by the Act of July 5, 1946 as amended.

The basis for this application is that applicant has a bona fide intention to use the mark in commerce on or in connection with the above-identified goods. (15 U.S.C. § 1051(b).) The manner or mode in which applicant intends to use the mark on or in connection with the goods is by applying it to packaging, websites, brochures and in other ways customary in the trade.

Applicant is the owner of U.S. Patent and Trademark Office Registration Nos. 2728815 and 2720908.

Applicant hereby appoints Mark V. Jordan, attorney at law, with the law firm Invicta Law Group, PLLC, 1000 Second Avenue, Suite 3310, Seattle, Washington 98104-1019, telephone: (206) 903-6364, fax: (206) 903-6365, to prosecute this application to register, to transact all business in the Patent and Trademark Office in connection therewith, and to receive the certificate of registration.

EDGAR F. LEE, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any registration resulting therefrom, declares:

That he is President of said corporation; that he believes said corporation to be the owner of the trademark sought to be registered; that applicant had bona fide intention to use the mark in commerce on or in connection with the goods listed in the application since the filing date of the application; that to the best of his knowledge and belief no other person, firm, corporation, or association has the right to use said mark in commerce, either in the identical form or in such near resemblance thereto as may be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive; that the facts set forth in this application are true; and that all statements made of his own knowledge are true and that all statements made on information and belief are believed to be true.

VOTIVO, LTD.

September 22, 2004
Date

By Edgar F. Lee
Edgar F. Lee, Its President



Exhibit: 20
Page: 175

| | |
|---|---|
| Applicant's Name: | VOTIVO, LTD. |
| Applicant's Address: | 3450 4th Avenue S.<br>Seattle, WA 98134 |
| The Goods: | Bath salts and hand lotion |

The mark is presented in standard character format without claim to any particular font style, size, or color.

DRAWING PAGE

# MANDARINE

UNITED STATES POSTAL SERVICE.

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SARA ZIMMERMAN:

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Delivery Section

Signature of Recipient: D Barfield
D. BARFIELD

Address of Recipient: PTO 2900

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,

United States Postal Service

Exhibit: 20
Page: 178

97863.1

**EXHIBIT 21**

# UNITED STATES PATENT AND TRADEMARK OFFICE

MAY - 3 200

**SERIAL NO:** 76/613881

**APPLICANT:** VOTIVO, LTD.

**CORRESPONDENT ADDRESS:**
MARK V. JORDAN
INVICTA LAW GROUP, PLLC
1000 2ND AVE STE 3310
SEATTLE WA 98104-1019

**RETURN ADDRESS:**
Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451

**MARK:** MANDARINE

**CORRESPONDENT'S REFERENCE/DOCKET NO:** N/A

**CORRESPONDENT EMAIL ADDRESS:**

Please provide in all correspondence:

1. Filing date, serial number, mark and applicant's name.
2. Date of this Office Action.
3. Examining Attorney's name and Law Office number.
4. Your telephone number and e-mail address.

MAY - 5 2005

## EXAMINER'S AMENDMENT/PRIORITY ACTION

RE: Serial Number 76613881

**QUESTIONS:** Please contact the assigned attorney with any additional questions.

**RESPONSE TIME LIMIT:** TO AVOID ABANDONMENT, THE OFFICE MUST RECEIVE A PROPER RESPONSE TO THIS OFFICE ACTION WITHIN 6 MONTHS OF THE MAILING OR E-MAILING DATE. *If Applicant responds to the issues below within two months of the above mailing or e-mailing date, this case will be given priority handling.*

**ADVISORY—AMENDMENTS TO GOODS:** If the goods have been amended below, any future amendments must be in accordance with 37 C.F.R. § 2.71(a) and TMEP § 1402.07(e).

### OFFICE RECORDS SEARCH—NO CONFLICTING MARKS

The Office records have been searched and no similar registered or pending mark has been found that would bar registration under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d) (2003). TMEP § 704.02.

### EXAMINER'S AMENDMENT

**AMENDMENTS AUTHORIZED:** As authorized by, Mark V. Jordan, Esq., on April 27, 2005, the application is amended as noted below. *If Applicant disagrees with or objects to any of the*

*amendments below, please notify the undersigned attorney immediately, otherwise, no response is necessary. See* TMEP § 707.

**TRANSLATION OF FOREIGN WORDING**

The following translation statement is added to the record:

The English translation of the French word "MANDARINE" is "MANDARIN."

37 C.F.R. § 2.61(b); *see* TMEP § 809.

**CLAIM OF OWNERSHOP OF PRIOR REGISTRATION**

The following claim of ownership is added to the record:

Applicant is the owner of U.S. Registration No. 2728815.

37 C.F.R. § 2.36; TMEP § 812.

**PRIORITY ACTION**

Applicant must respond to each requirement or refusal raised below. If Applicant responds to the issues below within two months of the above mailing or e-mailing date, this case will be given priority handling. TMEP §§ 708.01, 708.05.

**REGISTRATION REFUSAL—MERELY DESCRIPTIVE OR MISDESCRIPTIVE**

Registration is refused pursuant to Section 2(e)(1) of the Trademark Act because the proposed mark merely describes an ingredient of Applicant's goods. 15 U.S.C. § 1052(e)(1); *see* TMEP §§ 1209.01(b), 1209.03(k).

In the present case, Applicant applied to register the mark "MANDARINE" for goods in International Class 3, to wit, "bath salts and hand lotion."

Pursuant to Section 2(e)(1), a mark that merely describes an ingredient, quality, characteristic, function, feature, purpose or use of the relevant goods or services is merely descriptive and therefore refused registration on the Principal Register. 15 U.S.C. § 1052(e)(1); *see In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987); *In re Bed & Breakfast Registry*, 791 F.2d 157, 229 USPQ 818 (Fed. Cir. 1986); *In re MetPath Inc.*, 223 USPQ 88 (TTAB 1984); *In re Bright-Crest, Ltd.*, 204 USPQ 591 (TTAB 1979).

Applicant's mark is the word "MANDARINE;" mandarin oil (or mandarine oil) is a common natural ingredient in cosmetics, perfumery, and skincare and bath products, promoted in the personal care industry for balancing and toning the skin. *See, e.g., Naturally Based Skin Care*, SOAP & COSMETICS, July 1, 1999, at 19; *see* attached evidence from LexisNexis™, Google™ and other Internet sites. Since the proposed mark identifies an ingredient contained in Applicant's goods, it is therefore merely descriptive. For this reason, Applicant's mark is refused registration on the Principal Register.

In the alternative, registration is refused because the proposed mark is deceptively misdescriptive of Applicant's goods. *See* TMEP § 1209.04. A mark is deceptively misdescriptive if it describes an ingredient, quality, characteristic, function or feature of the relevant goods or services, and the description conveyed by the mark is both false and plausible. *In re Woodward & Lothrop Inc.*, 4 USPQ2d 1412 (TTAB 1987) (CAMEO held deceptively misdescriptive of jewelry); *In re Ox-Yoke Originals, Inc.*, 222 USPQ 352 (TTAB 1983) (G.I. held deceptively misdescriptive of gun cleaning patches, rods, brushes, solvents and oils). If mandarin oil is not an ingredient in Applicant's goods and the idea conveyed by the mark is false and plausible, then the mark is deceptively misdescriptive. Marks that have been refused registration pursuant to Section 2(e)(1) on the ground of deceptive misdescriptiveness may be registrable on the Principal Register under Section 2(f) upon a showing of acquired distinctiveness, or on the Supplemental Register. 15 U.S.C. §§ 1052(f), 1091. However, marks that are deceptive under Section 2(a) are not registrable on either the Principal Register or the Supplemental Register under any circumstances.

Although the examining attorney has refused registration, Applicant may respond to the refusal to register by submitting evidence and arguments in support of registration.

**REGISTRATION PURSUANT TO SECTION 2(F) BASED ON PRIOR REGISTRATION**

Applicant may seek Principal Register registration under Trademark Act Section 2(f), 15 U.S.C. § 1052(f), by claiming acquired distinctiveness through ownership of U.S. Registration 2728815.

To do so, applicant must submit the following statement, if accurate:

The mark has become distinctive of the goods as evidenced by ownership of U.S. Registration 2728815 on the Principal Register for the same mark for related goods.

37 C.F.R. § 2.41(b); *see* TMEP § 1212.04.

**GENERAL INFORMATION**

**NOTICE: FEE CHANGE**

Effective January 31, 2005, and pursuant to the Consolidated Appropriations Act, 2005, Pub. L. 108-447, the following are the fees that will be charged for filing a trademark application:

(1) $325 per international class if filed electronically using the Trademark Electronic Application System (TEAS); or

(2) $375 per international class if filed on paper

These fees will be charged not only when a new application is filed, but also when payments are made to add classes to an existing application. If such payments are submitted with a TEAS response, the fee will be $325 per class, and if such payments are made with a paper response, the fee will be $375 per class.

The new fee requirements will apply to any fees filed on or after January 31, 2005.

**NOTICE: TRADEMARK OPERATION RELOCATION**

The Trademark Operation has relocated to Alexandria, Virginia. Effective October 4, 2004, all Trademark-related paper mail (except documents sent to the Assignment Services Division for recordation, certain documents filed under the Madrid Protocol, and requests for copies of trademark documents) must be sent to:

**Commissioner for Trademarks**
**P.O. Box 1451**
**Alexandria, VA 22313-1451**

Applicants, attorneys and other Trademark customers are strongly encouraged to correspond with the USPTO online via the Trademark Electronic Application System (TEAS), at http://www.uspto.gov/teas/index.html.

/Judy Helfman/
Judith M. Helfman
USPTO - Trademarks
Law Office 114
(571) 272-5892 direct line

**HOW TO RESPOND TO THIS OFFICE ACTION:**

- ONLINE RESPONSE: You may respond formally using the Office's Trademark Electronic Application System (TEAS) Response to Office Action form (visit http://www.uspto.gov/teas/index.html and follow the instructions, but if the Office Action has been issued via email, you must wait 72 hours after receipt of the Office Action to respond via TEAS).
- REGULAR MAIL RESPONSE: To respond by regular mail, your response should be sent to the mailing return address above and include the serial number, law office number and examining attorney's name in your response.

**STATUS OF APPLICATION:** To check the status of your application, visit the Office's Trademark Applications and Registrations Retrieval (TARR) system at http://tarr.uspto.gov.

**VIEW APPLICATION DOCUMENTS ONLINE:** Documents in the electronic file for pending applications can be viewed and downloaded online at http://portal.uspto.gov/external/portal/tow.

**GENERAL TRADEMARK INFORMATION:** For general information about trademarks, please visit the Office's website at http://www.uspto.gov/main/trademarks.htm

**Serial Number 76613881** **Attachment # 1 allured**

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Cosmetics and Toiletries June, 1992 (Copy w/ Cite)
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Pages:

Source: News & Business > News > News, All (English, Full Text)
Terms: mandarine oil (Edit Search)

*Cosmetics and Toiletries June, 1992*

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ASAP
Copyright 1992 Allured Publishing Corporation
Cosmetics and Toiletries

June, 1992

**SECTION:** Vol. 107 ; No. 6 ; Pg. 49; ISSN: 0361-4387

**LENGTH:** 2877 words

**HEADLINE:** Fragrances and VOC regulations; volatile organic compounds emissions regulations affecting fragrance industry

**BODY:**
... fragrance materials are complex mixtures of many organic compounds. For example, * Jasmin oil contains about 400 known chemical compounds. * Rose oil contains about 275 known chemical compounds. * Mandarine oil contains about 120 known chemical compounds. * Bergamot oil contains more than 65 known chemical compounds.

These natural materials contain organic chemicals such as terpenes, alcohols, esters, aldehydes, ketones, ethers and ...

Source: News & Business > News > News, All (English, Full Text)
Terms: mandarine oil (Edit Search)
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Pages:

St. Louis Post-Dispatch (Missouri) September 30, 2004 Thursday Five Star Late Lift Edition (Copy w/ Cite)

Source: News & Business > News > By Country & Region > United States > US Newspapers and Wires
Terms: mandarin oil (Edit Search)

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*St. Louis Post-Dispatch (Missouri) September 30, 2004 Thursday Five Star Late Lift Edition*

Copyright 2004 St. Louis Post-Dispatch, Inc.
St. Louis Post-Dispatch (Missouri)

September 30, 2004 Thursday Five Star Late Lift Edition

**SECTION:** EVERYDAY MAGAZINE; Pg. F04

**LENGTH:** 17 words

**HEADLINE:** fragrances flourish

**BYLINE:** Compiled Lisa Jones Townsel

**BODY:**
Complete your look this season with a fragrance that fits your mood, style and scents-abilities.

**GRAPHIC:** photo; (1) Color Photo - The spotlight shines on YVES SAINT LAURENT'S CINEMA eau de parfum spray ($60, 1.6 fl. oz, Saks Fifth Avenue and select department stores after Friday), which is decidedly a floral essence building on hints of clementine, almond tree blossoms, amaryllis and amber. (2) Color Photo - PRADA'S heady scent by the same name ($65, 1.7 eau de parfum spray, Neiman Marcus) is sweetly mellow thanks to essences of bergamot and mandarin oils, rose, patchouli and sandalwood. (3) Color Photo - CLEAN PROVENCE attempts to capture the pristine scent of "pure soap and water" with its new French milled soap fragrance eau de parfum ($76, 2.14 fl oz., www.cleanperfume.com, Nordstrom and Sephora, West County Center). (4) Color Photo - DAVIDOFF COOL WATER DEEP ($42, 1.7 fl oz Famous-Barr, Dillard's) is coined as a woody aromatic with hints of mandarin, clary sage, cedar, hinoki woods and white musk. (5) Color Photo - KENNETH COLE'S REACTION ($42.50, 1.7 fl oz, department stores and Kenneth Cole New York, St. Louis Galleria) is a clean, after-shower spritz. Fruity scents of lime, green apple and watermelon provide a playfulness to balance the more serious patchouli and musk undertones. (6) Color Photo - RALPH LAUREN'S highly refined LAUREN STYLE has quirky combinations of tangerine and kumquat, lime and orange flower, gardenia, patchouli and musk ($47.50, 2.5 fl oz., department stores and at www.polo.com).

**LOAD-DATE:** September 30, 2004

Source: News & Business > News > By Country & Region > United States > US Newspapers and Wires
Terms: mandarin oil (Edit Search)
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Serial Number 76613881 Attachment # 3 dermaxime-1

http://www.dermaxime.com/mandarin_oil.htm 04/29/2005 12:47:24 PM

Dermaxime

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Sitemap

## Mandarin oil as skincare ingredient

Mandarin oil is extracted from Citrus reticulata (also known as Citrus nobilis, madurensis, unshiu, deliciosa) and is used in some specialized skincare and cosmetic products.

Dermaxime
The natural choice in skin care.

Mandarin oil is sweet and tangy and the color of the oil yellowy orange and the main chemical components of Mandarin oil are a-pinene, camphene, sabinene, ß-pinene, myrcene, limonene, linalool, citronellal, terpineol-4-ol, nerol and geranial.

### The therapeutic properties of mandarin oil

Therapeutic properties of mandarin oil in skincare are antiseptic and tonic.

It is a great ingredient to help purify and re-balance the skin and for promoting a fine textured skin, while at the same time fighting minor infections and skin problems.

Using high concentrations of Mandarin oil, could cause photo-sensitivity when the skin is exposed for a period of time to sunlight, and although the concentration used in our products does not reach that level, we would however advise not to sunbathe while using the Problem Skin Moisturizing Day Gel.

Mandarin essential oil is used in the following products:

- Problem Skin Wash
- Problem Skin Night Cream
- Problem Skin Moisturizing Day Gel

Some manufacturers claim to have no preservatives in their products, which would make for a very unstable and unsafe product, while on the other hand, some misinformation is circulated on the internet regarding cosmetic ingredients, and with this in mind we supply full particulars regarding each ingredient used in our products to place it all in perspective.

Please see our page regarding our formulations. We further believe that our clients have the right to know about all the ingredients used in our products.

a-Bisabolol
Almond Oil

Exhibit: 21
Page: 185

Serial Number 76613881 Attachment # 4 dermaxime-2



Aloe vera oil
Alpha hydroxy acid
Alpha lipoic acid
Aloin
Aluminum potassium sulphate
Ammonia lauryl sulphate
Apricot kernel oil
Apricot kernel powder
Aqua
Avocado oil
Beeswax
Benzoin oil
Bergamot oil
Borage oil
Calendula oil
Carbomer
Carrot seed oil
Centella asiatica extract
Cetearyl alcohol
Cetyl alcohol
Chamomile oil
Clary Sage oil
Cypress oil
Dehydroacetic acid
EDTA
Elderflower extract
Elemi oil
Ethanol
Evening primrose oil
Fennel oil
Frankincense oil
Geranium oil
Ginkgo biloba extract
Glycerin
Grapeseed oil
Helichrysum oil
Hempseed oil
Horsetail extract
Hydrogenated polydecene
Hyssop oil
Iodopropynyl urea
Jacaranda oil
Ivy extract
Jojoba oil
Kaolin
Lady's mantle extract
Lavender oil
Lemon oil
Lime oil
Mandarin oil
Methyl paraben
Mixed fruit acids
Myrrh oil
Myrtle oil
Neroli oil
Oats extract

Exhibit: 21
Page: 186

**Serial Number 76613881** **Attachment # 5 chaindrug**

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Chain Drug Review September 28, 1998 (Copy w/ Cite)

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*Chain Drug Review September 28, 1998*

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Chain Drug Review

September 28, 1998

**SECTION:** No. 16, Vol. 20; Pg. 33; ISSN: 0164-9914

**IAC-ACC-NO:** 54105128

**LENGTH:** 1201 words

**HEADLINE:** Category takes on new look.

**BODY:**
... All four of the body products are formulated to have moisturizing properties.

Sunny's scent is described as a clean, bright floral with a zesty touch of citrus. Its notes include essential oils of osmanthas, mimosa and Italian mandarin oil. The fragrance is said to evoke "a sun-kissed meadow on a golden morning."

The suggested prices for the products in the line range from $ 10.95 for the 1.8-ounce cologne spray to $ 4.15 ...

Source: News & Business > News > Magazine Stories, Combined
Terms: mandarin oil (Edit Search)
View: KWIC ± 25
Date/Time: Friday, April 29, 2005 - 12:52 PM EDT

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Exhibit: 21
Page: 187

Serial Number 76613881 Attachment # 6 soap&cosme

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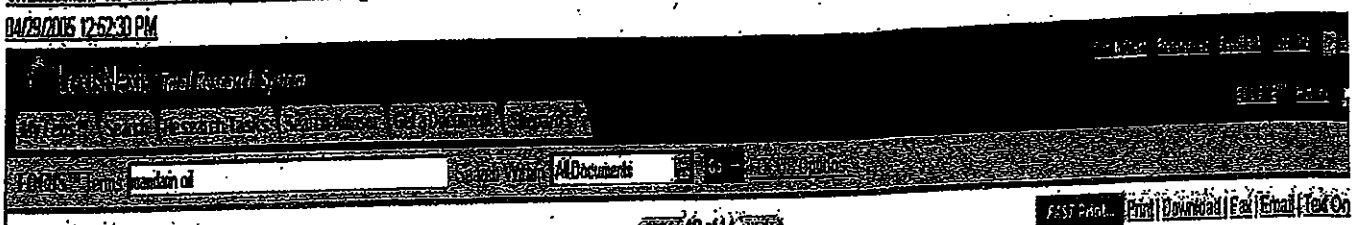


*Soap & Cosmetics July 1, 1999*

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Soap & Cosmetics

July 1, 1999

SECTION: No. 7, Vol. 75; Pg. 19

IAC-ACC-NO: 55360830

LENGTH: 193 words

HEADLINE: NATURALLY BASED SKIN CARE; Brief Article

BODY:
L'Occitane has launched a new line of body and skin care products. Products are classified according to the skin type it is intended for. For normal skin, the company offers Gentle Make-Up Remover Cream-Gel, with lemon, eucalyptus, juniper, lavender, ylang ylang and mandarin oils; Toning Lotion, an alcohol-free lotion with a gentle astringent; Moisturizing Active Care, with UVA and UVB protection; and Moisturizing Radiance Face Mask. For dry/sensitive skin, the company has developed Very Mild Cleansing Lotion, which contains essential oils, shea butter and almond extract; Gentle Calming Spray; Nourishing Protective Care, with evening primrose oil and UVA/UVB filters; and Soothing Exfoliating Face Mask. To treat combination/oily skin, it offers Purifying Foaming Gel, a gentle gel that cleanses the skin and closes the pores; Clarifying Toner; Lavender Vinegar, an astringent lotion that is rich in essential oils; Matte Finish Rebalancing Cream, which helps compensate sebaceous imbalances; and Clarifying and Exfoliating Face Mask. There are also specialized products such as anti-aging and eye care. Prices range from $ 15 to $ 34.

IAC-CREATE-DATE: August 30, 1999

LOAD-DATE: August 31, 1999

Source: News & Business > News > Magazine Stories, Combined
Terms: mandarin oil (Edit Search)

Serial Number 76613881 Attachment # 7 google-1

http://www.google.com/search?hl=en&lr=&q=%22mandarin+oil%22 04/29/2005 12:53:44 PM

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"mandarin oil" Search Advanced Search Preferences

Web Results 1 - 10 of about 899 for "mandarin oil". (0.07 seconds)

**Some specialized skincare and cosmetic formulas include Mandarin ...**
Mandarin oil is included as a skincare and cosmetic ingredient since it helps to purify and re-balance the skin, while promoting a fine textured skin and ...
www.dermazone.com/mandarin_oil.htm - 19k - Cached - Similar pages

**Mandarin Aromatherapy Essential Oil by Power Health, Aromatherapy UK**
... of York (Power Health Products) have produced this high quality Aromatherapy oil by carefully blended pure essential Mandarin oil with Sweet Almond Oil. ...
www.worldwideshoppingmall.co.uk/ body_soul/mandarin-aromatherapy-essential-oil.asp - 22k - Cached - Similar pages

**Mandarin oil supplies and aromatherapy resources from Aromantic.**
Mandarin oil, sourced from the highest quality producers. Shipped internationally. Make your own natural essential oil recipes.
www.aromantic.co.uk/info/mandarin-oil.htm - 14k - Cached - Similar pages

**Mandarin Oil**
... Mandarin Oil. » printer friendly version. Copyright © HealthPoint. Introduction Botanical name - Citrus reticulata var mandarin. ...
au.health.yahoo.com/041101/25/1usy.html?r=967507545 - 29k - Cached - Similar pages

**Mandarin Oil 13ml**
Mandarin is a strengthening and soothing oil that fosters a sense of tranquility. It is an excellent digestive remedy. It is known on France as the ...
www.discountnaturalhealth.com/prod1383.htm - 18k - Cached - Similar pages

**Natural skin care products using the Essential Oil Mandarin**
... Mandarin Oil is part of the suite of essential oils used in body toning ... Mandarin oil is a gentle restorative, sedative and tonic and has been used ...
www.wildcrafted.com.au/Mandarin.html - 20k - Cached - Similar pages

**mandarin oil**
... Synonyms: citrus reticulata blanco var. mandarin oil Italy Odor Description: Fresh

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Mandarin oil
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Exhibit: 21
Page: 189

Serial Number 76613881 Attachment # 8 google-2

http://www.google.com/search?hl=en&lr=&q=%22mandarin+oil%22 04/29/2005 12:53:44 PM

... Synonyms :, citrus reticulata blanco var. mandarin oil Italy. Odor Description :, Fresh Orange Mandarin. Appearance :, Pale Yellow Liquid ...
www.thegoodscentscompany.com/data/es10080111.html - 4k - Cached - Similar pages

Mandarin essential oil (Citrus reticulata) - information on the ...
Look at this page for all the information on Mandarin oil, and what it can be used ... Mandarin oil is extracted from Citrus reticulata (aka Citrus nobilis, ...
www.essentialoils.co.za/essential_oils/mandarin.htm - 16k - Cached - Similar pages

Mandarin Oil - Green From Well Naturally Products -
Mandarin oil - Citrus nobilis, produced in Italy by expression from the peel, reputed properties include: Antiseptic, antispasmodic, carminative, digestive, ...
www.wellnaturally.ca/essential_oils/mandarin_oil.html - 12k - Cached - Similar pages

Mandarin Essential Oil from Natural Healing
... Pressed from the peels, mandarin oil emits a flowery, sweet aroma, ... Mandarin oil is slightly yellow and leaves a residue in the aroma lamp. ...
www.pride-net.com/oils/mandarin.htm - 4k - Cached - Similar pages

Buy Specialty Chemicals and Laboratory Equipment and Supplies
www.ScienceLab.com

Mandarin Red Oil
Well Naturally Products. For all Soap Making and Aromatherapy
www.wellnaturally.com

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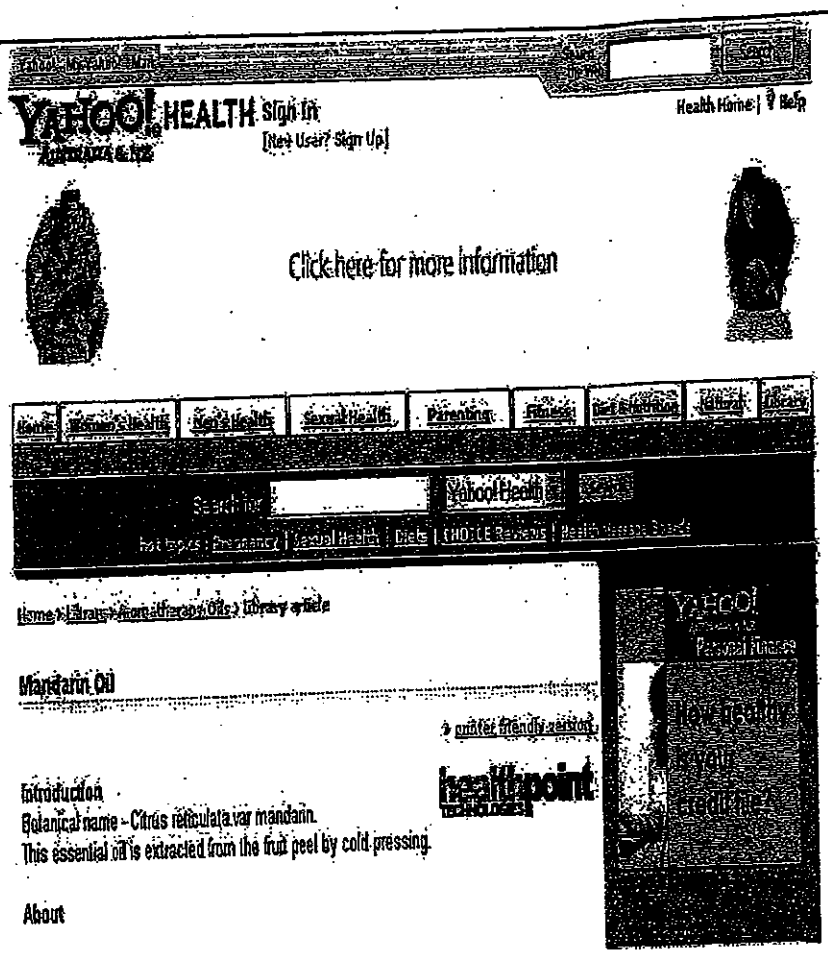
Serial Number 76613881 Attachment # 9 yahoo-1

http://au.health.yahoo.com/041101/25/1usv.html?r=967507545 04/8/2005 01:10:03 PM

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Serial Number 76613881 Attachment # 10 yahoo-2



Native to southern China and Far East Asia, Mandarin was later introduced to Europe and America.
Taking its name from the glowing orange coloured fruit traditionally offered by the Chinese to their dignitaries, the cold pressed peel of Citrus reticulata var. madarin yields an exquisite, saffron coloured oil holding a mouth-watering, sweet yet tangy fragrance. This is a Top to Middle Note.

Notes.
The following applications assume that a high quality oil is being used. Please read the information topic on Aromatherapy - Essential Oils.

Reviews by CHOICE
www.choice.com.au
Organic food
Many people are switching to organic food. Maybe you're wondering if you should, too. Is organic better? In some ways, yes. In others, no. These facts might help you decide.
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**EXHIBIT 22**

2nd Avenue, Suite 3310
Seattle, WA 98104-1019
(206) 903-6364
(206) 903-6365 fax
www.invictalaw.com

17

May 17, 2005

Mark V. Jordan
Email: mjordan@invictalaw.com

**VIA EXPRESS MAIL NO.: EV 651186478 US**

Assistant Commissioner for Trademarks
Box: Responses No Fee
P.O. Box 1451
Alexandria, VA 22313-1451
Attn: Judith M. Helfman, Law Office 114

**Re: Mark: Mandarine**
**Serial No.: 76/613881**
**Applicant: VOTIVO, Ltd.**
**Paper Filed: Response to Action No. 1 (Mailing date: 05/03/05)**

Dear Ms. Helfman:

This is a response to Action No. 1, dated May 3, 2005:

**Acquired Distinctiveness**. Under 37 C.F.R. §2.41(b); TMEP §§1212.04 et seq., Applicant asserts that the mark has acquired distinctiveness through ownership of its prior U.S. Registration and submits the following statement:

> The mark has become distinctive of the goods as evidenced by ownership of U.S. Registration No. 2,728,815 on the Principal Register for the same mark for related goods or services.

If you would like to discuss this matter further, please call me. Thank you for considering the foregoing response to your letter.

Very truly yours,

INVICTA LAW GROUP, PLLC

Mark V. Jordan

MVJ:zm
cc: VOTIVO, Ltd.
Mr. David Friesen

Exhibit: 22
Page: 193

**CERTIFICATE OF EXPRESS MAILING**
**37 C.F.R. § 1.10**

"Express Mail" mailing label number: EV 651186478 US
Date of Deposit: May 17, 2005

I hereby certify that this paper is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to:

Assistant Commissioner for Trademarks
Box: Responses No Fee
P.O. Box 1451
Alexandria, VA 22313-1451
Attn: Judith M. Helfman, Law Office 114

Zaid Mu'min

VOTL 3 ee120604

UNITED STATES POSTAL SERVICE.

Date: 05/26/2005

SARA ZIMMERMAN:

The following is in response to your 05/20/2005 request for delivery information on your Express Mail item number EV65 1186 478U S. The delivery record shows that this item was delivered on 05/19/2005 at 10:14 AM in ALEXANDRIA, VA 22314 to D BARFIELD. There is no delivery signature on file for this item.

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Sincerely,

United States Postal Service

97863.1

**EXHIBIT 23**

Document Description: **Notice of Publication** Mail / Create Date: **16-May-2007**

Side - 1

# NOTICE OF PUBLICATION UNDER §12(a)

**MAILING DATE: May 16, 2007**
**PUBLICATION DATE: Jun 5, 2007**

The mark identified below will be published in the Official Gazette on Jun 5, 2007. Any party who believes they will be damaged by registration of the mark may oppose its registration by filing an opposition to registration or a request to extend the time to oppose within thirty (30) days from the publication date on this notice. If no opposition is filed within the time specified by law, the USPTO may issue a Notice of Allowance.

To view the Official Gazette online or to order a paper copy, visit the USPTO website at http://www.uspto.gov/web/trademarks/tmog/ any time within the five-week period after the date of publication. You may also order a printed version from the U.S. Government Printing Office (GPO) at http://bookstore.gpo.gov or 202-512-1800. To check the status of your application, go to http://tarr.uspto.gov/.

**SERIAL NUMBER:** 76613881
**MARK:** MANDARINE
**OWNER:** VOTIVO, LTD.

Side - 2

UNITED STATES PATENT AND TRADEMARK OFFICE
COMMISSIONER FOR TRADEMARKS
P.O. BOX 1451
ALEXANDRIA, VA 22313-1451

FIRST-CLASS MAIL
U.S POSTAGE
PAID

MARK V JORDAN
INVICTA LAW GROUP PLLC
1000 2ND AVE STE 3310
SEATTLE, WA 98104-1019

**Exhibit:** 23
**Page:** 196

TDR Home

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**Page:** 197

1000 Second Avenue, Suite 3310
Seattle, WA 98104-1019
(206) 903-6364
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www.invictalaw.com

June 14, 2005

Mark V. Jordan
Email: mjordan@invictalaw.com

**VIA EXPRESS MAIL NO.: EV 651186645 US**

Assistant Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451
Attn: Judith M. Helfman, Law Office 114

**Re: Mark: MANDARINE**
**Serial No.: 76/613881**
**Applicant: VOTIVO, Ltd.**
**Paper Filed: Amendment to Allege Use**

Dear Ms. Helfman:

A. Amendment to Allege Use. Attached is an Amendment to Allege Use along with a specimen clearly showing the mark as it is used in commerce together with the requisite Declaration and filing fee. The specimen is a digital photograph of the mark as it is displayed on the goods.

Please call me if you have any questions regarding the enclosed. Thank you.

Very truly yours,

INVICTA LAW GROUP, PLLC

Mark V. Jordan

MVJ:zm
Enclosures
cc: VOTIVO, Ltd. (w/o encls.)
Mr. David Friesen (w/o encls.)

06-16-2005
U.S. Patent & TMO/TM Mail Rpt Dt. #72

Exhibit: 23
Page: 198

**CERTIFICATE OF EXPRESS MAILING**
**37 C.F.R. § 1.10**

"Express Mail" mailing label number: EV 651186645 US
Date of Deposit: June 14, 2005

I hereby certify that this amendment to allege use is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to:

Assistant Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451
Attn: Judith M. Helfman, Law Office 114

Zaid Mu'min

**AMENDMENT TO ALLEGE USE**
**UNDER 15 USC §1051(C) & 37 C.F.R §2.76,**
**WITH DECLARATION**

Mark: **MANDARINE**
Serial No. **76/613881**

To the Commissioner of Patents and Trademarks:

Applicant: VOTIVO, LTD.
A corporation organized under the laws of the state of Washington
3450 4th Avenue S.
Seattle, WA 98134

Applicant requests registration of the above-identified trademark in the United States Patent and Trademark Office on the Principal Register established by the Act of July 5, 1946 (15 U.S.C. §1051 et seq. as amended).

Date of first use of the mark anywhere: **January 7, 2005.**

Date of first use of the mark in interstate commerce: **January 7, 2005.**

Applicant is using the mark in commerce for: **"Bath salts and hand lotion"**

The mark is used by applying it to packaging, labels, brochures, promotional materials, business cards, computer screens; websites, and in other ways customary in the trade. A specimen showing the mark as actually used is presented herewith along with the additional filing fee of $100.00.

**DECLARATION**

CLAUDIA LEVIN, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any registration resulting therefrom, declares:

That she is the Vice President of said corporation; that she is properly authorized to execute this Amendment to Allege Use on behalf of the applicant; that she believes said corporation to be the owner of the trademark sought to be registered; that to the best of her knowledge and belief no other person, firm, corporation, or association has the right to use said mark in commerce, either in the identical form or in such near resemblance thereto as may be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive; that the facts set forth in this application are true; and that all statements made of her own knowledge are true and that all statements made on information and belief are believed to be true.

VOTIVO, Ltd.

June 10, 2005
Date

By Claudia Levin
Claudia Levin, Vice President

VOTL 3 ee270108

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97863.1

**EXHIBIT 24**

AUG 10 2007

United States Patent and Trademark Office
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Mailed: August 6, 2007

Opposition No 91178747
Serial No. 76613881

MARK V. JORDAN
INVICTA LAW GROUP, PLLC
1000 2ND AVENUE, SUITE 3310
SEATTLE , WA 98104-1019

Mine Design a d.b.a. of Amal Flores

v.

Votivo, Ltd.

Carlos Candeloro
1601 N. Sepulveda Blvd. 239
Manhattan Beach, CA 90266

Vionette Baez, Paralegal:

A notice of opposition to the registration sought in the above-identified application has been filed. A copy of the notice is attached.

**ANSWER IS DUE FORTY DAYS** after the mailing date hereof. (See Trademark Rule 2.196 for expiration date falling on Saturday, Sunday or a holiday).

Proceedings will be conducted in accordance with the Trademark Rules of Practice, set forth in Title 37, part 2, of the Code of Federal Regulations. Notices concerning the rules changes, as well as the *Trademark Trial and Appeal Board Manual of Procedure* (TBMP), are available on the TTAB's web page at www.uspto.gov/web/offices/dcom/ttab/.

**The parties are particularly referred to Trademark Rule 2.126 pertaining to the form of submissions. Paper**

**submissions, including but not limited to exhibits and depositions, not filed in accordance with Trademark Rule 2.126 may not be given consideration or entered into the case file.**

**Discovery and testimony periods are set as follows:**

| | |
|---|---|
| Discovery period to open: | 8/26/2007 |
| Discovery period to close: | 2/22/2008 |
| 30-day testimony period for party in position of plaintiff to close: | 5/22/2008 |
| 30-day testimony period for party in position of defendant to close: | 7/21/2008 |
| 15-day rebuttal testimony period for plaintiff to close: | 9/4/2008 |

A party must serve on the adverse party a copy of the transcript of any testimony taken during the party's testimony period, together with copies of documentary exhibits, within 30 days after completion of the taking of such testimony. See Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

**NOTE:** The Board allows parties to utilize telephone conferences to discuss or resolve many interlocutory matters that arise in inter partes cases. *See* TBMP § 502.06(a) (2d ed. rev. 2004).

If the parties to this proceeding are (or during the pendency of this proceeding, become) parties to another Board or civil proceeding involving related marks or other common issues of law or fact, they shall notify the Board immediately, so that the Board can consider consolidation or suspension of proceedings, if appropriate.

**New Developments at the Trademark Trial and Appeal Board**

For faster handling of all papers, the TTAB strongly encourages electronic filing whenever possible. TTAB forms for electronic filings are available at

http://estta.uspto.gov. Images of TTAB proceeding files can be viewed using TTABvue at http://ttabvue.uspto.gov.

*Trademark Trial and Appeal Board Electronic Filing System. http://estta.uspto.gov*
ESTTA Tracking number: **ESTTA154880**
Filing date: **08/03/2007**

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

# Notice of Opposition

Notice is hereby given that the following party opposes registration of the indicated application.

## Opposer Information

| | |
|---|---|
| Name | Mine Design a d.b.a. of Amal Flores (U.S.) |
| Granted to Date of previous extension | 08/04/2007 |
| Address | 11151 Mississippi Ave.<br>Los Angeles, CA 90025<br>UNITED STATES |

| | |
|---|---|
| Attorney information | Carlos Candeloro<br>1601 N. Sepulveda Blvd. 239<br>Manhattan Beach, CA 90266<br>UNITED STATES<br>carlos@candeloro.net Phone:310 498 4249 |

## Applicant Information

| | | | |
|---|---|---|---|
| Application No | 76613881 | Publication date | 06/05/2007 |
| Opposition Filing Date | 08/03/2007 | Opposition Period Ends | 08/04/2007 |
| Applicant | VOTIVO, LTD.<br>3450 4th Avenue S.<br>Seattle, WA 98134<br>UNITED STATES | | |

## Goods/Services Affected by Opposition

| |
|---|
| Class 003.<br>All goods and services in the class are opposed, namely: Bath salts and hand lotion |

## Grounds for Opposition

| | |
|---|---|
| The mark comprises matter that, as a whole, is functional | Trademark Act section 2(e)(5) |
| Genericness | Trademark Act section 23 |

| | |
|---|---|
| Attachments | NoticeOpp.pdf ( 7 pages )(85349 bytes ) |

| | |
|---|---|
| Signature | /c/ |
| Name | Carlos Candeloro |
| Date | 08/03/2007 |

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

Serial No. 76/613881

mine design, a d.b.a. of Amal Flores
v.
Votivo, Ltd.

Opposition No. _____

Notice Of Opposition

Defendant information:

Votivo, Ltd., a corporation of the State of Washington

with a principal place of business at:

3450 4th Avenue S.
Seattle, WA 98134

Represented by:
Mr. Mark V. Jordan
Invicta Law Group, Pllc
1000 Second Avenue, Suite 3310
Seattle, Washington 98104-1019

Plaintiff information:

Mine Design, a d.b.a. of Amal Flores, an individual

with a principal place of business at:

11151 Mississippi Ave.
Los Angeles, CA 90025

Represented by:
Carlos Candeloro
1601 N. Sepulveda Blvd. 239
Manhattan Beach, CA 90266
Tel: (310) 489-4249
carlos@candeloro.net

**COMPLAINT**

Plaintiff Mine Design alleges as follows for its complaint:

Introduction

Plaintiff Mine Design, a d.b.a. of Amal Flores, an individual, engaged in the manufacture and wholesale of aromatic products, including aromatic candles, aromatic room sprays, reed diffusers, aromatic bath salts, soaps, and other similar items, pursuant to 15 U.S.C. § 1063 opposes Votivo, Ltd.'s Application Serial No. 76/613881 for the term "mandarine" in connection with aromatic bath salts and hand lotion products.

Plaintiff respectfully submits that the term "mandarine" in connection with aromatic bath salts and hand lotion products is generic and functional. Accordingly, pursuant to the Lanham Act, as amended, registration of the term as requested in the application should be refused.

Material Facts

1. Votivo, Ltd. a corporation of the State of Washington, with a principal place of business at 3450 4th Avenue S., Seattle, WA 98134, has filed an application, assigned Serial No. 76/613881 ("the '881 application"), to register the term "mandarine" in connection with aromatic bath salts and hand lotion pursuant to 15 U.S.C. § 1052(f).

2. The '881 application published for opposition on June 5, 1997.

3. Mine Design ("m. design"), a d.b.a. of Amal Flores, an individual, doing business at 11151 Mississippi Ave., Los Angeles, CA, obtained a 30 day extension to file the present opposition.

4. m. design designs, manufactures and wholesales aromatic candles, aromatic room sprays, reed diffusers, aromatic bath salts, soaps, and other similar items.

5. m. design has an interest that common scent descriptors, including the term "mandarin," be freely available to describe his aromatic products, including bath salts products.

6. m. design believes that it is being and will be damaged if the term "mandarine" is registered in connection with aromatic articles, and in particular aromatic bath salts and hand lotion products.

7. The term "mandarine" is incapable of serving a source-indicating function and thus is not capable of functioning as a mark in connection with the goods for which registration is sought. Accordingly, the term "mandarine" cannot be registered by applicant under the Lanham Act, as amended, in connection with aromatic bath salts and hand lotion products.

8. Mandarine is the French spelling, or an incorrect English spelling *a la* tangerine, of "mandarin."

9. In English, the term "mandarin" has several meanings, including a type of citrus plant and its fruits.

10. The "e" at the end of the term as sought to be registered by applicant disambiguates the correct interpretation of the term, as it only refers to the citrus plant and its fruits in French, and not to the other meanings attributed to the term "mandarin" in English.

11. The citrus family includes lemons, limes, grapefruits and oranges of several types, including navel, valencia, and mandarins, to name a few.

12. Fruits in the citrus family are, and for a long time have been, used, and their taste and smell imitated for use, in the food and perfume industries.

13. The primary significance of the term "mandarine" or "mandarin" to the relevant public when the term is used in connection with aromatic bath salts and hand lotion products is that the products either include a product derived from the mandarin plant or that the products are intend to have an impact on at least one of the senses similar to that of a mandarin plant product.

14. The term "mandarin" is necessary in the aromatic goods industry, which includes aromatic bath salts and hand lotion products, to label products having a mandarin plant product as an ingredient, or an imitation intended to have an impact on at least one of the senses (e.g., a smell), similar to that of a mandarin plant product.

15. Mandarin scented bath salt and hand lotion products differ from other aromatic bath salt and hand lotion products in a significant, functional characteristic, namely their scent.

16. The term "mandarin" is the common descriptive term for a mandarin plant product's scent, and more particularly the fruit.

17. No commonly used alternative that effectively communicates the same functional information, namely, the scent of a mandarin, is available to competitors.

Standing

18. m. design has a real interest in the proceeding and a reasonable basis for its belief of damage.

19. m. design has a direct and personal stake in the outcome of the proceeding, inter alia, because m. design is a manufacturer and wholesaler of aromatic candles, aromatic room sprays, reed diffusers, aromatic bath salts, soaps, and other similar items. As such, m. design has an interest that common scent descriptors, including the term "mandarin," be freely available to describe m. design's aromatic products, including bath salts. Accordingly, m. design will be damaged if the term "mandarine" is registered in connection with aromatic articles, and in particular aromatic bath salts and hand lotion products.

Statutory Grounds for Opposition to Registration

## Registration Should Be Refused Because The Term "Mandarine" Is Generic In Connection With The Goods Cited In The '881 Application (15 U.S.C. § 1052)

20. m. design realleges and incorporates by this reference each and every allegation contained in paragraphs 1-19 of this Complaint as though set forth in full herein.

21. The term "mandarine" is generic in connection with the class of goods at issue herein, namely aromatic products, particularly aromatic bath salts and lotion products, and even more particularly mandarin scented bath salts and lotion products.

22. Additionally or in the alternative, the term "mandarine" is not a term by which the goods of the applicant may be distinguished from the goods of others.

23. Additionally or in the alternative, the term "mandarine" in connection with aromatic bath salts and lotion products is incapable of serving as a means by which applicant's products may be distinguished from mandarin scented bath salts and lotion products of others.

24. Additionally or in the alternative, the term "mandarine" is generic in connection with bath salts and lotion products because it is not being used as a mark.

25. Additionally or in the alternative, the term "mandarine" in connection with bath salts and hand lotion products cannot be used in a manner calculated to project to purchasers or potential purchasers a single source or origin for bath salts and hand lotion products, including mandarin scented bath salts and hand lotion products.

26. Additionally or in the alternative, the term "mandarine" in connection with aromatic bath salts and hand lotion products identifies the function or purpose of the products, namely, that the products provide the user with one or more sensations associated with one or more mandarin plant products.

27. Additionally or in the alternative, the relevant public understands the designation "mandarine" in connection with bath salts and hand lotion products primarily to refer to a class of products, namely, mandarin containing, or mandarin scented bath salts and hand lotion products.

28. Accordingly, the term "mandarine" in connection with bath salts and hand lotion products is not a trademark and can not be registered under the Lanham Act, as amended.

## Registration Should Be Refused Because The Term "Mandarine" Is Functional In Connection With The Goods Named In The '881 Application (15 U.S.C. §§ 1052, 1052(e)(5))

29. m. design realleges and incorporates by this reference each and every allegation contained in paragraphs 1-28 of this Complaint as though set forth in full herein.

30. The term "mandarine" is *de jure* functional in connection with bath salts and hand lotion products.

31. Additionally or in the alternative, the term "mandarine" is *de jure* functional in connection with bath salts and hand lotion products because the term serves the utilitarian purpose of informing the public of the qualities, ingredients and characteristics of the product.

32. Additionally or in the alternative, the term "mandarine" is *de jure* functional in connection with bath salts and hand lotion products because the term is necessary for competitors to effectively compete in the market for bath salts and hand lotion products having a mandarin scent, or bath salts and hand lotion products that include one or more mandarin plant products as an ingredient.

33. Accordingly, registration should be refused pursuant to 15 U.S.C. §§ 1052, 1052(e)(5).

Prayer for Relief

WHEREFORE, m. design respectfully requests the Director, pursuant to the authority delegated in 15 U.S.C. § 1068, refuse to register the opposed mark "mandarine" in connection with aromatic bath salts and hand lotion products.

The $300 fee has been submitted electronically.

Dated: August 3, 2007

Respectfully submitted,

/c/
Carlos Candeloro
Reg. No. 52,691
Cal. Bar No. 194716

Attorney For Plaintiff
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97863.1

**EXHIBIT 25**

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

In the matter of Trademark Application Serial No. 76/613881
For the Mark MANDARINE
Published in the Official Gazette JUNE 5, 2007

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| MINE DESIGN D/B/A/ OF AMAL FLORES (U.S.),<br><br>Opposers,<br><br>v.<br><br>VOTIVO, LTD., A Washington corporation,<br><br>Applicant. | ANSWER TO NOTICE OF OPPOSITION<br>Opposition No. 91178747 |

The Applicant, VOTIVO, LTD., a Washington Corporation, by and through its attorney of record, Mark V. Jordan and Invicta Law Group, PLLC, hereby responds to the Notice of Opposition as follows:

**ANSWER**

1. Responding to enumerated paragraph 1, Applicant admits that its federal trademark application, serial no. 76613881, speaks for itself.

2. Responding to enumerated paragraph 2, Applicant admits the same.

3. Responding to enumerated paragraph 3, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in said paragraph and, on that basis, denies the same but admits that Opposer received an extension of time in which to file this Opposition.

4. Responding to paragraph 4, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in said paragraph and, on that basis, denies the same.

5. Responding to enumerated paragraph 5, to the extent that said paragraph contains allegations rather than legal conclusions, Applicant lacks sufficient

knowledge or information to form a belief as to the truth or falsity of the allegations in said paragraph and, on that basis, denies the same.

6. Responding to enumerated paragraph 6, to the extent that said paragraph contains allegations rather than legal conclusions, Applicant denies the same.

7. Responding to enumerated paragraph 7, to the extent that said paragraph contains allegations rather than legal conclusions, Applicant denies the same.

8. Responding to enumerated paragraph 8, Applicant admits that "mandarine" is the French translation of the English word "mandarin" but denies the other allegations contained therein.

9. Responding to enumerated paragraph 9, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in said paragraph and, on that basis, denies the same.

10. Responding to enumerated paragraph 10, to the extent that said paragraph contains allegations rather than legal conclusions, Applicant denies the same.

11. Responding to enumerated paragraph 11, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in said paragraph and, on that basis, denies the same.

12. Responding to enumerated paragraph 12, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in said paragraph and, on that basis, denies the same.

13. Responding to enumerated paragraph 13, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in said paragraph and, on that basis, denies the same.

14. Responding to enumerated paragraph 14, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in said paragraph and, on that basis, denies the same.

15. Responding to enumerated paragraph 15, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations (to the extent they are allegations and not legal conclusions) in said paragraph and, on that basis, denies the same.

16. Responding to enumerated paragraph 16, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations (to the extent they are allegations and not legal conclusions) in said paragraph and, on that basis, denies the same.

17. Responding to enumerated paragraph 17, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations (to the extent they are allegations and not legal conclusions) in said paragraph and, on that basis, denies the same.

18. Responding to enumerated paragraph 18, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations (to the extent they are allegations and not legal conclusions) in said paragraph and, on that basis, denies the same.

19. Responding to enumerated paragraph 19, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations (to the extent they are allegations and not legal conclusions) in said paragraph and, on that basis, denies the same.

20. Responding to enumerated paragraph 20, Applicants has no basis on which to either admit or deny this broad incorporation by reference and refers to its individual answers to each of the referenced paragraphs.

21. Responding to enumerated paragraph 21, Applicant denies same.

22. Responding to enumerated paragraph 22, Applicant denies same.

23. Responding to enumerated paragraph 23, Applicant denies same.

24. Responding to enumerated paragraph 24, Applicant denies same.

25. Responding to enumerated paragraph 25, Applicant denies same.

26. Responding to enumerated paragraph 26, Applicant denies same.

27. Responding to enumerated paragraph 27, Applicant lacks sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in said paragraph and, on that basis, denies the same.

28. Responding to enumerated paragraph 28, to the extent that said paragraph contains allegations rather than legal conclusions, Applicant denies the same.

29. Responding to enumerated paragraph 29, Applicants has no basis to either admit or deny this broad incorporation by reference and refers to its individual answers to each of the referenced paragraphs.

30. Responding to enumerated paragraph 30, to the extent that said paragraph contains allegations rather than broad and incorrect legal conclusions, Applicant denies the same.

31. Responding to enumerated paragraph 31, to the extent that said paragraph contains allegations rather than broad and incorrect legal conclusions, Applicant denies each allegation and legal conclusion.

32. Responding to enumerated paragraph 32, to the extent that said paragraph contains allegations rather than broad and incorrect legal conclusions, Applicant denies each allegation and legal conclusion.

33. Responding to enumerated paragraph 33, to the extent that said paragraph contains allegations rather than broad and incorrect legal conclusions, Applicant denies each allegation and legal conclusion.

**AFFIRMATIVE DEFENSES**

In further answer to the Notice of Opposition, and as affirmative defenses thereto, Applicant asserts that:

1. First Affirmative Defense. Opposer's Notice of Opposition fails to state a claim upon which relief can be granted, and in particular, fails to state legally sufficient grounds for sustaining the opposition.

2. Second Affirmative Defense. Opposer's Notice of Opposition fails because the Opposed Mark has been previously registered by Applicant in U.S. Registration No. 2728815 and thus this Opposition is subject to the doctrines of res judicata and claim preclusion.

**RELIEF REQUESTED**

WHEREFORE, Applicant, having set forth its Answer to the Notice of Opposition and its affirmative defenses, respectfully requests that this opposition proceeding be dismissed, with prejudice.

Respectfully Submitted,

DATED: September 11, 2007.

INVICTA LAW GROUP, PLLC

By _____

Stacie Foster, WSBA No. 23397
Steven W. Edmiston, WSBA No. 17136
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1000 Second Ave., Suite 3310
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Attorney for Applicant

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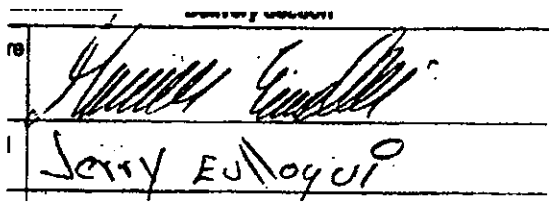


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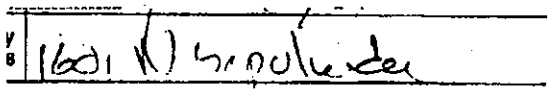

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**EXHIBIT 26**

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

In the matter of Trademark Application Serial No. 76/613881
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| MINE DESIGN D/B/A/ OF AMAL FLORES (U.S.),<br><br>Opposer,<br><br>v.<br><br>VOTIVO, LTD., a Washington corporation,<br><br>Applicant,<br><br>VOTIVO, LLC, a South Carolina Limited Liability Company,<br><br>Defendant | APPLICANT'S AND DEFENDANT'S MEMORANDUM (1) IN OPPOSITION TO OPPOSER'S MOTION FOR SUMMARY JUDGMENT AND (2) IN SUPPORT OF CROSS-MOTION FOR SUMMARY JUDGMENT<br><br>Opposition No. 91178747 |

## I. INTRODUCTION

VOTIVO[1] holds valid federal trademark registrations for MANDARINE for use in connection with candles, tapers, skin soap, scented body spray, scented room spray, and incense (collectively, the "Existing Registrations"), dating back to 2003. VOTIVO has used the mark MANDARINE in connection with these home and personal care products dating back to 1997. The Existing Registrations have been found distinctive when applied to VOTIVO home and personal care products.

[1]The relationship between VOTIVO, LTD., and VOTIVO, LLC, is discussed below; for convenience, they are hereafter collectively referred to as "VOTIVO."

Exhibit: 26
Page: 220

VOTIVO presently seeks to register MANDARINE in connection with two additional personal care products, bath salts and hand lotion (hereafter, "the Mark"). "Mine Design d/b/a of Amal Flores" (hereafter "Mine Design") opposes the registration of the Mark, and has moved for summary judgment on the sole basis of the alleged "genericness" of MANDARINE for bath salts and hand lotion.

On its merits, Mine Design's motion is facially deficient, failing even to prove the facts necessary to present a prima facie case that the Mark is "generic." Even if it attempted to do so, Mine Design could not prove the absence of genuine issues of material fact on the issue of genericness, and its motion should be denied.

However, as a critical threshold matter, Mine Design has no standing to oppose the mark. In a glaring omission and complete lack of candor with this tribunal, Mine Design has failed to disclose to the Board that Mine Design has been, and continues to be, *permanently enjoined* by the United States District Court (Central District of California) *from using the mark* MANDARINE:

> *1. [Mine Design], and its owners... and attorneys...are hereby permanently enjoined and restrained from:*
>
> * * *
>
> *d. Using [Mandarine],...* which is a subject of a United States trademark registration owned by VOTIVO, or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to [Mandarine]..., *in connection with* candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, *and any other scented products for household or personal care use.*

Permanent Injunction, VOTIVO, Ltd. v. Mine Design, U.S. Dist. Ct. (Central Dist., CA 2005) No. CV 03-6017-DT (emphasis supplied), Exhibit 4 to the Declaration of

Steve Edmiston in Opposition to Opposer's Motion for Summary Judgment and in Support of Cross-Motion. Thus, as a matter of law Mind Design (1) lacks any "real interest" in the proceedings, and (2) lacks a reasonable basis for the belief of damage. Indeed, Mine Design is the proverbial "intermeddler" that must be dismissed because it does not raise "a real controversy."[2]

Because (1) the facts proving Mine Design's "intermeddler" status and lack of standing are not in dispute, (2) these same facts support dismissal of the Opposition based upon the doctrines of claim and issue preclusion, and (3) Mine Design has failed to present even a prima facie case in support of its summary judgment motion, VOTIVO requests that its Cross-Motion for Summary Judgment be granted, that Mine Design's Motion for Summary Judgment be denied, and that Mine Design's Opposition be dismissed with prejudice.

## II. STATEMENT OF FACTS

### A. Prior litigation between VOTIVO and Mine Design.

#### 1. The California federal district court lawsuits.

Since 1996, VOTIVO[3] has specialized in the design, manufacture and wholesale of high-quality aromatic products such as scented candles, incense, soaps, room sprays, body and hand lotions, bath salts, and related products. Declaration of

[2] *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ 1023, 1025 (Fed. Cir. 1999).

[3] VOTIVO, LLC, a limited liability company organized under the laws of the State of South Carolina, and VOTIVO, LTD., a corporation organized under the laws of the State of Washington, executed an Intellectual Property, Inventory, and other Physical Property Asset Purchase and Transfer Agreement, an Assignment of Trademark Interests, and Assignment of Intent-Based Trademark Interests, all on September 28, 2007, wherein VOTIVO, LLC acquired, among other things, all rights for the products at issue in this matter, including the trademark registrations and other intellectual property rights for U.S.P.T.O. Registration Nos. 2720908 and 2728815, and Serial No. 76/613881, for "Mandarine." Edmiston Decl., Ex. 14.

Robert E. Caldwell, Jr. ¶ 3; Edmiston Decl., Ex. 3, (Findings of Fact Nos. 2-4) and Edmiston Decl. Ex. 15 (Declaration of Edgar Lee ¶ 3, hereafter "Lee Decl."). Prior to this Opposition proceeding, VOTIVO, Ltd. has twice litigated against Amal Flores, an individual doing business under the name "Mine Design," in federal district court.[4] The primary claims by VOTIVO in each lawsuit were for trademark infringement. The first lawsuit was VOTIVO, Ltd. v. Mine Design, U.S. District Court for the Central District of California, Case No. CV 03-6017 ("Mine Design I"), filed in April, 2003. See Edmiston Decl., Ex. 1 (Complaint, Mine Design I) and Ex. 2 (Mine Design's Answer and Affirmative Defenses of Defendant Mine Design to Plaintiff's Complaint in Mine Design I).[5] In March 2005, VOTIVO, Ltd. brought a second action for trademark infringement, VOTIVO, Ltd. v. Amal Flores D.B.A. Mine Design, U.S. District Court for the Central District of California, Case No. CV05 2942 ("Mine Design II"). See Edmiston Decl., Ex. 9 (Verified Complaint, Mine Design II) and Ex. 10 (Mine Design's First Amended Answer, Affirmative Defenses, and Counterclaims, Mine Design II).[6] During the pendency of Mine Design I and II, VOTIVO discovered that Mine Design was also selling products that infringed additional federally registered trademarks owned by VOTIVO, including MANDARINE. Edmiston Decl., Ex. 3.

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[4] In both cases Mine Design was represented by its present counsel, Carlos Candeloro.

[5] The VOTIVO trademark registrations initially at issue in Mine Design I were for RED CURRANT and SOKU LIME. As in the present case, Mine Design alleged that the subject marks were generic and not capable of trademark protection. Id.

[6] The VOTIVO trademark registrations initially at issue in Mine Design II were for TALL GRASS. As in the present case, Mine Design's alleged it "has an interest in the use of 'tall grass' as a common descriptive term of the scent of tall grass." Id.

On November 7, 2005, the Federal Court in Mine Design I entered Findings of Fact and Conclusions of Law, a Permanent Injunction, and a Final Judgment in favor of VOTIVO, including the following:

**FINDINGS OF FACT**

2. VOTIVO is one of the country's leading manufacturers and distributors of home décor products, gift products and personal care products. Among the many products sold by VOTIVO are candles, burning sticks and incense, scented room sprays, skin soaps, and scented body sprays.

3. Since at least as early as 1999, VOTIVO has used a variety of distinctive trademarks to advertise and promote its products.

4. VOTIVO family of trademarks is distinctive when applied to VOTIVO products. Because of the excellent sales and extensive promotion of VOTIVO products, VOTIVO family of trademarks have become well known to consumers and others in the personal care, home décor and gift industries as identifying unique and desirable products of the highest quality that originate with VOTIVO.

5. Consequently, VOTIVO trademarks are very important and valuable business assets of VOTIVO, and represent significant business good will.

* * *

14. *Since filing this lawsuit, VOTIVO also has discovered that* – notwithstanding that VOTIVO already has sued Defendant for trademark infringement – *Defendant has been marketing and selling products that infringe other registered trademarks owned by VOTIVO....*[7]

* * *

**CONCLUSIONS OF LAW**

6. Based upon the foregoing, the Court finds and concludes that the well-pled facts alleged in VOTIVO complaint and set forth herein establish that Defendant is liable to VOTIVO for: (a) federal trademark infringement; (b) violation of the Lanham Act Section 43(a); (c) violation of California Business & Professions Code section 17200 et

[7] The Permanent Injunction identifies these as including the Mandarine trademarks.

seq.; (d) common law trademark infringement; and (e) common law unfair competition.

* * *

8. Pursuant to Section 34(a) of the Lanham Act, 15 U.S.C. § 1216(a), the Court finds and concludes that a permanent injunction in the form requested by VOTIVO should be entered to prohibit Defendant, and all persons acting in concert and participation with Defendant, from infringing... (d) any and all other registered trademarks owned by VOTIVO.

9. For the reasons set forth in the July 15 Order, the Court finds and concludes that VOTIVO is entitled to an award of attorneys' fees in the amount of $19,800 as well as an award of litigation costs pursuant to 28 U.S.C. § 1920.

Id., Ex. 3 (emphasis supplied). The Permanent Injunction states:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

1. *Defendant, and its owners,* controlling persons... *and attorneys...are hereby permanently enjoined and restrained from:*

* * *

d. *Using any of the terms set forth on Exhibit "A" hereto,* each of which is a subject of a United States trademark registration owned by VOTIVO, or any other term, symbol, trademark, service mark, domain name, trade name, or corporate or other entity name that is confusingly or substantially similar to the terms listed on Exhibit "A", in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, *and any other scented products for household or personal care use.*

2. Defendant shall take all reasonable steps to ensure that its owners, controlling persons... and attorneys, do not violate the terms of this Permanent Injunction....

3. This Court shall retain jurisdiction over the parties hereto for the purposes of any proceeding to enforce this Permanent Injunction. In the event Defendant, or any of this owners, controlling persons... and attorneys... violate any of the terms of this Permanent Injunction, VOTIVO shall be entitled to immediately seek an order to show cause as to why Defendant should not be held in contempt because of such violation. In the event the Court finds that any violation by Defendant

> of the terms of this Permanent Injunction has taken place, VOTIVO shall be entitled to its reasonable attorney's fees and costs incurred in addressing such violation.

Edmiston Decl., Exs. 4-5. Exhibit A to the Permanent Injunction identified and included the VOTIVO registered trademarks for MANDARINE: U.S. Registration Nos. 2,720,908, and 2,728,815. Edmiston Decl., Exs. 4, 18-19.

The Court expressly retained jurisdiction for any subsequent proceeding to enforce the Permanent Injunction.[8]

**2. Settlement of Mine Design I and II; dismissal of appeal.**

Mine Design appealed the Final Judgment to the Ninth Circuit, Case No. 06-55147. Edmiston Decl., Ex. 8. While the appeal and the Mine Design II trial case were pending, on May 5, 2006, VOTIVO entered into a Settlement Agreement with Mine Design. Edmiston Decl., Ex. 11. The parties agreed that the Mine Design I *appeal* would be dismissed. Id. The Settlement Agreement provides for ongoing enforcement of the Permanent Injunction by providing for the retention of jurisdiction by the federal court in Mine Design I. Id. The Settlement Agreement confirms the broad prohibition against Mine Design's use of all of the VOTIVO federally registered trademarks, including MANDARINE:

> 3. Use of VOTIVO Registrations. MINE agrees that he will not, directly or indirectly... use... (ii) any of the trademarks set forth in the Permanent Injunction provided such trademarks remain registered with the United States Patent and Trademark Office.

[8] On December 27, 2005, the Mine Design I Court denied Mine Design's F.R.C.P. 59(e) Motion to Alter or Amend Final Judgment. Edmiston Decl., Exs. 6-7.

Edmiston Decl., Ex. 11. The parties also agreed to a release of all claims and/or liabilities "the Parties may have against each other... including any and all demands, claims, rights, obligations, liabilities, causes of actions... of whatever kind, nature or description... up until the EFFECTIVE DATE. Id., ¶ 7.[9] The parties agreed to the dismissal in Mine II lawsuit. Edmiston Decl., Exs. 12 and 13. (Copies of the dismissals of Mine I Appeal and Mine II lawsuit).

**B. VOTIVO history and aromatic design.**

For over a decade, VOTIVO has specialized in the design, manufacture and wholesale of high-quality aromatic home and personal care products such as scented candles, incense, soaps, room sprays, body and hand lotions, and bath salts. Caldwell, Jr. Decl., ¶ 3; Edmiston Decl., Ex. 3, (Findings of Fact Nos. 2-4) and Edmiston Decl. Ex. 15 (Declaration of Edgar Lee ¶ 3, hereafter "Lee Decl."). VOTIVO demands top quality in its aromatic scents, and was one of the first in the industry to pay costs equivalent to "designer fragrance" costs for their fragrances. Edmiston Decl. Ex. 16 (Declaration of Harris Jones ¶ 9, hereafter "Jones Decl."). VOTIVO sells its aromatic products in all fifty states and worldwide through a network of distributors and retailers such as Saks Fifth Avenue, Neiman Marcus and Nordstrom, as well as home furnishings boutiques and specialty gift stores. Caldwell, Jr. Decl., ¶ 7, 9; Lee Decl., ¶ 6.

[9] Notably, as of the "Effective Date" (May 5, 2006) of the Settlement Agreement, VOTIVO's Trademark Application for Mandarine in connection with bath salts and hand lotion had been pending for *over one and one-half years*, and therefore is clearly included within the scope of the release. Edmiston Decl., Exs. 11, 20,.

MANDARINE is plainly suggestive as applied by VOTIVO to the products. Based upon recognized fragrance industry standards, known as the Hedonic Scale, the recognition and association of fragrances and aromas is subjective and differs from person to person. Jones Decl., ¶ 7. Research also shows that fragrances and aromas can directly evoke strong emotions, moods and feelings in individuals. Jones Decl., ¶ 5. VOTIVO is in the business of stimulating these moods and feelings through the fantasy fragrances of its aromatic products. Lee Decl., ¶ 11. Scented products created by VOTIVO, including bath salts and hand lotions, are combinations of various synthetic and natural compounds. Caldwell, Jr. Decl., ¶ 15; Lee Decl., ¶ 11, Jones Decl., ¶ 6. These fragrance formulae are composed of various "notes" designed to hit olfactory receptors in much the same way that musical notes register to the ear. Jones Decl. ¶ 6. When created, each fragrance may contain top notes, middle notes and base notes which are layered together to elicit certain suggestive associations and/or feelings. Lee Decl. ¶ 11, Jones Decl. ¶ 6. Once a fragrance is found satisfactory, the designers at VOTIVO pair that aroma with a name, a fantasy fragrance that captures the suggestive register of the aromatic notes. Lee Decl. ¶ 10. Scientifically, fantasy fragrances and aromatic products are designed and promoted with a strong emphasis on the suggestive or conceptual "It reminds me of . . .," rather than on the definitive "It is" olfactory association. Caldwell, Jr. Decl., ¶ 14-15; Jones Decl. ¶ 7.

Since 1997, VOTIVO has invested substantial sums of time, money and effort to develop, use, advertise and promote the MANDARINE marks. The MANDARINE

marks are promoted and advertised through showrooms, trade shows, the Internet and independent sales representatives; they are in a permanent showroom in Atlanta. Caldwell, Jr. Decl., ¶¶ 9, 12; (Lee Dec. ¶¶ 6-8).

As a result of the popularity of the goods, the Mandarine Marks have come to be associated exclusively with VOTIVO and serve to distinguish VOTIVO's products from the goods of other companies. Caldwell, Jr. Decl.,¶ 7; Buckley Decl., ¶ 6. VOTIVO aggressively and vigorously defends the integrity of its Marks. Caldwell, Jr. Decl., ¶ 8; Lee Decl. ¶ 5.

**C. The MANDARINE Marks.**

**1. The Existing Registrations for MANDARINE.**

On April 11, 2002, after five years of continued strong financial growth, rapidly increasing market share and remarkably sustained popularity, VOTIVO filed applications to register MANDARINE as a trademark with the U.S. Patent and Trademark Office (the "PTO"). In the course of seeking registration for the trademark, the Trademark Office found that MANDARINE had acquired distinctiveness or secondary meaning under Section 2(f). The trademark was registered on the Principal Register in mid-2003. Edmiston Decl., Exhs. 18 - 19.[10]

**2. Pending Application for MANDARINE.**

On September 22, 2004, VOTIVO filed a federal intent-to-use application to register MANDARINE in connection with *bath salts and hand lotion*. Edmiston Decl.,

[10] These Existing Registrations, among numerous others, were expressly included within the scope of the Permanent Injunction entered against Mine Design, discussed above. Edmiston Decl., Ex. 4.

Ex. 20. On May 19, 2005, following an Examiner's Amendment/Priority Action stating that VOTIVO may seek registration under Section 2(f) by claiming acquired distinctiveness through ownership of U.S. Registration 2728815 (for MANDARINE), VOTIVO provided the Examiner the following statement:

> The mark has become distinctive of the goods as evidenced by the ownership of U.S. Registration No. 2,728,815 on the Principal Register for the same mark for related goods or services.

Edmiston Decl., Exs. 21-22. VOTIVO provided a Statement of Alleged Use of the Mark on June 16, 2005, alleging actual use for bath salts and hand lotion beginning January 7, 2005. Notice of Publication issued from the PTO on June 5, 2007. Edmiston Decl., Ex. 23.

## III. ARGUMENT

Summary judgment should be granted if the record provided by the moving party demonstrates that "there is no genuine issue of material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c); Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986) (summary judgment is an integral part of the Federal Rules which are designed to "secure the just, speedy and inexpensive determination of every action."). When ruling on a motion for summary judgment, the court is required to view all inferences drawn from the factual record in the light most favorable to the nonmoving party. Matsushita Elec. Indus. Co. v. Zenith Radio, 475 U.S. 574, 587 (1986). If the evidence presented by the parties conflicts, the court must accept as true the allegations of the non-moving party. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 255 (1986).

## A. VOTIVO's Cross-Motion for Summary Judgment should be granted.

### 1. Mine Design has no standing to oppose.

The Lanham Act, 15 U.S.C.A. § 1063(a) allows an entity to oppose a registration if it is or will be damaged by the registration of a trademark. The damage requirement relates to an entity's standing to oppose. The Federal Circuit emphasizes two judicially created requirements for standing for inter partes cases. The opposer must have: (1) a "real interest" in the proceedings; and (2) a reasonable basis for the belief of damage. Ritchie v. Simpson, 170 F.3d 1092, 1095 (Fed. Cir. 1999). The purpose of requiring standing is to prevent such proceedings from being brought by "mere intermeddlers" who "do not raise a real controversy from bringing oppositions... in the PTO." Id.; See also Golden State Salami Co. V. Gulf States Paper Corp., 332 F.2d 184 (C.C.P.A. 1964) (opposer cannot be intermeddler); Lipton Industries, Inc. v. Ralston Purina Co., 670 F.2d 1024, 213 U.S.P.Q. 185 (C.C.P.A. 1982) (purpose of standing to weed out "intermeddlers" from those with "a personal interest in the outcome beyond that of the general public"); Selva & Sons, Inc. v. Nina Footwwear, Inc., 705 F.2d 1316, 217 U.S.P.Q. 641 (Fed. Cir. 1983) (only the basis for a reasonable belief of damage that is examined); 3 McCarthy on Trademarks and Unfair Competition, Sec 20:10 ("Intermeddlers" with no "personal interest in the outcome beyond that of the general public" do not have standing and must be "weeded out"). Even where proprietary rights in the mark are not required to oppose, an opposer must be able to assert an *equal* right to use the mark for the goods. Id.; Jewelers Vigilance Committee, Inc. V. Ullenberg Corp. 823 F.2d 490, 2 U.S.P.Q2d

2021, 2024 (Fed. Cir. 1987), on remand, 5 U.S.P.Q.2d 1622 (T.T.A.B. 1987) rev'd, 853 F.2d 888 (opposition sustained on the merits). Standing is properly resolved on summary judgment. Central Mfg. v. Surgical Navigation Technologies, Inc., 92 Fed.Appx. 789, 792 (Fed. Cir. 2004) (dismissal on summary judgment affirmed; opposition devoid of facts supporting standing).[11]

In Ritchie, opposer sought to prevent registrations of celebrity's proposed trademarks for his name and nickname, including "O.J. Simpson," "O.J.," and "The Juice." The Federal Circuit set forth two tests that must be met by an opposer: (1) the "real interest" test and (2) the "reasonable" belief of damage test. Ritchie, 170 F.3d at 1095. To establish a "real interest," opposer must show that it is *among* the subset of the general public that are in fact among the injured. Id., at 1096; see also Stoller v. Ponce, 113 Fed.Appx. 403, 405-406 (Fed. Cir. 2004) (no standing where no admissible evidence provided to demonstrate a real interest).[12]

With respect to the second part of the test, the "reasonable" belief of damage, the Ritchie court required the opposer's belief of damage have a "reasonable basis in fact." Id., at 1098. The court discussed several ways the opposer could meet this second test, including showing that (a) opposer "possesses a trait or characteristic that is clearly and directly implicated by the opposed trademark;" and (b) that others share the same belief of harm from the proposed mark (i.e., the facts show "the belief is not simply the opposer's point of view") Id., at 1098. To meet this second showing the opposer must use surveys or public opinion or petition evidence, or affidavits from

[11] Opinion appended to the Memorandum.

[12] Opinion appended to the Memorandum.

public interest groups, representing the people allegedly sharing the damage caused by the mark. Id.

Here, Mine Design is the textbook definition of "intermeddler." As a result of two prior federal lawsuits, the entry of the Permanent Injunction, and the Settlement Agreement with VOTIVO, Mine Design simply *does not* possess a "real interest in the proceedings." Because Mine Design cannot market bath salts using the name "mandarin" without being *in direct violation of the terms of the Permanent Injunction*, Mine Design cannot in good faith demonstrate (as required by the first prong of Ritchie) that it could be *among* the subset of the general public that conceivably could be among the allegedly "injured."

Similarly, under the Settlement Agreement, Mine Design released all claims, including unknown claims, through the date of the Settlement Agreement. Since the application for the Mark had been pending for over one and one-half years, the release includes claims by Mine Design relating to the Mark.

It is equally impossible as a matter of law for Mine Design to meet the second prong of the test under Ritchie, that it reasonably believes that it can somehow be damaged. Again, because Mine Design has been enjoined from using the trademark MANDARIN, and has released its claims relating to the Mark, it cannot show that it "possesses a trait or characteristic that is clearly and directly implicated by the opposed trademark." Mine Design has also failed to offer any third-party evidence, also as suggested by Ritchie, that its belief of damage "is not simply the opposer's point of view." Id. Mine Design presents no surveys or public opinion or petition

evidence, nor affidavits from public interest groups representing the people allegedly sharing the damage caused by the mark. See Ritchie 170 F.3d at 1098; McDermott v. San Francisco Women's Motorcycle Contingent, 240 Fed.App. 865 (Fed. Cir. 2007) (affirmed dismissal on standing grounds; opposer did not meet any methods of establishing standing discussed in Ritchie, and specifically did not establish a trait or characteristic implicated by the proposed mark, nor established that others share same belief of harm through surveys, petitions, or affidavits from public interest groups).[13] Here, Mine Design has been permanently enjoined from using the Mark, has released claims relating to the Mark, and has presented no evidence to establish standing. It is difficult to imagine a worse set of facts for Mine Design, or a more appropriate instance to summarily dismiss an opposition.

**2. The estoppel doctrines of claim preclusion and issue preclusion prohibit Mine Design from opposing VOTIVO's MANDARINE mark.**

Res judicata encompasses two separate bars to relitigation, claim preclusion and issue preclusion. See Robi v. Five Platters, Inc., 838 F.2d 318, 321 (9th Cir. 1988), appeal after remand, 918 F.2d 1439, 16 USPQ2d 2015 (9th Cir. 1990). Claim preclusion bars claims that could have been asserted in the prior action, whether or not they were. See Tahoe-Sierra Preservation Council v. Tahoe Regional Planning Agency, 322 F.3d 1064, 1078 (9th Cir.2003). Issue preclusion, by contrast, "prevents relitigation of all issues of fact or law that were actually litigated and necessarily decided in a prior proceeding." Robi, 838 F.2d at 321. The doctrines of claim and

[13] Opinion appended to the Memorandum.

issue preclusion are appropriate for summary judgment because if a matter has been previously determined, there remains no triable issue of fact or law. McCarthy on Trademarks and Unfair Competition § 32:87; Robi, 838 F.2d 321.

**a. Claim preclusion bars this Opposition.**

The three elements for claim preclusion are: (1) an identity of parties; (2) an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first. Jet, Inc. v. Sewage Aeration Systems, 223 F.3d 1360 (Fed. Cir. 2000). Even a default judgment can give rise to claim preclusion. International Nutrition Co. v. Horphag Research, Ltd., 220 F.3d 1325 (Fed. Cir. 2000).

Here, every element of claim preclusion is present. The Mine Design I and II cases involved (1) the same parties; (2) an express final judgment on the merits of the claim (including findings of fact and conclusions of law establishing the ownership, use, distinctiveness, and validity of VOTIVO's MANDARINE registrations, and a permanent injunction prohibiting Mine Design from using MANDARINE for home and personal care products); and (3) the current Opposition asserts claims based upon validity of the MANDARINE mark for home and personal care products. Claim preclusion clearly applies.

**b. Issue preclusion bars this Opposition.**

Collateral estoppel, or "issue preclusion," applies to resolve, in a subsequent action, a factual issue that has been conclusively determined in a previous lawsuit. The defense of collateral estoppel applies if four elements are met:

(1) identity of the issues in a prior proceeding;

(2) the issues were actually litigated;

(3) the determination of the issues was necessary to the resulting judgment; and,

(4) the party defending against preclusion had a full and fair opportunity to litigate the issues.

Jet, Inc. v. Sewage Aeration Systems, supra 223 F.3d at 1366 (Fed. Cir. 2000); Blonder-Tongue Lab. V. University of Illinois Found., 402 U.S. 313, 91 S.Ct. 1434 (1971); Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 701 F.2d 1, 217 USPQ 513 (1st Cir. 1983) (collateral estoppel in second suit after first suit dismissed for failure to show damage; second suit "nothing more than garden variety forum shopping"). The prima facie case for demonstrating issue preclusion is set forth plainly in the Mine Design I Court's Findings of Fact, Conclusions of Law, and Permanent Injunction (establishing, as between Mine Design and VOTIVO, ownership, validity, distinctiveness and usage in favor of VOTIVO for MANDARINE in connection with all home and personal care products).

**C. Mine Design's Motion for Summary Judgment based upon genericness must be denied.**

Genericness is a question of fact for which summary judgment is typically inappropriate. Yellow Cab Co. of Sacramento v. Yellow Cab of Elk Grove, Inc., 419 F.3d 925 (9th Cir. 2005). Case law recognizes "four different categories of terms with respect to trademark protection: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful." Surgicenters of America, Inc. v. Medical Dental Surgeries

Co., 601 F.2d 1011, 1014 (9th Cir.1979) (citing Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir.1976) (Friendly, J.)); Filipino Yellow Pages, Inc. v. Asian Journal Publications, Inc. 198 F.3d 1143 C.A.9 (Cal. 1999).

A "generic" term is one that refers, or has come to be understood as referring, to the genus of which the particular product or service is a species, and it cannot become a trademark under any circumstances. Surgicenters, 601 F.2d at 1014 (citing Abercrombie, 537 F.2d at 9-10). As explained by one commentator, a generic term is "the name of the product or service itself-what [the product] is, and as such ... the very antithesis of a mark." 2 J. Thomas McCarthy, Trademarks and Unfair Competition § 12:1[1] (4th ed.1997).

Because a finding of genericness may result in the loss of rights which could be valuable intellectual property, a court should not find genericness without persuasive and clear evidence that the contested term has become generic among a majority of the buyer group. As Judge Posner remarked: "To determine that a trademark is generic and thus pitch it into the public domain is a fateful step." Ty Inc. v. Softbelly's Inc., 353 F.3d 528, 69 U.S.P.Q.2d 1213, 57 Fed. R. Serv. 3d 637 (7th Cir. 2003) (Adding the observation that: "The fateful step ordinarily is not taken until the trademark has gone so far toward becoming the exclusive descriptor [sic] of the product that sellers of competing brands cannot compete effectively without using the name to designate the product they are selling.")

The appropriate test for genericness is whether the relevant public perceives the term primarily as the designation of the article. Blinded Veterans Association v.

Blinded Veterans Foundation, 872 F.2d 1035, 1041 (D.C.Cir.1989). Nartron Corp. v. STMicroelectronics, Inc. 305 F.3d 397 C.A.6 (Mich. 2002). In deciding genericness, evidence of the relevant public's understanding of a term "may be obtained from *any competent source.*" In re Merrill, Lynch, Pierce Fenner & Smith, Inc., 828 F.2d 1567, 1570 (Fed.Cir.1987) (emphasis added). Relevant evidence of genericness includes dictionary definitions, newspapers and other publications, generic use by competitors, generic use of the term by the mark's owners, and use of the term by third parties in trademark registrations. Abercrombie, 537 F.2d at 12 (2d Cir.1976); In re Northland Aluminum Prod., 777 F.2d 1556, 1559 (Fed.Cir.1985); Tektronix, Inc., v. Daktronics, Inc., 534 F.2d 915, 916-17 (C.C.P.A.1976); *see also* Frito-Lay, Inc. v. Bachman Co., 704 F.Supp. 432, 440 (S.D.N.Y.1989). Nartron Corp. v. STMicroelectronics, Inc. 305 F.3d 397 C.A.6 (Mich. 2002).

**1. Opposer has presented no relevant evidence of genericness.**

First, Opposer disingenuously refers to the mark as "*mandarin scented bath salts;*" the mark at issue in this opposition is MANDARINE. The relevant inquiry is whether the mark MANDARINE is generic for *bath salts and hand lotion*; not whether "*mandarin-scented bath salts*" is generic for *bath salts and hand lotion*. The relevant inquiry for genericness was discussed by McCarthy in his treatise, and adopted by a number of courts:

> A mark answers the buyer's questions 'Who are you? Where do you come from?' 'Who vouches for you?' But the name of the product answers the question "What are you?' ... [G]eneric designations tell the buyer what the product is, not where it came from.

McCarthy on Trademarks, § 12:1, *citing* *United States Jaycees v. San Francisco Junior Chamber of Commerce,* 513 F.2d 1226 (9th Cir.1975) and *CES Publishing Corp. v. St. Regis Publication, Inc.,* 531 F.2d 11 (2d Cir.1975), among other cases. *Also see* General Mills, Inc. v. Kellogg Co., 824 F.2d 622 (8th Cir., 1987) (APPLE RAISIN CRISP held not generic as applied to cereal: "the generic name for [plaintiff's] product would seem to be 'breakfast cereal', not 'apple raisin crisp'").

Opposer, oddly, in a declaration from its attorney of record, has submitted the following dictionary definition of mandarin: "a small spiny orange tree of southeastern Asia with yellow to reddish-orange loose-rinded fruits...[and] the fruit of a mandarin;" and a photograph of mandarin oranges in light syrup as evidence of genericness. Mine Design Exhs. 1 and 2. However, these exhibits are relevant to show only that MANDARINE could be generic in connection with *fruit.* They are patently irrelevant to prove the mark MANDARINE is generic for *bath salts and hand lotion.*

Opposer's remaining exhibits are equally immaterial to its genericness argument. Opposer claims "mandarin is commonly used by producers of food . . . to describe products having the scent and/or taste of mandarin, and cites the Candeloro Declaration, ¶¶ 6-9 in support. Mine Design Brief, Sec. II, ¶ 4 Counsel's declaration in ¶¶ 6 and 7, respectively, refer to a "Mandarin-flavored Green Tea," and a "Mandarin-flavored sparkling water," in describing the contents of Exhibits 3 and 4, respectively. Exhibit 3 merely shows a product labeled "Jones Organics Green Tea – Mandarin, " and Exhibit 4 shows a product labeled ""Low Calorie Sparkling

Mandarin." Not only do these exhibits not support the declarant's contention, but because they refer to goods unrelated to those identified by the Applicant in its trademark application the evidence is irrelevant to whether MANDARINE is generic for *bath salts and hand lotion.*

Opposer's next exhibits, printouts of "Mandarin Orange and Patchouli scented body lotion" and "Mandarin Pure Essential Oil" are also irrelevant, since the mark at issue in this Opposition is MANDARINE, not "Mandarin Orange and Patchouli" or "Mandarin Pure Essential Oil". Finally, Opposer's remaining exhibits (relating to bath salts) do not reference the term MANDARINE at all, and should be given no weight.

**2. Authority cited by Opposer is inapposite.**

Opposer's reliance on Andes, Gyulay, and American Greetings is misplaced as those cases did not address the issue of genericness. Application of Andes Candies Inc., 478 F.2d 1264 (CCPA 1973); In re Gyulay, 3 U.S.P.Q. 2d 1009 (Fed. Cir. 1987); In re American Greetings Corp., 226 U.S.P.Q. 365 (TTAB 1985). Opposer makes the unsupported and convoluted argument that while these cases clearly addressed the separate issue of secondary meaning in connection with descriptive terms (an issue not raised in Opposer's motion), this "does not negate that the terms *would have been held* generic *if* the issue had been properly considered under the primary significance test, something the three decisions notably failed to do." Mine Design's Motion for Summary Judgment, p. 8-9 (emphasis added). The gross speculation of what the

genericness holding of these cases "*would have been*" had the issue been before these courts is entirely irrelevant to this case.

**3. MANDARINE is a suggestive mark which is inherently distinctive. If mandarin fruit was a component ingredient in VOTIVO's products, it does not follow that MANDARINE is a generic mark.**

A term is suggestive if "imagination" or a "mental leap" is required in order to reach a conclusion as to the nature of the product being referenced. Self-Realization Fellowship Church v. Ananda Church of Self-Realization, 59 F.3d 902, 911 (9th Cir.1995); Surgicenters, 601 F.2d at 1019 (internal quotation marks omitted). Suggestive marks are deemed to be inherently distinctive, and receive registration without proof of secondary meaning. A.J. Canfield co. v. Concord Beverage Co., 629 F.Supp. 200 (E.D. Pa. 1985).

VOTIVO's MANDARINE products are composed of various natural and synthetic compounds that are suggestive of the aroma of mandarin. Lee Decl. ¶11, Jones Decl. ¶6. The perception of scent and aroma is subjective and differs from person to person. Jones Decl. ¶7. Scent and aromas can directly evoke strong emotions, moods and feelings in individuals. Jones Decl. ¶5. VOTIVO's MANDARINE products stimulate these moods and feelings through the use of fantasy fragrances. Lee Decl. ¶11. VOTIVO's products are designed and promoted with a strong emphasis on the suggestive or conceptual "It reminds me of...," rather than on the definitive "It is" olfactory association. Jones Decl. ¶7. Thus, the MANDARINE mark is suggestive of the aroma of mandarin and thus an inherently distinctive mark.

However, even assuming hypothetically that mandarin fruit actually was a component ingredient in the products, it would not follow that the mark MANDARINE is generic. A term that is a generic name of an ingredient is not necessarily a generic name of a product containing that ingredient. *See* Haydon Switch & Instrument, Inc. v. Rexnord, Inc., 4 U.S.P.Q.2d 1510, 1987 WL 26062 (D. Conn. 1987) (PLANETGEAR held not to be a generic name for electric counters that have planetary gears as a component part – "Because the planetary gears in plaintiff's counters are a component or ingredient of the product, not the product itself, the PLANETGEAR mark is in no sense generic"); Schmidt v. Honeysweet Hams, Inc., 656 F.Supp. 92 (N.D.Ga. 1986) (HONEY BAKED HAM held not generic as applied to hams, even though plaintiff's hams were smoked and glazed with a spice compound which included honey as one of the component ingredients); Eagle Snacks, Inc. v. Nabisco Brands, Inc. 625 F.Supp. 571 (D.N.J. 1985) (HONEY ROAST held not generic as applied to peanuts, even though the peanuts were roasted and honey was one of the component ingredients).

4. **The use of the MANDARINE mark in connection with a wide variety of products makes a finding of genericness impossible in this case.**

MANDARINE is already the subject of two valid existing federal registrations for use in connection with *"candles and tapers,"* and *"skin soap, scented body spray, scented room spray, and incense."* Edmiston Decl. Exhs. 18 – 19. Opposer's claim that MANDARINE is generic is illogical given the use of the mark for such varied products. The fact that MANDARINE has been used on a variety of products

contradicts the term "generic," since it has been used on more than one "genus" of products. See McCarthy on Trademarks, § 12:23; Telechron, Inc. v. Telicon Corp., 198 F.2d 903, 94 U.S.P.Q. 363 (3d Cir. 1952) (TELECHRON held non-generic as used on a wide variety of dissimilar electric time-pieces). *See* In re Automatic Radio Mfg. Co., 404 F.2d 1391, 160 U.S.P.Q. 233 (C.C.P.A. 1969) (AUTOMATIC RADIO used on air conditioners, ignition systems, and antennas as well as on radios);

## IV. RELIEF REQUESTED

WHEREFORE, VOTIVO requests that Mine Design's motion for summary judgment be denied; and, that VOTIVO's cross-motion for summary judgment be granted and Mine Design's Opposition be dismissed with prejudice.

Respectfully Submitted,

DATED: March 12, 2008.

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**Westlaw Delivery Summary Report for ZIMMERMAN,SARA 6326542**

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113 Fed.Appx. 403

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**H**

Stoller v. Ponce

C.A.Fed.,2004.

This case was not selected for publication in the Federal Reporter.NOTE: This disposition is nonprecedential.

United States Court of Appeals,Federal Circuit.

Leo STOLLER, Appellant,

v.

Karen PONCE, Appellee.

**No. 04-1305.**

Oct. 8, 2004.

**Background:**

Purported trademark holder sought judicial review of dismissal by Trademark Trial and Appeal Board of his opposition to trademark application.

**Holdings:** The Court of Appeals held that:

(1) excluding purported trademark holder's affidavits was not abuse of discretion;

(2) exclusion of purported trademark holder's deposition transcripts and attached affidavits was not abuse of discretion;

(3) purported trademark holder lacked standing to oppose trademark registration; and

(4)

Board's refusal to consider purported trademark holder's evidence of standing and subsequent dismissal of his opposition did no deny his due process rights.

Affirmed.

West Headnotes

[1] **Trademarks 382T ⇐1309**

382T Trademarks
382TVII Registration
382TVII(B) Proceedings Concerning Federal Registration
382Tk1306 Evidence
382Tk1309 k. Admissibility. Most Cited Cases
(Formerly 382k223 Trade Regulation)
Excluding affidavits offered by purported trademark holder in support of his opposition to trademark application was not at discretion by Trademark Trial and Appeal Board, given its finding that applicant had not agreed to submission of witness testimony in form of affidavits, as required by rule. 37 C.F.R. § 2.123(b).

[2] **Trademarks 382T ⇐1309**

382T Trademarks
382TVII Registration
382TVII(B) Proceedings Concerning Federal Registration
382Tk1306 Evidence
382Tk1309 k. Admissibility. Most Cited Cases
(Formerly 382k223 Trade Regulation)
Exclusion of purported trademark holder's deposition transcripts and attached affidavits in proceeding on his opposition to trademark application was not abuse of discretion by Trademark Trial and Appeal Board, which found that holder was attempting to circumvent rule prohibiting affidavit submission absent written stipulation by both parties when he attached affidavits as exhibits to deposition transcripts, and that depositions were not recorded by court officer in accordance with rule. 37 C.F.R. § 2.123(e)(2).

[3] **Trademarks 382T ⇐1294**

382T Trademarks
382TVII Registration
382TVII(B) Proceedings Concerning Federal Registration
382Tk1290 Opposition
382Tk1294 k. Persons Entitled to Oppose; Standing; Parties. Most Cited Cases
(Formerly 382k217 Trade Regulation)
Purported trademark holder lacked standing to oppose trademark registration when he submitted no admissible evidence demonstrating that he had real interest in registration of applicant's trademark.

[4] **Constitutional Law 92 ⇐4304**

92 Constitutional Law
92XXVII Due Process
92XXVII(G) Particular Issues and Applications
92XXVII(G)12 Trade or Business
92k4300 Intellectual Property
92k4304 k. Trademarks and Trade Names. Most Cited Cases
(Formerly 92k296(1))

**Trademarks 382T ⚿1296**

382T Trademarks
382TVII Registration
382TVII(B) Proceedings Concerning Federal Registration
382Tk1290 Opposition
382Tk1296 k. Conduct of Proceedings; Hearing and Determination. Most Cited Cases
(Formerly 382k220 Trade Regulation)

Purported trademark holder received complete hearing of his opposition to applicant's registration of trademark in accordar governing rules, which included having adequate notice of rules and full opportunity to argue admissibility of his evidence in b reply brief and at hearing before Trademark Trial and Appeal Board, and therefore Board's refusal to consider purported trad holder's evidence of standing and subsequent dismissal of his opposition did not deny his due process rights. U.S.C.A. Const.Amend. 5 .

*404 Before MAYER , Chief Judge, RADER , and SCHALL , Circuit Judges.

PER CURIAM.

**1 Leo Stoller seeks review of the Trademark Trial and Appeal Board's (Board's) dismissal of his opposition to Karen Ponce's application for the trademark STEALTH SHELF. *Stoller v. Ponce*, Opp'n No. 91,120,339 (TTAB Jan. 22, 2004). In particular, Mr. Stoller appeals the Board's decision to deny admission of evidence of his standing. In addition, Mr. Stoller appeals the Board's finding that he was without standing as a violation of his due process rights under the Fifth and Fourteenth Amendments to the United States Constitution. Because the Board did not abuse its discretion in excluding Mr. Stoller's evidence and there is no procedural due process violation, this court *affirms*.

BACKGROUND

Ms. Ponce applied to the Trademark Office to register the trademark STEALTH SHELF for a spacing device used for sta electronics equipment. Mr. Stoller, who purports to have registered several trademarks with the word "stealth" in them for sim goods, filed an opposition to Ms. Ponce's application with the Trademark Office. Mr. Stoller argued primarily that Ms. Ponce's use of the STEALTH SHELF mark was likely to cause confusion with the use of his marks. The matter was assigned to a panel of three administrative trademark judges.

During discovery, Mr. Stoller scheduled depositions for himself and another individual.*405 Each deposition consisted solely of confirming that each deponent had signed the affidavit before him and the deponent's desire to submit the affidavit in support c the opposition. Mr. Stoller then attached each affidavit as an exhibit to each deposition transcript. Mr. Stoller submitted th deposition transcripts and affidavits to the Board as attachments to his trial brief. At oral argument, Ms. Ponce objected to admission of the deposition transcripts and attached affidavits into evidence.

In response to Ms. Ponce's objection, the Board declined to admit Mr. Stoller's evidence of standing on two grounds. First, the Board found that the attached affidavits were inadmissible because Ms. Ponce had not agreed that affidavit evidence could be submitted in the opposition proceeding. In addition, the Board found that the deposition transcripts were inadmissible under Trademark Rule 2.123(e)(2) because neither deposition had been recorded by an officer of the court. Upon the exclusion of both the deposition transcripts and the attached affidavits, the Board found that Mr. Stoller had submitted no other evidence demonstrating that he had standing t oppose Ms. Ponce's trademark application. The Board, therefore, dismissed Mr. Stoller's opposition without reaching the issu whether there was a likelihood of confusion between STEALTH SHELF and the marks registered by Mr. Stoller.

Mr. Stoller appeals the Board's dismissal to this court.

ANALYSIS

The Board's evidentiary findings will stand absent an abuse of discretion. *See Chen v. Bouchard,* 347 F.3d 1299, 1307 (Fed.Cir.2003) (citing *Kearns v. Chrysler Corp.,* 32 F.3d 1541, 1547 (Fed.Cir.1994) ). Further, this court reviews the Board's conclusions of law without deference. *In re Int'l Flavors & Fragrances Inc.,* 183 F.3d 1361, 1365 (Fed.Cir.1999) .

[1]

**2

Mr. Stoller argues that the Board erred in holding his affidavits inadmissible for failure to comply with the requirements of Trademark Rule 2.123(b) . 37 C.F.R. § 2.123(b) (2003) . This rule allows for the submission of witness testimony in the form of affidavits only "by written agreement of the parties." Board found that Ms. Ponce had not agreed to either submission and Mr. Stoller cannot contest this finding. Accordingly, the Board did not abuse its discretion in excluding the affidavits from consideration.

[2]

Alternatively, Mr. Stoller contends that the affidavits are admissible as exhibits to the depositions. The Board, however, determined that

Mr. Stoller merely sought to circumvent the rule prohibiting affidavit submission absent written stipulation by both parties throu such use of these depositions. Moreover, the Board found that the depositions were not taken in the required format. In pertinent part, Trademark Rule 2.123(e)(2) requires that depositions "shall be taken in answer to questions, with the questions and answers recorded ... by the officer, or by some other person ... in the presence of the officer." 37 C.F.R. § 2.123(e)(2) . The Board determined that neither deposition was recorded by a court officer. It was, therefore, fully within the Board's discretion to exclude Mr. Stoller's non-compliant dej transcripts and the attached affidavits.

[3]

In order for Mr. Stoller to have standing to oppose the registration of a trademark, he must demonstrate that he has a "real interest" in the outcome of the registration proceeding and is "more than a mere intermeddler." *Ritchie v. Simpson,* 170 F.3d 1092, 1095 (Fed.Cir.1999) . The type of interest demonstrated *406 need not be monetary, but some interest must be shown in order to justify the Board's consideration of an opposition. *See id.* at 1097; *see also Int'l Nutrition Co. v. Horphag Research,* 220 F.3d 1325, 1330 (Fed.Cir.2000) (holding that no proprietary interest in the trademark at issue is necessary for standing to oppose the registration of that mark). Mr. Stoller, however, submitted admissible evidence that could demonstrate that he has a real interest in the registration of the STEALTH SHELF trademark. In the absence of any evidence demonstrating Mr. Stoller's interest, the Board did not err in finding that he failed to establish his standing to oppose Ms. Ponce's registration.

[4]

Finally, Mr. Stoller argues that the Board's refusal to consider his evidence of standing and subsequent dismissal of his opposition is a denial of his due process rights. This procedural due process claim is belied, however, by the fact that he received a comp hearing of his opposition in accordance with the Rules of Practice in Trademark Cases. *See In re Int'l Flavors,* 183 F.3d at 1365 . Moreover, Mr. Stoller had adequate notice of the Trademark Rules because not only are they available to the public, he admits tha he has "engaged in the policing and protecting of [his] valuable trademarks before the [Board] for over 25 years." Appellant's Brief at 2. In addition, Mr. Stoller was given a full opportunity to argue the admissibility of his evidence in both his reply brief and at the hearing before the Board. *See id.*

**3

Mr. Stoller also argues that he was not given a fair hearing because one of the administrative trademark judges on his oppositio panel was prejudiced against him. Mr. Stoller, however, provides no evidence or rationale in support of his belief that administrative judge was biased. In sum, Mr. Stoller's due process arguments are unavailing.

CONCLUSION

Accordingly, the decision of the Board is *affirmed.*

C.A.Fed.,2004.
Stoller v. Ponce
113 Fed.Appx. 403, 2004 WL 2370605 (C.A.Fed.)

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92 Fed.Appx. 789

92 Fed.Appx. 789, 2004 WL 542194 (C.A.Fed.)

**(Cite as: 92 Fed.Appx. 789)**

Central Mfg. v. Surgical Navigation Technologies, Inc.
C.A.Fed.,2004.
This case was not selected for publication in the Federal Reporter.NOTE: Pursuant to Fed.Cir.R. 47.6, this order is not citable as precedent. It is public record.Please use FIND to look at the applicable circuit court rule before citing this opinion. Federal Circuit Rule 47.6. (FIND CTAF Rule 47.6.)

United States Court of Appeals,Federal Circuit.
CENTRAL MFG., Appellant,
v.
SURGICAL NAVIGATION TECHNOLOGIES, INC., Appellee.
**No. 03-1414.**

March 17, 2004.

**Background:** Owner of number of "STEALTH" trademark registrations and applications appealed decision of the United States Patent and Trademark Office, Trademark Trial and Appeal Board dismissing its opposition to intent-to-use (ITU) trademark application for use of mark "STEALTHVIEW."

**Holdings:** The Court of Appeals, Schall , Circuit Judge, held that:

(1) Board did not abuse its discretion in denying owner's third discovery request;

(2) owner conceded applicant's allegations and arguments by failing to respond to its motion for summary judgment; and

(3) Board did not abuse its discretion when it denied owner's motion to suspend proceedings while its petition to Director

was pending.

Affirmed.

West Headnotes

[1] Trademarks 382T ⇐1305

382T Trademarks
382TVII Registration
382TVII(B) Proceedings Concerning Federal Registration
382Tk1305 k. Discovery. Most Cited Cases
(Formerly 382k211.1)
Trademark Trial and Appeal Board did not abuse its discretion in denying trademark owner's third discovery request in response to applicant's motion for summary judgment, where request merely repeated interrogatories, document requests, and requests for admissions from owner's second request, which Board had already denied, and owner continued to pursue previously rejected arguments. Fed.Rules Civ.Proc.Rule 56(f), 28 U.S.C.A.

[2] Trademarks 382T ⇐1296

382T Trademarks
382TVII Registration
382TVII(B) Proceedings Concerning Federal Registration
382Tk1290 Opposition
382Tk1296 k. Conduct of Proceedings; Hearing and Determination. Most Cited Cases
(Formerly 382k220)
Opponent to trademark application was deemed to have conceded applicant's allegations and arguments by failing to respond to applicant's motion for summary judgment. 37 C.F.R. § 2.127(a).

[3] Trademarks 382T ⇐1296

382T Trademarks
382TVII Registration
382TVII(B) Proceedings Concerning Federal Registration
382Tk1290 Opposition
382Tk1296 k. Conduct of Proceedings; Hearing and Determination. Most Cited Cases
(Formerly 382k220)
Trademark Trial and Appeal Board did not abuse its discretion when it denied trademark owner's motion to suspend proceedings while its petition to Director was pending, where Board explicitly informed owner that, if it chose to file petition or appeal with Director, Board could decide summary judgment motion while petition or appeal was pending.

*790 Before SCHALL, DYK, and PROST, Circuit Judges.

DECISION

SCHALL , Circuit Judge.

**1 Central Mfg. ("Central") appeals the decision of the United States Patent and Trademark Office, Trademark Trial and Appeal Board ("Board" or "TTAB") that dismissed with prejudice Central's opposition to an intent-to-use ("ITU") trademark application filed by Surgical Navigation Technologies, Inc. ("SNT"). *Cent. Mfg. v. Surgical Navigation Techs., Inc.*, Opp'n No. 117,480 (TTAB Jan. 13, 2003). We *affirm*.

DISCUSSION

I.

SNT filed an ITU application for use of the mark "STEALTHVIEW." According to the application, the goods and services associated with STEALTHVIEW comprise a computer system "primarily of hardware and software for using medical scanning information for surgical planning for use in image guided surgery." Application Ser. No. 75/577,215 ("the '215 application"). Central filed a Notice of Opposition to the '215 application based on its ownership of a number of "STEALTH" trademark registrations and applications. In addition, it subsequently served multiple, broad discovery requests on SNT. SNT responded with a combined motion to dismiss and to stay discovery, which the Board treated as a motion for summary judgment.

In response to SNT's motion to dismiss, Central filed a motion for discovery pursuant to Federal Rules of Civil Procedure, Rule 56(f) ("Rule 56(f) "). The Board denied the motion as overbroad and sanctioned Central under Federal Rules of Civil Procedure, Rule 11 for falsely stating that its discovery request was "very tailored" to SNT's motion to dismiss. Twice more, Central attempted to conform its discovery requests to Rule 56(f) and the Board's instructions. At the same time, it twice sought leave to amend its Notice of Opposition. In due course, the Board denied Central's motions to amend its Notice of Opposition, and denied with prejudice its third motion for discovery under *791Rule 56(f) . The Board then gave Central thirty days to respond to SNT's summary judgment motion, informing Central that "[i]f opposer chooses to file a petition or appeal with the Director, the Board may decide the summary judgment motion while the petition or appeal is pending." *Cent. Mfg. v. Surgical Navigation Techs., Inc.*, Opp'n No. 117,480 (TTAB Nov. 14, 2002). Central petitioned the Director regarding the Board's denial of its second motion to amend the Notice of Opposition. However, it thereafter failed to respond to the summary judgment motion, as directed by the Board. For that reason, on January 13, 2003, the Board ruled that the facts of the case, as alleged by SNT, were deemed conceded. Accordingly, the Board dismissed with prejudice Central's opposition. Central now appeals the Board's decision. We have jurisdiction pursuant to 15 U.S.C. § 1071(a) (2000) .

II.

Central makes two main arguments on appeal. First, it contends that the Board abused its discretion in denying its Rule 56(f) discovery requests. Second, it asserts that the Board abused its discretion in denying its motion to suspend proceedings and that it erred in dismissing its opposition while its petition to the Director was pending.

**2 We review the Board's rulings on discovery issues and procedural matters under the abuse of discretion standard. *Spezzaferro v. FAA*, 807 F.2d 169, 173 (Fed.Cir.1986) . We will not disturb the Board's factual findings unless they are arbitrary, capricious, an abuse of discretion, or unsupported by substantial evidence. *In re Boston Beer Co. L.P.*, 198 F.3d 1370, 1373 (Fed.Cir.1999) . Finally, we review the Board's conclusions of law *de novo*. *In re Thrifty Inc.*, 274 F.3d 1349, 1351 (Fed.Cir.2001) .

A.

[1] With respect to the first issue Central raises on appeal, we see no abuse of discretion in the Board's denial of Central's third Rule 56(f) discovery request. Rule 56(f) allows a party to request limited discovery where it is unable to respond to a pending motion for summary judgment because it lacks necessary facts. Each discovery request under Rule 56(f) must be adequately supported by a showing of need by the movant. *Keebler Co. v. Murray Bakery Prods.*, 866 F.2d 1386, 1389 (Fed.Cir.1989) .

The Board found that Central's third Rule 56(f) discovery request merely repeated interrogatories, document requests, and requests for admissions from Central's second request, which the Board had already denied. *Cent. Mfg. v. Surgical Navigation Techs., Inc.*, Opp'n No. 117,480 (TTAB Aug. 19, 2002). The Board also found that Central continued to pursue previously rejected arguments and "completely ignored [a previous] Board order, where the Board clearly stated that 'opposer's interrogatory nos. 1-8.1 are improper.' "*Id.* The Board noted that Central "included certain of those interrogatories, verbatim, in its third amended motion for discovery."*Id.* We see no abuse of discretion in the Board's denial of Central's third Rule 56(f) discovery request.

B.

Turning to Central's second argument on appeal, we see no error in the Board's dismissal of Central's opposition. To successfully oppose SNT's motion for summary judgment, Central needed only to aver, by affidavit, facts sufficient to establish a *prima facie* case with respect to any one of the number of reasons an opposer may use to challenge a trademark application.*792 Indeed, the allegations in Central's Notice of Opposition comprised a veritable laundry list of such reasons. Thus Central alleged: likelihood of confusion; fraud; that SNT's typed drawing was not a substantially exact representation; that the description of the goods in SNT's application was indefinite; that STEALTHVIEW is merely descriptive or deceptively misdescriptive; and that SNT has no bona fide intent to use the mark. *Notice of Opp'n*, ¶¶ 10-20. *See generally*, Practitioner's Trademark Manual of Examining Procedure (3rd ed.2002). The fundamental problem with Central's Notice of Opposition, however, is that it is entirely devoid of specific supporting facts.

SNT pointed out in its motion to dismiss that Central "makes no factual allegations in its numbered averments, other than perhaps inferences from its listed registrations, that it sells or has sold any goods which overlap with SNT's application in any way." Additionally, SNT noted that the STEALTH field is crowded and that registrations in the field must therefore be narrowly interpreted. *Jet Tours v. Mark Travel Corp.*, 1999 WL 20927, 1999 TTAB LEXIS 14, *10 (1999) ; *see Colgate-Palmolive Co. v. Carter-Wallace, Inc.*, 58 C.C.P.A. 735, 432 F.2d 1400 (CCPA 1970) . SNT also noted that Central's STEALTH mark is not famous as a matter of law. *See S Indus. v. Diamond Multimedia Sys., Inc.*, 991 F.Supp. 1012, 1021 (N.D.Ill.1998) . SNT argued that, under these circumstances, no claim of likelihood of confusion between Central's STEALTH mark and the challenged STEALTHVIEW mark could be supported. Accordingly, SNT asserted that Central could not be damaged by SNT's registration of STEALTHVIEW and therefore lacked standing to oppose under 15 U.S.C. § 1063(a) . *See Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed.Cir.1999) (holding that an opposer must have a reasonable basis for his belief of damage).

**3 [2] SNT's allegations and arguments were properly deemed conceded by the Board when Central failed to respond to SNT's motion for summary judgment. *See* 37 C.F.R. § 2.127(a) ("When a party fails to file a brief in response to a motion, the Board may treat the motion as conceded."); *Chesebrough Pond's, Inc. v. Faberge, Inc.*, 618 F.2d 776, 780 (CCPA 1980) (affirming the Board's decision to treat a motion for summary judgment as conceded when the non-moving party failed to file a brief in opposition). Hence, as a matter of law, SNT was entitled to judgment. The Board therefore properly dismissed

Central's opposition.

[3] Central's contention that the Board abused its discretion when it denied Central's motion to suspend proceedings while its petition to the Director was pending is without merit. The Board explicitly informed Central that, "[i]f opposer chooses to file a petition or appeal with the Director, the Board may decide the summary judgment motion while the petition or appeal is pending." *Cent. Mfg. v. Surgical Navigation Techs., Inc.*, Opp'n No. 117,480 (TTAB Nov. 14, 2002). A decision of the Board controlling its own docket is entitled to substantial deference, and generally will not be overturned. *In re Boston Beer*, 198 F.3d at 1373 . We see no reason to disturb the Board's decision on this point.

For the foregoing reasons, the Board's decision dismissing Central's opposition to SNT's ITU application for the mark STEALTHVIEW is affirmed.

C.A.Fed.,2004.
Central Mfg. v. Surgical Navigation Technologies, Inc.
92 Fed.Appx. 789, 2004 WL 542194 (C.A.Fed.)

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**H**

McDermott v. San Francisco Women's Motorcycle Contingent

C.A.Fed.,2007.

This case was not selected for publication in the Federal Reporter.Not for Publication in West's Federal Reporter See Fed. Rule of Appellate Procedure 32.1 generally governing citation of judicial decisions issued on or after Jan. 1, 2007. See also Federal Circuit Rule 32.1 and Federal Circuit Local Rule 32.1. (Find CTAF Rule 32.1)

United States Court of Appeals,Federal Circuit.

Michael J. McDERMOTT, Appellant,

v.

SAN FRANCISCO WOMEN'S MOTORCYCLE CONTINGENT, Appellee.

**No. 07-1101.**

July 11, 2007.

**Background:**

Plaintiff filed opposition to motorcycle group's application to register the trademark "Dykes on Bikes." The Trademark Trial : Appeal Board, 2006 WL 2682345, dismissed the opposition. Plaintiff appealed.

**Holding:**

The Court of Appeals held that plaintiff failed to establish reasonable belief that he would be damaged by trademark.

Affirmed.

West Headnotes

**Trademarks 382T ⚿1294**

382T Trademarks

382TVII Registration
382TVII(B) Proceedings Concerning Federal Registration
382Tk1290 Opposition
382Tk1294 k. Persons Entitled to Oppose; Standing; Parties. Most Cited Cases
Plaintiff failed to establish a reasonable belief that he would be damaged by motorcycle group's registration of trademark "Dykes on Bikes," for purposes of establishing standing to bring opposition to registration on grounds that mark was disparaging i comprised of scandalous and immoral material; plaintiff, being a man, did not possess a trait or characteristic that was clearly directly implicated in the proposed mark, and plaintiff had not alleged that his belief was shared by others. Lanham Act, § 2(a), 15 U.S.C.A. § 1052(a).

**Trademarks 382T ⟹1800**

382T Trademarks
382TXI Trademarks and Trade Names Adjudicated
382Tk1800 k. Alphabetical Listing. Most Cited Cases
DYKES ON BIKES.

*866 Appealed from United States Patent and Trademark Office, Trademark Trial and Appeal Board.
Michael J. McDermott, of Dublin, CA, pro se.
Gregory S. Gilchrist, Townsend and Townsend and Crew LLP, of San Francisco, CA, for appellee. With him on the brief were Gia L. Cincone and Raquel Pacheco. Of counsel on the brief were Michael O. Crain, Oliver-Crain, P.C., of Athens, GA, and Brooke Oliver, of San Francisco, CA.

Before MAYER and LOURIE, Circuit Judges, and LINARES, District Judge. FN*

FN* Honorable Jose L. Linares, District Judge, United States District Court for the District of New Jersey, sitting by designation.

PER CURIAM.

DECISION

**1 Michael J. McDermott ("McDermott") appeals from the decision of the United States Patent and Trademark Office Trademark Trial and Appeal Board (the "Board") dismissing for lack of standing his opposition to the San Francisco Wo Motorcycle Contingent's ("SFWMC") application to register the trademark DYKES ON BIKES ("the mark"). *McDermott v. San Francisco Women's Motorcycle Contingent*, 81 U.S.P.Q.2d 1212 (T.T.A.B.2006). Because the Board did not err in its dismissal of McDermott's opposition, we affirm.

BACKGROUND

On July 31, 2003, SFWMC applied to register the mark for education and entertainment services. Initially, registration was refi under 15 U.S.C. § 1052(a) FN1 on the basis that the word "dyke" was disparaging to lesbians. Upon consideration of additional evidence following a remand fro the Board, the examiner approved the trademark application for publication, and it was published on January 4, 2006. McDermc filed his Notice of Opposition to registration on February 15, 2006. On April 5, 2006, SFWMC filed a motion to dismiss t opposition pursuant to *867Federal Rule of Civil Procedure 12(b)(6) for lack of standing and failure to state a legal basis for the opposition.

FN1. Under 15 U.S.C. § 1052(a), no trademark shall be refused registration on account of its nature unless it "[c]onsists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or

Exhibit: 26
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dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute...."

In its September 13, 2006 decision, the Board granted SFWMC's motion to dismiss, finding that McDermott lacked the requ standing to oppose registration of the mark. Relying on this court's decision in *Ritchie v. Simpson*, 170 F.3d 1092 (Fed.Cir.1999), the Board found that McDermott had sufficiently pleaded a "real interest," but had failed to allege facts that would show he had a "reasonable" basis for his belief that he would be damaged by the registration.

McDermott timely appealed to this court, and we have jurisdiction pursuant to 28 U.S.C. § 1295(a)(4)(B).

DISCUSSION

We review the Board's legal determinations *de novo* and its factual findings for substantial evidence. *In re Bose*, 476 F.3d 1331, 1334 (Fed.Cir.2007). Standing is a question of law that this court reviews *de novo*. *Isr. Bio-Eng'g Project v. Amgen, Inc.*, 475 F.3d 1256, 1262-63 (Fed.Cir.2007).

On appeal, McDermott argues that the Board misapplied this court's precedent and thereby denied him due process. SFWM responds that McDermott failed to identify any reasonable basis for believing that registration of the mark would be harmful to him or others.

The narrow question before us is whether McDermott has standing to oppose registration of the mark, and we find no error in Board's determination that McDermott lacked the requisite standing. As noted by the Board, McDermott has basically made tv claims under 15 U.S.C. 1052(a). First, he has alleged it is disparaging based on the inclusion of the term "dykes" (the disparagement claim). Second, he has alleged that it is comprised of scandalous and immoral material because the mark in full is associated with a pattern of illegal activity by the group applying for registration of the mark (the scandalous claim). McDermott lacks standing to assert either claim.

**2 As we explained in *Ritchie*, an opposer of registration of a mark must have both a real interest in the proceedings and a reasonable basis for a belief that he would be damaged by its registration. *Id.* at 1095. The Board did find that McDermott had sufficiently pleaded a real interest, and SFWMC does not challenge that finding. Thus, McDermott's standing, or lack thereof, rests on whether his pleading establishes a reasonable basis for his belief that he wou damaged by registration.

In *Ritchie*, we stated that "one method of establishing the reasonableness of belief of damage for purposes of standing is for the opposer t allege he possesses a trait or characteristic that is clearly and directly implicated in the proposed mark." *Id.* at 1098. The Board found that McDermott, being a man, was not so "implicated" by the mark, and we agree that the registration of the proposed m would have no "implications" for a man.

"[A]nother means that may be used to demonstrate the reasonableness of the opposer's belief of damage is to allege that others share the same belief of harm from the proposed trademark" as demonstrated through surveys, petitions, or affidavits from pu interest groups. *Id.* The Board found, and we agree, that McDermott's opposition papers contain no allegations that his belief is shared by others and no reference to supporting evidence demonstrating such a shared belief. No other basis has been shown to provide McDermott, man, with sufficient standing to enable him to oppose registration of the proposed mark.

*868 We have considered the additional arguments by the parties and find them to be without merit or moot. We therefore *affirm* the Board's decision dismissing for lack of standing McDermott's opposition to registration of the mark.

C.A.Fed.,2007.
McDermott v. San Francisco Women's Motorcycle Contingent

240 Fed.Appx. 865, 2007 WL 2032069 (C.A.Fed.)

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**EXHIBIT 27**

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

| | |
|---|---|
| MINE DESIGN D/B/A/ OF AMAL FLORES (U.S.),<br><br>Opposer,<br><br>v.<br><br>VOTIVO, LTD., a Washington corporation,<br><br>Applicant,<br><br>VOTIVO, LLC, a South Carolina Limited Liability Company,<br><br>Defendant | APPLICANT'S AND DEFENDANT'S REPLY MEMORANDUM IN SUPPORT OF CROSS-MOTION FOR SUMMARY JUDGMENT<br><br>Opposition No. 91178747 |

**Introduction.**

Mine Design has failed, in opposing VOTIVO's cross-motion for summary judgment, to demonstrate that it has standing to oppose the mark. Mine Design does not provide a legal basis (nor any material facts) to justify why it does not continue to be, *permanently enjoined* by the United States District Court (Central District of California) from using the mark MANDARINE:

> IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:
>
> 1. *Defendant... and attorneys....are hereby permanently enjoined and restrained from:*
>
> * * *
>
> d. *Using any of the terms set forth on Exhibit "A" hereto,* each of which is a subject of a United States trademark registration owned by VOTIVO, *or any other term,* symbol, trademark, service mark, domain name, trade name, or corporate or other entity name *that is confusingly or substantially similar to the terms listed on Exhibit "A", in connection with* candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and *any other scented products for household or personal care use.*

As a matter of law, Mine Design (1) lacks any "real interest" in the proceedings, and (2) lacks a reasonable basis for the belief of damage. Indeed, Mine Design is the proverbial "intermeddler" that must be dismissed because it does not raise "a real controversy." See Ritchie v. Simpson, 170 F.3d 1092, 50 USPQ 1023, 1025 (Fed. Cir. 1999). This conclusion is also directly supported by two important decisions handed down within the past three weeks

(discussed below): Nasalok Coating v. Nylok, Cancellation No. 92/045, 050, (Fed. Cir., April 14, 2008); and Daimler Chrysler Corp. v. Maydak, Opp. No. 91153172, at p. 12-13 (April 4, 2008).

**A. Permanent Injunction prevents use of the MANDARINE mark.**

Mine Design offers a contorted "interpretation" of the Federal court's Permanent Injunction to argue that it is not enjoined from "using" the "term" MANDARINE.

However, Mine Design admits that the Permanent Injunction precludes Mine Design from "*Using any* of the terms set forth on Exhibit "A" hereto . . .," and that Exhibit A includes the term MANDARINE. Mine Design's Combined Reply and Opposition, p. 15; See Edmiston Decl., Ex. 4 (Permanent Injunction, §1.d.) Mine Design never explains why it has not sought relief from the Federal court Permanent Injunction; it instead simply engages in forum shopping, requesting that the TTAB narrow the scope of the plain language of Permanent Injunction. Specifically, Mine Design first argues, contrary to the plain language of the Permanent Injunction, that it should allowed to use MANDARINE if the use is "non-infringing," based upon language Mine Design "borrows" from the Judgment. Mine Design provides no basis to support this contention (other than wishful thinking spun as "interpretation"). The Permanent Injunction is not ambiguous and requires no interpretation. Even if this interpretation were appropriate, Mine Design ignores the obvious; it is the very *breadth* of the Permanent Injunction's language (prohibiting Mine Design's use of *any term*) that is designed to assure that the potential for *infringement* by Mine Design is eliminated.

Mine Design next argues that the Settlement Agreement, which led to a dismissal of *only* the Mine Design I Appeal and Mine Design II, somehow narrows the plain language of the Permanent Injunction (which it *did not* dismiss). This contention is based upon the Settlement Agreement's requirement that Mine Design not *use* any of the trademarks set forth in the Permanent Injunction, and that Mine Design "will not, directly or indirectly, initiate any proceeding challenging the protectability or validity of the VOTIVO Registrations." Mine Design's Combined Reply and Opposition, p. 16-17. Again, Mine Design provides no authority

supporting its self-serving argument, and ignores the simple fact that the Settlement Agreement expressly *does not* effectively dissolve the injunction or otherwise modify its terms. Clearly, had it been the parties' intent, they could have addressed, within the terms of the Settlement Agreement, action to be taken before the Federal court with regard to modifying or lifting the Permanent Injunction. It is undisputed that they did not. Further, Mine Design again disregards reality; the Settlement Agreement simply does not suggest any intent to narrow the scope of the Permanent Injunction. Again, it is the very *breadth* of the language in the Permanent Injunction that is designed to assure that the potential for *infringement* by Mine Design, is eliminated.

Mine Design's overall strategy appears to be a circular argument that (based upon its "interpretation") because Mine Design may "use" the term MANDARINE if the terms *are not trademarks;* and that because it now believes the trademarks are generic; it has standing to oppose the present registration. In other words, while the Permanent Injunction clearly precludes Mine Design from using the term MANDARINE, it can collaterally attack VOTIVO's trademarks in another forum to circumvent the plain language of the Permanent Injunction. Mine Design's reasoning is patently inconsistent with the plain language of the Permanent Injunction.

Mine Design cites DeWalt, Inc. v. Magna Power Tool Corp., 129 U.S.P.Q. 275, 280-81 (CCPA 1961), as the only case supporting its core theory that it has established standing. However, Mine Design ignores that DeWalt did not address the situation where the opposer has been permanently enjoined from using the mark at issue; was decided in 1961, long before the case law developed on the subject of standing; and ignores that any "presumption" can be rebutted (as in the instant case, as a result of the prior litigation and the entry of the Permanent Injunction).

Just three weeks ago, in a case with nearly identical facts, the TTAB granted summary judgment based upon application of the terms of a permanent injunction previously entered by a federal district court:

> [T]o the extent that a civil action in a Federal district court involves issues in common with those in a proceeding before the Board, the decision... is typically binding upon the Board, while the decision of the Board is not binding upon the court. See TBMP §510.02(a) (2d ed. rev. 2004). Moreover, any final determination made by the Board is appealable to Federal district court, including to the district in which the civil action between the parties took place. *See* Trademark Act §21(b); Trademark Rule 2.145(c); and TBMP §901 (2d ed. rev. 2004). Thus, in this case, *it is incumbent upon the Board to give deference to the determinations of the court, including the remedy entered therein, and consider the terms of the permanent injunction.*

Daimler Chrysler Corp. v. Maydak, Opp. No. 91153172, at p. 12-13 (April 4, 2008) (emphasis supplied; copy attached). The Board concluded that the Federal court permanent injunction was, as a matter of law, dispositive: "because the injunction permanently prohibits applicant from using...the mark, it is a legal impossibility for applicant to obtain registration." Id. Similarly, due to the Permanent Injunction entered in Mine Design I, it is a legal impossibility for Mine Design to demonstrate standing to oppose Votivo's registration of the term MANDARINE in connection with any scented products for personal or home care use, which includes scented bath salts and hand lotion. Mine Design has no real interest in the proceedings, and no belief of damage.

**B. Res Judicata doctrines of claim and issue preclusion prohibit Mine Design's collateral attack.**

The doctrines of claim and issue preclusion are appropriate for summary judgment because if a matter has been previously determined, there remains no triable issue of fact or law. McCarthy on Trademarks and Unfair Competition § 32:87; Robi v. Five Platters, Inc., 838 F.2d 318, 321 (9th Cir. 1988), appeal after remand, 918 F.2d 1439, 16 USPQ2d 2015 (9th Cir. 1990). Mine Design's attempts to avoid application of the res judicata doctrines of claim and issue preclusion are based upon the incredible premise that MANDARINE was not at issue nor litigated in the prior federal actions: "Votivo has presented no evidence to support its allegation that the claims herein were part of the prior litigations." Mine Design Combined Reply and Opposition, p. 20. The use of the term MANDARINE is, without dispute, included within Exhibit A of the Permanent Injunction. Further, the terms of the Permanent Injunction clearly apply to the use of

MANDARINE in connection with scented bath salts and hand lotion. It is difficult to imagine a broader statement from the federal court intending to preclude Mine Design's use of the mark MANDARINE than in connection with *"any other scented products for household or personal care use."*

Under facts virtually identical to the present case, one week ago the Federal Circuit upheld a summary dismissal of an action before the TTAB, applying claim preclusion to prevent a collateral attack on a prior default judgment and injunction entered by a federal district court. Nasalok Coating v. Nylok, Cancellation No. 92/045, 050, (Fed. Cir., April 14, 2008, copy attached). The parallels to the present case are striking. In Nasalok, the former defendant tried to avoid application of a permanent injunction and default judgment by arguing that the prior judgment was not clear about *which* of several trademarks in the federal action had been infringed, and did not expressly specify the mark subsequently challenged in the petition to cancel. The Federal Circuit stated the obvious: that success in the cancellation proceeding would negate the relief secured in the federal infringement proceeding. Id. at p. 16. The Federal Circuit determined that "defendant preclusion" applied, and would not allow the former federal court defendant to undermine a previous judgment with a subsequent USPTO proceeding; such a result would undermine the permanent injunction and thus "would constitute a collateral attack on the district court's judgment." Id. at 17. Contrary to Mine Design's arguments in the present case, the Nasalok Court rejected the argument that preclusion should not apply because the injunction resulted from a default judgment.

> It is well established that '[a] default judgment can operate as res judicata in appropriate circumstances.' Sharp, 448 F.3d at 1371; see also Morris v. Jones, 329 U.S. 545, 550-51 (1947); Riehle v. Margolies, 279 U.S. 218, 225 (1929); Int'l Nutrition Co. v. Horphag Research, Ltd., 220 F.3d 1325, 1328 (Fed. Cir. 2000) ("Contrary to INC's argument, default judgments can give rise to res judicata.").

Id. Mine Design provides no authority remotely close to the facts in the present case, or the facts (and analysis) of Nasalok.

C. **Standing cannot be waived in Opposition proceeding.**

As a general proposition, standing is jurisdictional. It is well-established that any party, and even the court *sua sponte,* can raise the issue of standing for the first time at any stage of the litigation, including on appeal.[1] While the Lanham Act has its own, unique standing requirements, Mine Design has not cited authority supporting its proposition that the requirement of standing for an opposition proceeding can be waived. In Ritchie v. Simpson, the Court outlined both the statutory and additional judicial requirements:

> Section 13 of the Lanham Act establishes a broad class of persons who are proper opposers; by its terms the statute only requires that a person have a belief that he would suffer some kind of damage if the mark is registered. However, in addition to meeting the broad requirements of § 13, an opposer must meet two judicially-created requirements in order to have standing-the opposer must have a "real interest" in the proceedings and must have a "reasonable" basis for his belief of damage.

Ritchie, *supra*, at 1095. Mine Design simply ignores these standing requirements, and is the quintessential "mere intermeddler" who does "not raise a real controversy from bringing oppositions... in the PTO." Id. See also Lipton Industries, Inc. v. Ralston Purina Co., 670 F.2d 1024, 213 U.S.P.Q. 185 (C.C.P.A. 1982) (purpose of standing to weed out "intermeddlers" from those with "a personal interest in the outcome beyond that of the general public"); 3 McCarthy on Trademarks and Unfair Competition, Sec 20:10 ("Intermeddlers" with no "personal interest in the outcome beyond that of the general public" do not have standing and must be "weeded out").[2]

---

[1] Pandrol USA, LP v. Airboss Ry. Prods., Inc. 320 F.3d 1354 (Fed.Cir. 2003) (internal citation omitted); Warth v. Seldin, 422 U.S. 490, 517-18, 95 S.Ct. 2197, 45 L.Ed.2d 343 (1975); Rite-Hite Corp. v. Kelley Co., 56 F.3d 1538, 1551 (Fed.Cir.1995) (en banc) (question of standing to sue is a jurisdictional).

[2] Mine Design's argument that the authority referenced by VOTIVO on standing does not apply because the term MANDARINE is allegedly generic is specious. Without regard to the specific *basis* for an opposition under 15 U.S.C. §1052 (whether 2(a) or 2(e)), the statute governing the determination for standing for an opposition, 15 U.S.C. §1063, applies. Mine Design's own Complaint acknowledges this point: "pursuant to 15 U.S.C. §1063 [Mine] opposes Votivo, Ltd.'s Application Serial No. 76/613881 for the term "mandarine" in connection with aromatic bath salts and hand lotion products." Mine Design Notice of Opposition, p. 3. The only authority provided by Mine Design in fact

**D. Even if standing *could* be waived, there are no facts supporting application of a waiver in the present case.**

Mine Design again provides no authority supporting its theory. that the issue of standing has been waived because it was "not raised in VOTIVO's Answer." In addition, Mine Design's theory ignores the procedural history of this case, which demonstrate that Mine Design's waiver theory is inapplicable.

Mine Design served its present summary judgment motion upon VOTIVO, Ltd., on January 20, 2008. At that time, VOTIVO LLC, the successor to the Applicant, had not been joined as a defendant in this Opposition. Mine Design did not file the summary judgment until over two weeks later, on February 6, 2008. Proceedings were suspended on February 7, 2008. VOTIVO LLC was joined as a party the next day. Faced with the pending summary judgment motion and suspension of proceedings unrelated to said motion, VOTIVO, LLC opposed the summary judgment and cross-moved for summary judgment. This is the correct procedure pursuant to Fed.R.Civ.P. 12(b)(6), which provides for such motions *before* filing a responsive pleading and specifically provides for seeking such relief in lieu of filing an Answer. Rule 12(d) provides for conversion of the motion is converted to summary judgment, because evidence outside of the pleadings has been provided to support the cross-motion. This process is also set forth in TBMP §3:44: "if the motion is decided in such a manner that the proceedings are to continue, the Board will, in its ruling, reset the time for answering." Mine Design's waiver argument that the question of standing is a red herring, legally, factually, and procedurally.

**E. Mine Design's "genericness" argument is not a basis for denying VOTIVO's cross-motion for summary judgment.**

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*supports* application of the standing requirements asserted by VOTIVO; TBMP 309.03(b), footnote nos. 116-119, directly references Ritchie for the proposition that an opposer must have both a real interest in the proceedings and a reasonable basis for his belief in damage. An intermeddler is an intermeddler, no matter his statutory foundation for his opposition.

Mine Design repeatedly asserts VOTIVO's cross-motion should be denied based upon the "merits" of Mine Design's argument that MANDARINE is generic. Mine Design puts great stock in the case A.J. Canfield Co. v. Honickman, 1 U.S.P.Q2d 1364 (3d Cir. 1986), but the reliance is misplaced.[3] The holding in Canfield is more nuanced than what Opposer has presented: "(i)f a producer introduces a product that differs from an established product class in a particular characteristic, and uses a common descriptive term of that characteristic as the name of the product, then the product *should be considered* its own genus." Canfield, pp. 305-306 (emphasis added). The operative phrase is "should be considered," not "becomes," as Opposer would have the court believe. The Canfield court, however, went on: "Whether the term that identifies the product is generic then depends on the competitors' need to use it. At the least, *if no commonly used alternative effectively communicates the same functional information, the term that denotes the product is generic.*" Id. at 306 (emphasis added). Thus, even if Canfield is applied to this case, (1) if scented bath salts or hand lotion is a product which is functionally different from unscented bath salts or hand lotion, and the scented goods use the term MANDARINE, the term might be considered generic, *but only if* (2) no alternative term is available to competitors which "effectively communicates the same functional information." Id. at 306. If Canfield is the pillar for Opposer's summary judgment motion, Mine Design's the motion should be denied.

Mine Design has failed to present a scintilla of evidence that scented bath salts are an established product class, and thus, a genus of goods. In the US Acceptable Identification of Goods and Services Manual (9th Ed.) bath salts have two classifications: general, non-medicated bath salts in International Class 003, and medicated bath salts in International Class 005. Likewise, hand lotion is either classified as hand lotion in IC 003, or anti-bacterial hand lotion in

[3] In addition, Canfield, an appellate review of a trial court's denial of a preliminary injunction (requiring an analysis of the "likelihood of success on the merits") is procedurally a polar opposite from the present case (Mine Design's summary judgment motion, where all facts and inferences must be drawn in VOTIVO's favor).

IC 005. Assuming *arguendo*, that scented bath salts or scented hand lotion is the pertinent genus, Mine Design has not proved that the term MANDARINE as applied to scented bath salts or hand lotion is so commonly descriptive of those products that the term should be considered generic. Opposer's own evidence shows the term is subject to different usages; with its most common usage denoting a person, not a fruit. See Declaration of Candeloro, Ex. 1.

Next, even if "mandarine" is a common descriptive for orange-scented bath salts or hand lotion, Canfield requires that competitors must have a "commonly used alternative" which communicates the same functional information, namely that this bath salt or hand lotion is citrus-scented, or just plain fruit-scented. Mine Design's own evidence demonstrates that bath salt companies routinely refer to "fruit," "citrus" and "orange" to describe the scents used with their products (*none* of them use mandarin).

**RELIEF REQUESTED**

WHEREFORE, VOTIVO requests that VOTIVO's cross-motion for summary judgment be granted and Mine Design's Opposition be dismissed with prejudice.

Respectfully Submitted,

DATED: March 21, 2008.

INVICTA LAW GROUP, PLLC

By _____

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Date of Deposit: April 21, 2008

I hereby certify that this paper is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR §1.10 on the date indicated above and is addressed to:

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Katy M. Albritton

THIS OPINION IS A PRECEDENT OF THE TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

BUTLER

Mailed: April 4, 2008

Opposition No. 91153172

DAIMLER CHRYSLER CORPORATION

v.

KEITH MAYDAK

Before Quinn, Rogers and Cataldo, Administrative Trademark Judges.

By the Board:

Applicant seeks to register the mark FORADODGE for "consulting services and providing information in the fields of privacy, avoiding legal problems, obtaining government records, correcting government records, and counterintelligence."[1]

As grounds for the opposition, opposer alleges that applicant's mark, when used on the recited services, so resembles opposer's previously used and registered marks DODGE, DODGE RAM and DODGE and design for, *inter alia*, automobiles and automotive goods and services, as to be likely to cause confusion, mistake or to deceive.[2] Opposer also alleges likelihood of confusion with its previously used 4ADODGE "designation," used in a website

[1] Application Serial No. 76274100, filed on June 15, 2002, claiming a date of first use anywhere of December 26, 1996 and a date of first use in commerce of January 1, 1997.

[2] Opposer pleads ownership of Registration Nos. 364669; 569431; 1169189; 1189233; 1409844; and 1762717.

address and with 1-800 telephone numbers in connection with various goods and services offered by opposer.

In his answer, applicant denies the salient allegations of the notice of opposition.

Although opposer informed the Board in its notice of opposition, filed August 15, 2002, that the parties were involved in civil litigation, it was not until September 30, 2003 that proceedings herein were suspended pending final determination of the court case involving the parties. This case now comes up on opposer's fully briefed motion, filed January 17, 2007, for summary judgment in its favor based on the final determination in its favor in the civil action and on opposer's fully briefed motion, filed April 4, 2007, to strike as untimely applicant's response to opposer's summary judgment motion.

***Opposer's motion to strike***

Applicant's response to opposer's motion for summary judgment was due, as last reset, on Tuesday, April 3, 2007. Applicant filed his response using the ESTTA filing system on Sunday, April 8, 2007. Applicant's response is accompanied by a certificate of service dated April 5, 2007.

Opposer moves to strike applicant's response on the bases that it was late, that it is not signed in conformance with the applicable rules, and that opposer did not receive its service copy.

In response, applicant argues that the ESTTA system does not permit a document to be uploaded without an electronic signature,

thus suggesting that the signature on the cover page is acceptable. Applicant argues that he did serve his response on opposer and, because opposer may obtain the response on-line, the "failure of the Postal Service to deliver the document was harmless." Applicant admits that his response was filed late, explaining that he attempted to file it on April 7, 2007 but received an error message. Applicant argues that the Board should consider his response because any miscalculation was "a harmless error."

Trademark Rule 2.193(c)(1)(iii) provides as follows:

> Where an electronically transmitted trademark filing is permitted or required, the person who signs the filing must either:
>
> > (A) Place a symbol comprised of numbers and/or letters between two forward slash marks in the signature block on the electronic submission; or (B) Sign the verified statement using some other form of electronic signature specified by the Director.

In this case, applicant used a symbol between the forward slash marks, "/s/," followed by his name. This qualifies as a signature under the Rule. *See also PPG Industries, Inc. v. Guardian Industries Corp.*, 73 USPQ2d 1926 (TTAB 2005) ("... when a paper is filed via ESTTA, it must be signed in conformance with Rule 2.193(c)(1)(iii). As a practical matter, ESTTA will allow the filing party to complete the submission process only after the required electronic signature has been entered."). As to opposer's non-receipt of its service copy, though unfortunate, there is no evidence that applicant actually did not serve a copy

on opposer. Finally, applicant's response is admittedly late. However, in view of the importance of ensuring that we adequately consider the ramifications of the disposition of the civil action, we have chosen to consider both parties' submissions on that subject.[3]

***Summary of the civil litigation***[4]

In the court case, which commenced on September 28, 1998, the parties are in the same position as they are in this opposition: opposer herein is the plaintiff and applicant herein is one of the defendants. Defendants registered the domain name foradodge.com with Network Solutions, Inc. Plaintiff brought claims under the Lanham Act for trademark infringement, trademark dilution, and unfair competition, under state law for trademark infringement and unfair competition, and under the Anticybersquatting Consumer Protection Act ("ACPA"). Plaintiff relied on its registered DODGE marks, its 4ADODGE mark, and its internet domain name 4ADODGE.COM, registered with Host Networks. On May 31, 2002, the court granted plaintiff's motion for summary judgment in its favor, brought on its ACPA claim only. In doing so, the court accepted the magistrate judge's Report and

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[3] Regarding our consideration of applicant's late brief, we note that, as discussed in more detail later in this order, the court's decision is binding on the Board. Thus, because both parties were before the court, there is no prejudice to opposer. This situation, as with situations presenting claim and issue preclusion, is distinguishable from other cases in which briefs are filed late and not considered by the Board because of their tardiness. *See* Trademark Rules 2.127(a) and 2.127(e); and TBMP §502.02(b) (2d ed. rev. 2004).

[4] *DaimlerChrysler Corp. v. The Net, Inc., et al, and Keith Maydak*, Case No. 98-CV-74186-DT (E.D. Mich. July 29, 2003); *aff'd DaimlerChrysler v. The Net, Inc., et al, and Keith Maydak; Michael Sussman*, 388 F.3d 201, 72 USPQ2d 1912 (6th Cir. 2004).

Recommendation ("Rpt. & Rec."), dated April 8, 2002, as the findings and conclusions of the court. However, the court noted that the plaintiff's remaining claims were still pending and therefore did not enter a final judgment in favor of the plaintiff.

After prevailing on the summary judgment motion regarding its ACPA claim, the plaintiff sought a remedy and final judgment by moving for a permanent injunction, for dismissal without prejudice of its remaining claims, and for transfer of the domain name in the court register. On June 19, 2003, the court accepted the magistrate judge's Report and Recommendation on the motion for permanent injunction and final judgment, dated May 23, 2003, as the findings and conclusions of the court.[5] The court then granted the permanent injunction and entered a final judgment in favor of plaintiff. In doing so, the court also granted plaintiff's motions for voluntary dismissal without prejudice of its remaining claims and for transfer of the domain name. The court also dismissed defendants' counterclaim (brought against plaintiff for abuse of process). The order permanently enjoining defendants for violation of the ACPA was entered by the court on July 29, 2003. The permanent injunction is discussed in more detail later in this order.

[5] In support of its summary judgment motion in this opposition, opposer introduced the magistrate judge's findings and conclusions, articulated in the Rpts. & Recs., with respect to the summary judgment determination (dated April 8, 2002) and with respect to the imposition of the permanent injunction and remaining matters (dated May 23, 2003).

Defendants appealed, among other things, the district court's grant of summary judgment in plaintiff's favor on the grounds that the district court erred when it found that 1) the mark 4ADODGE qualifies as a protected trademark under the ACPA and 2) that defendants had a bad faith intent to profit when they registered the foradodge.com domain name.[6] *DaimlerChrysler*, 72 USPQ2d at 1914. Defendants also appealed as overly broad the scope of the permanent injunction granted by the district court. *Id.* at 1917. The circuit court affirmed the district court on all grounds raised.

***Opposer's motion for summary judgment***

Opposer bases its motion in this case on the doctrine of collateral estoppel. Opposer argues that, in determining the ACPA claim, the district court has ruled both that applicant's use of "foradodge" in his domain name "foradodge.com" is likely to be confused with opposer's DODGE marks and that opposer's DODGE marks are protected, distinctive and famous; and the court further granted broad injunctive relief barring applicant's use of the term "foradodge." In addition to the district court's reports and recommendations and rulings, and the decision of the Sixth Circuit, opposer has introduced with its motion for summary judgment certified copies of its pleaded DODGE registrations showing that such registrations are valid and subsisting and are

[6] Both of these are elements necessary to establish an ACPA claim under 15 U.S.C. §1125(d)(1)(A), discussed in more detail in the magistrate judge's Rpt. & Rec. dated April 8, 2002.

owned by opposer. Consequently, for purposes of this motion for summary judgment, priority is not in issue with respect to such marks. *See King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974).

In response, applicant argues that opposer is not entitled to summary judgment because opposer withdrew its trademark claims and the court only adjudicated rights in the internet domain names. Applicant argues that the elements considered under the ACPA claim have no correlation to the elements of a trademark action, pointing out that in the court case there was no consideration of the products involved. Applicant argues that the court never addressed whether the term www.4adodge.com, as used by opposer, constituted a trademark. Applicant also contends that there is no evidence of how applicant's use of his mark will interfere with opposer's use of its mark for automobile parts.

On a motion for summary judgment, the moving party has the burden of establishing the absence of any genuine issue of material fact and that it is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56. A genuine dispute with respect to a material fact exists if sufficient evidence is presented that a reasonable fact finder could decide the question 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). Thus, all doubts as to whether any particular factual issues are genuinely in dispute must be resolved in the light most favorable

to the non-moving party. *See Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

1. Res Judicata and Collateral Estoppel

Under the doctrine of claim preclusion (*res judicata*), the entry of a final judgment "on the merits" of a claim (*i.e.*, cause of action) in a proceeding serves to preclude the relitigation of the same claim in a subsequent proceeding between the parties or their privies, even in those cases where prior judgment was the result of a default or consent. *See Lawlor v. National Screen Service Corp.*, 349 U.S. 322, 75 S.Ct. 865, 99 L.Ed. 1122 (1955); and *Chromalloy American Corp. v. Kenneth Gordon, Ltd.*, 736 F.2d 694, 222 USPQ 187 (Fed. Cir. 1984).

Clearly, the claim adjudicated in the court case under the ACPA is not the same claim as the one presented in this opposition proceeding, *i.e.*, priority of use and likelihood of confusion. Moreover, although applicant references *res judicata* in his response, opposer does not base its motion for summary judgment on claim preclusion.

Under the doctrine of collateral estoppel, or issue preclusion, if an issue is actually and necessarily determined by a court of competent jurisdiction, that determination is conclusive in a subsequent suit involving the same issue and the same parties, or at least the party against whom the same issue was adversely determined. The requirements which must be met for issue preclusion are:

(1) identity of issues in a prior proceeding;
(2) the issues were actually litigated;
(3) the determination of the issues was necessary to the resulting judgment; and
(4) the party defending against preclusion had a full and fair opportunity to litigate the issues.

*See Mayer/Berkshire Corp. v. Berkshire Fashions Inc.*, 424 F.3d 1229, 76 USPQ2d 1310 (Fed. Cir. 2005); *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854 (Fed. Cir. 2000); and *Larami Corp. v. Talk To Me Programs Inc.*, 36 USPQ2d 1840, 1843-1844 (TTAB 1995).

The district court, referencing the plain language of 15 U.S.C. §1125(d)(1), indicated that a plaintiff must prove the following to succeed on an anticybersquatting claim: 1) it has a valid trademark entitled to protection; 2) its mark is distinctive or famous; 3) the defendant's domain name is identical or confusingly similar to, or in the case of a famous mark, dilutive of, the plaintiff's mark; 4) the defendant used, registered, or trafficked in the domain name 5) with bad faith intent to profit.[7]

Reviewing the findings and conclusions made by the district court, there are at least some issues which were litigated and determined that have a bearing on the likelihood of confusion claim in this opposition proceeding. For example, relying in part on the statutory definition of a "trademark," Trademark Act §45, 15 U.S.C. §1127, the court concluded that plaintiff has a protected trademark in its 4ADODGE mark, even though such mark is

[7] April 8, 2002 Rpt. & Rec., p. 7.

not registered.[8] In addition, the court found that "... the 'foradodge' domain name and plaintiff's '4ADODGE' are phonetically identical, and thus confusingly similar."[9] Other likelihood of confusion factors were not determined in the court case (for example, the relatedness of the parties' involved goods and services). However, because we believe that the permanent injunction, as discussed below, prohibits registration by applicant of his mark, the Board need not conduct a further analysis of the applicability of collateral estoppel to opposer's substantive claim of priority and likelihood of confusion.

2. The Permanent Injunction

The terms of the permanent injunction are set forth below:

> THEREFORE, IT IS ORDERED that the Defendants; The Net, Inc., Host Networks, Inc., Mutual Assignment and Indemnification Company, Michael Sussman, and Keith Maydak, their officers, agents, servants, attorneys, employees, privies, successors and assigns, and all holding for and through them, and all persons in active concert or participation with any of them, are permanently enjoined from:
>
> (a) using, displaying, advertising, copying, registering, imitating, or infringing upon the DODGE, 4ADODGE, 1-800-4ADODGE marks or 4adodge.com, 4adodge.net, foradodge.com and foradodge.net.
>
> (b) using or displaying DODGE, 4ADODGE, 1-800-4ADODGE, or colorable imitations thereof including but not limited to FORADODGE, as a business name, domain name or mark in any written, oral, or electronic advertisements, displays, signs, sales promotions, directory listings, or in any other public communication (including answering telephones and internet websites);
>
> (c) From using DODGE or 4ADODGE or any other word that is confusingly similar to DODGE or 4ADODGE as or as part

[8] April 8, 2002 Rpt. & Rec., p. 9. There was no dispute that plaintiff's registered DODGE marks were entitled to protection. *Id.*

[9] April 8, 2002 Rpt. & Rec., p.16.

> of any trademark, service mark, brand name, trade name, or other business or commercial designation, in connection with the sale, offering for sale, distribution, advertising, or promotion of any product or service;
>
> (d) Making representations that Defendants' (*sic*) or Defendants' products or services, are in any way sponsored, approved, authorized, or affiliated with Plaintiff;
>
> (e) Otherwise infringing on Plaintiff's DODGE or 4ADODGE marks.

The permanent injunction prohibits applicant from using (subsections (b) and (c), *supra*) or registering the mark FORADODGE for any products or services, thus including those services recited in his application. Moreover, in affirming that the "scope of the injunction issued by the district court was entirely appropriate," the circuit court was aware that "… defendant Maydak continued to assert throughout the proceedings that he was entitled to use the "foradodge.com" domain name; he sought to register "foradodge" with the United States Trademark Office; and he registered to himself the "foradodge.us" domain name after this action was filed."[10] *DaimlerChrysler*, 72 USPQ2d 1917. Thus, the district court was aware of the existence of applicant's trademark application pending before the USPTO when

[10] *See also* Rpt. & Rec., May 23, 2003, p. 9. The district court, in determining that the scope of plaintiff's proposed permanent injunction (which is the permanent injunction the court entered) was not overly broad, stated that "Defendants have repeatedly infringed on plaintiff's "DODGE" and "4ADODGE" marks in their websites, and apparently have no intention of ceasing to do so on their own accord." The court went on to note, "For example, defendant Maydak continues to assert … that he is entitled to use the foradodge.com domain name, and has registered to himself the foradodge.com domain name." *Id.* at fn. 2.

it adopted the permanent injunction prohibiting applicant from using or registering his mark.

As the parties are aware, this opposition proceeding was suspended pending disposition of the court case. The policy reason for this is that, to the extent that a civil action in a Federal district court involves issues in common with those in a proceeding before the Board, the decision of the Federal district court is typically binding upon the Board, while the decision of the Board is not binding upon the court. *See* TBMP §510.02(a) (2d ed. rev. 2004). Moreover, any final determination made by the Board is appealable to Federal district court, including to the district in which the civil action between the parties took place. *See* Trademark Act §21(b); Trademark Rule 2.145(c); and TBMP §901 (2d ed. rev. 2004). Thus, in this case, it is incumbent upon the Board to give deference to the determinations of the court, including the remedy entered therein, and consider the terms of the permanent injunction. As a result, we find that applicant is precluded from registering his mark. A requisite condition for registration of a mark which is the subject of an application based on use or on an application based intent-to-use, which may only be registered after use commences, is use of the mark. Thus, because the injunction permanently prohibits applicant from using the applied-for mark, it is a legal impossibility for applicant to obtain a registration.

In view thereof, opposer is entitled to summary judgment in its favor as a matter of law because the terms of the permanent

injunction prohibit applicant from using or registering his FORADODGE mark for any goods or services. Accordingly, judgment is hereby entered against applicant, registration to applicant is refused, and the opposition is sustained.

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# United States Court of Appeals for the Federal Circuit

2007-1432
(Cancellation No. 92/045,050)

NASALOK COATING CORPORATION,

Appellant,

v.

NYLOK CORPORATION,

Appellee.

Erik M. Pelton, Erik M. Pelton, Attorney at Law, of Arlington, Virginia, argued for appellant.

Richard B. Megley, Jr., Niro, Scavone, Haller & Niro, of Chicago, Illinois, argued for appellee. With him on the brief was Thomas G. Scavone.

Appealed from: United States Patent and Trademark Office
Trademark Trial & Appeals Board

# United States Court of Appeals for the Federal Circuit

2007-1432
(Cancellation No. 92/045,050)

NASALOK COATING CORPORATION,

Appellant,

v.

NYLOK CORPORATION,

Appellee.

Appeal from the United States Patent and Trademark Office, Trademark Trial and Appeal Board.

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DECIDED: April 14, 2008

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Before NEWMAN, GAJARSA, and DYK, Circuit Judges.

Opinion for the court filed by Circuit Judge DYK. Circuit Judge NEWMAN concurs in the judgment.

DYK, Circuit Judge.

Appellant Nasalok Coating Corporation ("Nasalok") appeals from a decision of the Trademark Trial and Appeal Board ("Board"). The Board granted summary judgment in favor of appellee Nylok Corporation ("Nylok") in a cancellation proceeding brought by Nasalok. The Board held that Nasalok's claims were barred by res judicata (claim preclusion). We affirm.

## BACKGROUND

Both parties in this case are engaged in business related to self-locking fasteners using nylon locking elements. A nylon element, such as a patch or strip of nylon, is applied to the threads of such a fastener, and prevents the fastener from loosening when exposed to vibration, stress, or temperature extremes. Appellant Nasalok, a Korean corporation, applies nylon coatings to self-locking fasteners for use in industrial applications. Although Nasalok does business primarily in Korea and other parts of Asia, its products are purchased by many companies based in the United States, or whose product end users are located in the United States. Appellee Nylok, a U.S. corporation, manufactures and sells a variety of fasteners, including self-locking fasteners. Nylok is the owner of federal trademark Registration No. 2,398,840 ("'840 Registration"). The registered mark consists of "a patch of the color blue on a selected number of threads of an externally threaded fastener, with the blue patch extending more than 90 degrees and less than 360 degrees around the circumference of the fastener." '840 Registration. The mark is designated for use on "metal externally threaded fasteners." Id.

On November 18, 2003, Nylok filed a complaint against Nasalok (and four other companies that are not parties in the present case) in the United States District Court for the Northern District of Illinois, alleging infringement of several trademarks, including the '840 Registration. Although properly served with the complaint, Nasalok failed to enter an appearance, and the district court entered a default judgment of trademark infringement in favor of Nylok on May 12, 2005. On May 31, 2005, the district court entered an injunction against Nasalok prohibiting the company from "selling within or

importing to the United States of America any self-locking fastener having a nylon locking element . . . having the color blue, or any color confusingly similar to the color blue," and from "promoting or advertising the color blue in the United States of America on or in association with any self-locking fastener, except when Nasalok has received express and written permission by Nylok." J.A. at 79. The district court's order also stated that Nylok is the proper owner of the '840 Registration and that the trademark is valid and enforceable. Nasalok did not appeal the district court's order.

In October 2005, five months after the default judgment, Nasalok filed a petition to cancel the '840 Registration with the Board. The petition alleged that the registered mark is invalid because it is functional, a phantom mark, descriptive, generic, not distinctive, and ornamental; that Nylok's use has not been substantially exclusive; and that Nylok fraudulently obtained the '840 Registration by stating in its amended application that the mark had become distinctive of Nylok's goods through substantially exclusive and continuous use in interstate commerce for five years. Nylok moved for summary judgment, arguing that Nasalok was barred, under the doctrine of res judicata, from claiming that the '840 Registration was invalid because it could have asserted, but did not assert, a claim of invalidity in the earlier infringement action brought by Nylok.[1]

On March 28, 2007, the Board granted summary judgment in favor of Nylok. The Board held that the doctrine of claim preclusion barred Nasalok's cancellation petition. Applying the three-part test for claim preclusion set out by this court in Jet, Inc. v. Sewage Aeration Systems, 223 F.3d 1360 (Fed. Cir. 2000), the Board determined that

[1] Indeed 15 U.S.C. § 1119 specifically authorizes cancellation claims in district court proceedings.

the infringement action and the cancellation petition involved the same parties, that the infringement action had been a final judgment on the merits, and that the cancellation petition "ar[o]se out of the same transactional facts as those present in the civil action," because it was "an attack on the registration that was adjudicated in the prior case." J.A. at 6; see Jet, 223 F.3d at 1362. Nasalok timely appealed. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(4)(B) (2000).

## DISCUSSION

The Board's determination that Nasalok's claims are barred by res judicata, and its grant of summary judgment, are questions of law which we review without deference. See Sharp Kabushiki Kaisha v. Thinksharp, Inc., 448 F.3d 1368, 1370 (Fed. Cir. 2006); Jet, 223 F.3d at 1362.

### I

This case involves the doctrine of res judicata, which includes the two related concepts of claim preclusion and issue preclusion. See Restatement (Second) of Judgments, ch. 3, Introductory Note (1982). Claim preclusion refers to "the effect of foreclosing any litigation of matters that never have been litigated, because of a determination that they should have been advanced in an earlier suit." 18 Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, Federal Practice and Procedure § 4402 (2d ed. 2002); see also Nevada v. United States, 463 U.S. 110, 129-30 (1983) (a final judgment is "a finality as to the claim or demand in controversy . . . not only as to every matter which was offered and received to sustain or defeat the claim or demand, but as to any other admissible matter which might have been offered for that purpose" (quoting Cromwell v. County of Sac, 94 U.S. 351, 352 (1877))). Issue preclusion, also called

collateral estoppel, refers to "the effect of foreclosing relitigation of matters that have once been litigated and decided." Wright, Miller & Cooper § 4402. Only the doctrine of claim preclusion is relevant in this case since the issues in the earlier case were not actually litigated.[2]

Typically, claim preclusion is applied against a plaintiff who brings a second action related to an earlier action. The test employed by the Board here is the test applied to determine whether such a second action by the earlier plaintiff is precluded. For example, in Jet, the appellant had brought a trademark infringement action against the appellee in district court, alleging that the appellee's use of its own registered mark was likely to cause confusion in the marketplace. The district court entered judgment for the appellee, holding that there was no likelihood of confusion. The appellant also had brought a cancellation proceeding at the Board, which was resolved after the judgment in the district court infringement suit. The Board held that the cancellation was barred by claim preclusion, because both the infringement action and the cancellation proceeding were based on the likelihood of confusion between the two marks, and therefore the Board considered them the same claim. Jet, 223 F.3d at 1361-62. In reversing the Board's decision, we set out the three-part test for claim preclusion: "(1) there is identity of parties (or their privies); (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first." Id. at 1362. Applying this test, we concluded that the third requirement was not met because the infringement claim and the cancellation

[2] The fact that the district court stated in its decision that "Nylok's color blue trademark is valid and enforceable in the United States," J.A. at 135, does not invoke collateral estoppel because that issue was not litigated.

proceeding were not based on the "same set of factual allegations." Id. at 1363. We found four significant differences between an infringement claim and a petition to cancel: (1) a plaintiff asserting an infringement claim must have a valid registered mark, while a petitioner in a cancellation proceeding need not; (2) infringement requires that the defendant have used the mark in commerce, while cancellation does not; (3) a respondent to a cancellation proceeding must hold a federally registered mark, while an infringement defendant need not; and (4) cancellation, but not infringement, requires inquiry into the registrability of the mark in question. Id. at 1364.

The test used in Jet cannot be used as the exclusive test for preclusion against a defendant in the first action. In such circumstances, the somewhat different rules of "defendant preclusion" apply. See generally Wright, Miller & Cooper § 4414 (discussing rules and application of defendant preclusion). A defendant is precluded only if (1) the claim or defense asserted in the second action was a compulsory counterclaim that the defendant failed to assert in the first action, or (2) the claim or defense represents what is essentially a collateral attack on the first judgment. See Baker v. Gold Seal Liquors, Inc., 417 U.S. 467, 469 n.1 (1974) ("A counterclaim which is compulsory but is not brought is thereafter barred . . . ."); Restatement (Second) of Judgments § 18(2) (defenses raised, or which could have been raised, in first action are not precluded in subsequent action, except when used to attack the judgment in the first action); id. § 22(2) (defendant who fails to interpose counterclaim in first action is precluded from maintaining action on the claim if counterclaim was compulsory in first action or if "successful prosecution of the second action would nullify the initial judgment or would impair rights established in the initial action").

II

Nylok urges that Nasalok was required to raise the invalidity issue as a counterclaim in the district court action. We first consider whether trademark invalidity, the basis of Nasalok's petition to cancel the '840 Registration, was a compulsory counterclaim in the trademark infringement action brought by Nylok. Federal Rule of Civil Procedure 13(a)(1) provides:

> A pleading must state as a counterclaim any claim that—at the time of its service—the pleader has against the opposing party if the claim: (A) arises out of the transaction or occurrence that is the subject matter of the opposing party's claim; and (B) does not require adding another party over whom the court cannot acquire jurisdiction.

The test for whether a counterclaim is compulsory is very similar to the test set out in Jet for determining when a subsequent claim by the plaintiff in the first action is precluded. The third factor of the Jet test asks whether both claims are based on the "same set of transactional facts," while Rule 13(a) applies when the counterclaim arises out of the same "transaction or occurrence" that forms the subject matter of the plaintiff's claim.

In response to an action for infringement, a defendant may assert a counterclaim of invalidity. District courts have the authority, in any action involving a registered trademark, to "determine the right to registration" and "order the cancellation of registrations, in whole or in part." 15 U.S.C. § 1119. This statute allows a trademark infringement defendant to assert a counterclaim to cancel the registration, but the question remains whether such a counterclaim is compulsory or permissive. Surprisingly, we have been unable to locate any court of appeals decisions, in our circuit or any other circuit, directly addressing the question of whether a claim of

trademark invalidity is a compulsory counterclaim to a claim of trademark infringement.[3] For several reasons we conclude that it is not.

The subject matter of the plaintiff's infringement claim in the first proceeding and the subject matter of the invalidity claim in the cancellation proceeding do not arise out of the same "transaction or occurrence." Fed. R. Civ. P. 13(a)(1)(A). The Supreme Court has explained the "transaction or occurrence" test in discussing former Equity Rule 30, on which current Rule 13(a) is based. See Fed. R. Civ. P. 13 advisory committee's note 1 ("This is substantially [former] Equity Rule 30 . . . broadened to include legal as well as equitable counterclaims."); Moore v. N.Y. Cotton Exch., 270 U.S. 593 (1926). The plaintiff in Moore had sought permission to receive quotations of cotton prices from the defendant's exchange, and its application had been refused. The plaintiff then brought an antitrust claim against the exchange based on this refusal, and the exchange counterclaimed, asserting that the plaintiff was stealing the quotations and seeking an injunction against continued misappropriation. The district court dismissed the plaintiff's claim, and entered the injunction sought by the defendant. The Supreme Court affirmed the judgment, holding that because the counterclaim was compulsory the district court retained jurisdiction to rule on the counterclaim after the plaintiff's claim was dismissed. The Court noted that the basis of the counterclaim was "one of the links in the chain which constitutes the transaction upon which appellant here bases its cause of action," that the common ground between the claim and

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[3] The Board's rules of procedure in trademark cases provide that invalidity of a registration pleaded in an opposition or cancellation proceeding is a compulsory counterclaim. See 37 C.F.R. §§ 2.106(b)(2)(i), 2.114(b)(2)(i) (2007). However, these rules of course do not apply to an infringement action brought in a district court.

counterclaim was "the one circumstance without which neither party would have found it necessary to seek relief," and that "[e]ssential facts alleged by appellant enter into and constitute in part the cause of action set forth in the counterclaim." Moore, 270 U.S. at 610.

Following the Moore decision, our court has utilized three tests to determine whether the "transaction or occurrence" test of Rule 13(a) is met: (1) whether the legal and factual issues raised by the claim and counterclaim are largely the same; (2) whether substantially the same evidence supports or refutes both the claim and the counterclaim; and (3) whether there is a logical relationship between the claim and the counterclaim. See Polymer Indus. Prods. Co. v. Bridgestone/Firestone Inc., 347 F.3d 935, 937 (Fed. Cir. 2003); Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc., 200 F.3d 795, 801 (Fed. Cir. 1999); see also 6 Charles Alan Wright, Arthur R. Miller & Mary Kay Kane, Federal Practice and Procedure § 1410 (2d ed. 1990).[4] In each of the three tests for what constitutes the same "transaction or occurrence," the question is the extent of factual overlap between what the plaintiff must establish to prove its claim and what the defendant must establish to prove its counterclaim. The mere possibility that, as a result of affirmative defenses, the first suit might involve additional issues does not obligate the defendant to assert those affirmative defenses as a counterclaim.

In this case, Nylok's trademark infringement claim was based on Nylok's alleged ownership of a registered mark, Nasalok's alleged use of the color blue in nylon patches on the external threads of self-locking fasteners, its promotion of those fasteners in

[4] Sometimes a fourth test has also been used: whether res judicata would bar a subsequent suit on defendant's claim absent the compulsory counterclaim rule.

advertisements in publications distributed in the United States, and the likelihood of confusion of the consuming public as a result of Nasalok's activities. Invalidity of the mark was an affirmative defense that could have been raised, not part of the plaintiff's cause of action. See Packman v. Chi. Tribune Co., 267 F.3d 628, 639 (7th Cir. 2001) (defendant may attack validity of mark by asserting various defenses); 6 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 34:5 (4th ed. 1996) (listing defenses to trademark infringement, including "Attack on Validity of U.S. Trademark Registration"); see also 15 U.S.C. § 1115(a) (registration of mark that has not yet become incontestable is prima facie evidence of validity). Nasalok's cancellation petition, by contrast, was based on alleged attributes of Nylok's registered mark that rendered it subject to cancellation, including allegations that the mark was functional and was a phantom mark, and on Nylok's allegedly fraudulent actions in obtaining registration of the mark. In this case, therefore, the "essential facts" alleged by Nylok in its infringement action—related to Nylok's ownership of the mark and Nasalok's allegedly infringing behavior—do not form the basis of the cancellation claim now asserted by Nasalok, which is based on attributes of Nylok's mark and on Nylok's actions in obtaining registration of that mark. The two claims raise different legal and factual issues, will not be supported or refuted by substantially the same evidence, and are not "logically related" in the sense described by the Supreme Court in Moore. Therefore, the claims do not arise out of the same "transaction or occurrence," and the petition to cancel was not a compulsory counterclaim in the infringement action.

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See Wright, Miller & Kane § 1410 & n.8. That test is circular, however, and we think it is not a useful way of determining whether a counterclaim is compulsory under Rule 13(a).

While we have not previously directly decided whether a claim of invalidity is a compulsory counterclaim in an action for infringement, we have explicitly held that a determination of patent infringement in an infringement suit, or even an explicit determination of patent validity, does not preclude the assertion of an invalidity defense in a second action involving different products. In Foster v. Hallco Manufacturing Co., 947 F.2d 469 (Fed. Cir. 1991), the first infringement action had resulted in a consent judgment of infringement as to particular products. Id. at 472. The alleged infringer also acknowledged that the patents in suit were "valid and enforceable in all respects." Id. Nonetheless, we held that claim preclusion would not bar defendant's later declaratory judgment action challenging those patents' validity if the devices involved in the two suits were not "essentially the same." Id. at 480.

In Hallco Manufacturing Co. v. Foster, 256 F.3d 1290 (Fed. Cir. 2001), the first infringement suit was resolved by the parties in a settlement agreement that did not address the patent's validity. The defendant later brought a declaratory judgment action seeking a determination that the same patent was invalid. We reached the same conclusion in Hallco as we had in Foster: if both suits involved devices that were "essentially the same or only colorably different," the invalidity claim would be precluded, but not otherwise. Id. at 1298. We explained that the plaintiff and defendant should be treated equally as to res judicata. If the plaintiff would not be barred from bringing a second infringement suit, the defendant also should not be precluded from challenging patent validity in the second suit. See id. at 1297. In Ecolab, Inc. v. Paraclipse, Inc., 285 F.3d 1362 (Fed. Cir. 2002), a consent judgment of infringement was entered in the first action, and the consent judgment also determined that the



Exhibit: 27
Page: 292

patent was valid. Id. at 1367. We reaffirmed that preclusion as to validity applies only "if the accused product in the second suit [is] 'essentially the same' as the specific device that was before the court in the first suit." Id. at 1376.[5] These patent cases necessarily assume that an invalidity defense is not a compulsory counterclaim, because in each of these cases a counterclaim of invalidity could have been asserted,[6] and we refused to find general preclusion of the invalidity defense.

Moreover, the policy considerations driving those decisions are equally applicable here. At the time of an infringement suit, it will be difficult to anticipate the new products and future disputes that may later arise between the two parties. A plaintiff who brings an infringement suit as to one allegedly infringing use of a mark would not be precluded from later bringing a second infringement suit as to another use; similarly, a defendant in the first infringement suit should not be precluded from raising invalidity of the mark in the second action simply because it was not raised as a counterclaim in the first action.

Finally, treating challenges to trademark validity as compulsory counterclaims to infringement actions would violate the well-established policy of freely allowing challenges to the validity of claimed intellectual property protection. In Lear, Inc. v. Adkins, 395 U.S. 653 (1969), the Supreme Court repudiated the rule of patent licensee

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[5] However, where the first action results in a consent judgment of patent validity in which the alleged infringer affirmatively agrees not to "directly or indirectly aid, assign, or participate in any action contesting the validity" of the patents, the defendant is precluded from asserting a claim or defense of patent invalidity in a subsequent action, even where the second action involves a new device. Diversey Lever, Inc. v. Ecolab, Inc., 191 F.3d 1350, 1352 (Fed. Cir. 1999).

[6] In Foster, a counterclaim of invalidity was originally asserted but was dismissed in light of the consent judgment. 947 F.2d at 472 & n.1.

estoppel, under which a licensee is prohibited from challenging the validity of the patent that is the basis of the license agreement. The Court found that, among other reasons, "the strong federal policy favoring the full and free use of ideas in the public domain," Id. at 674, outweighed the contract law principle "that forbids a purchaser to repudiate his promises simply because he later becomes dissatisfied with the bargain he has made." Id. at 668.

Several courts, including our predecessor court, have applied the Lear balancing test to trademarks as well as patents, recognizing the public interest in ensuring trademark validity. See Idaho Potato Comm'n v. M & M Produce Farm & Sales, 335 F.3d 130, 136 (2d Cir. 2003) ("Even when courts have not expressly applied the Lear test [to trademark actions], they have recognized that agreements related to intellectual property necessarily involve the public interest and have enforced such agreements only to the extent that enforcement does not result in a public injury."); MWS Wire Indus., Inc. v. Cal. Fine Wire Co., 797 F.2d 799, 803 (9th Cir. 1986); Wells Cargo, Inc. v. Wells Cargo, Inc., 606 F.2d 961, 965 (CCPA 1979); Beer Nuts, Inc. v. King Nut Co., 477 F.2d 326, 329 (6th Cir. 1973). We have in particular recognized that the public policy in favor of allowing challenges to invalid marks weighs in favor of cabining the doctrine of res judicata at the Patent and Trademark Office. See Mayer/Berkshire Corp. v. Berkshire Fashions, Inc., 424 F.3d 1229, 1234 (Fed. Cir. 2005) ("Caution is warranted in the application of preclusion by the PTO, for the purposes of administrative trademark procedures include protecting both the consuming public and the purveyors."). This interest further supports our conclusion that challenges to the validity of a trademark

registration should not be treated as compulsory counterclaims to trademark infringement actions.

III

We turn then to the second basis for applying claim preclusion against defendants—where the effect of the later action is to collaterally attack the judgment of the first action. Here, the order entered by the district court in the infringement action enjoined Nasalok from selling or importing into the United States any self-locking fastener with a blue (or similarly colored) nylon locking element, and from promoting or advertising the color blue in connection with its self-locking fasteners. Allowing Nasalok to challenge the validity of the '840 Registration, which grants Nylok rights in the use of "a patch of the color blue on a selected number of threads of an externally threaded fastener," would effectively undo the relief granted by the district court in the infringement action.

Section 18(2) of the Restatement (Second) of Judgments makes clear that a defense that could have been interposed cannot later be used to attack the judgment of the first action. When a former defendant attempts to undermine a previous judgment by asserting in a subsequent action a claim or defense that was or could have been asserted in the earlier case, the rules of defendant preclusion will apply. See also id. § 22(2)(b) (defendant who fails to assert counterclaim in the first action may not later maintain an action on that claim if "successful prosecution of the second action would nullify the initial judgment or would impair rights established in the initial action"). "The clearest need for these rules is shown by cases that have involved a variety of direct attacks on the original judgment based on defenses or claims that could have been

advanced in the first action." Wright, Miller & Cooper § 4414; see also 18 James Wm. Moore et al., Moore's Federal Practice § 131.02(2) (3d ed. 1999) ("A collateral attack on a judgment or order will fail if the party making the attack could have raised the issue in the other action."). We have recognized that the doctrine of claim preclusion bars a collateral attack on an earlier judgment. See Faust v. United States, 101 F.3d 675, 678 (Fed. Cir. 1996). Specifically, as noted earlier, in the patent context we have held that a defendant to an infringement suit that results in a judgment of infringement is "precluded from challenging validity in a suit for infringement of any device that is the same as the [alleged infringing device in the first suit], because invalidity was a defense that was or could have been raised in the prior litigation." Hallco, 256 F.3d at 1297; see also Ecolab, 285 F.3d at 1377; Foster, 947 F.2d at 480. In other words, preclusion is necessary to protect the effect of the earlier judgment.

In this case, allowing Nasalok to proceed on its cancellation petition would undoubtedly impair Nylok's rights as established in the infringement action, in particular its rights under the injunction, and would constitute a collateral attack on the district court's judgment. In its petition to cancel the '840 Registration, Nasalok alleged that it was likely to be damaged by Nylok's continued use of "the design registered as a trademark by" Nylok, because it "for some time has been involved in the manufacture and sale of fasteners and screws which are of a related nature to [Nylok's] goods," and for which it had "a valid and legal right use of the [registered] design." J.A. at 128-29. In addition, the cancellation petition specifically stated that Nasalok had been damaged by the '840 Registration "because [Nylok] ha[d] relied on its ownership of said

registration in another proceeding between the parties," referring to the infringement suit. Id. at 129.

Nasalok correctly points out that the district court judgment in that suit was based on a determination that Nasalok had infringed "one or more" of the seven federally registered trademarks at issue in the suit, without specifying that Nasalok had infringed the '840 Registration, the only mark challenged by Nasalok's petition to cancel. Nonetheless, the injunction ordered Nasalok to cease use of the color blue on "any self-locking fastener." J.A. at 136 (emphasis added). The cancellation of the '840 Registration would require modification of the injunction to permit the use of the color blue on "externally threaded fastener[s], with the blue patch extending more than 90 degrees and less than 360 degrees around the circumference of the fastener," '840 Registration, since the other six trademarks in question would not cover such a use.[7] There is no question that success in the cancellation proceeding would negate relief secured by Nylok in the infringement proceeding.

Nasalok also argues that preclusion should not apply because the injunction resulted from a default judgment. We disagree. It is well established that "[a] default judgment can operate as res judicata in appropriate circumstances." Sharp, 448 F.3d at 1371; see also Morris v. Jones, 329 U.S. 545, 550-51 (1947); Riehle v. Margolies, 279

[7] See Registration No. 2,463,033 ("a strip of the color blue extending perpendicular to . . . threads of an externally threaded fastener"); Registration No. 2,463,031 ("a patch of the color blue on . . . an internally threaded fastener . . . extending less than 160 degrees around the circumference"); Registration No. 2,398,842 ("a patch of the color blue on . . . an externally threaded fastener . . . extending 360 degrees around the circumference"); Registration No. 2,398,841 ("a patch of the color blue on . . . an internally threaded fastener . . . extending more than 160 degrees around the circumference"); Registration No. 2,398,839 ("a pellet of the color blue on . . . an externally threaded fastener").

U.S. 218, 225 (1929); Int'l Nutrition Co. v. Horphag Research, Ltd., 220 F.3d 1325, 1328 (Fed. Cir. 2000) ("Contrary to INC's argument, default judgments can give rise to res judicata."). One of those circumstances exists where, as here, the default judgment satisfied due process requirements,[8] and the defendant in the original action attempts to collaterally attack the default judgment. Such a collateral attack is barred by claim preclusion.[9]

## CONCLUSION

Because Nasalok's claim of trademark invalidity, in its petition to cancel the '840 Registration, amounted to a collateral attack on the district court's judgment in the earlier infringement suit, the rules of defendant preclusion are properly applied to bar Nasalok from asserting that claim. Therefore we affirm the Board's grant of summary judgment in favor of Nylok.

## AFFIRMED

## COSTS

No costs.

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[8] Pactiv Corp. v. Dow Chem. Co., 449 F.3d 1227, 1233 (Fed. Cir. 2006) (explaining that a "prior judgment [must] be denied preclusive effect when there has been a due process violation").

[9] A different rule applies when issue preclusion, rather than claim preclusion, is asserted. See Lee ex rel. Lee v. United States, 124 F.3d 1291, 1296 (Fed. Cir. 1997) (explaining that issue preclusion requires that the issues actually have been litigated, and that the issues underlying a default judgment are not actually litigated); see also Restatement (Second) Judgments § 27, cmt. (e). As noted earlier, the parties do not dispute that issue preclusion does not apply, and the Board's summary judgment decision rested on claim preclusion rather than issue preclusion.

# United States Court of Appeals for the Federal Circuit

2007-1432
(Cancellation No. 92/045,050)

NASALOK COATING CORPORATION,

Appellant,

v.

NYLOK CORPORATION,

Appellee.

Appeal from the United States Patent and Trademark Office, Trademark Trial and Appeal Board.

NEWMAN, Circuit Judge, concurring in the judgment.

I too would affirm the judgment of the Trademark Trial and Appeal Board, but I would do so on the grounds applied by the Board; that is, that Nasalok's claim for cancellation is precluded by the judgment against Nasalok in the United States District Court for the Northern District of Illinois.

The panel majority states that trademark invalidity is not a compulsory counterclaim in a trademark infringement action, and thus that Nasalok's claim for invalidity in the cancellation proceeding is not precluded by Nasalok's failure to assert invalidity in the prior infringement case. Respectfully, that question is irrelevant in this case, for validity of the mark was indeed before the district court in the infringement action. It is noteworthy that the issue of a separate test for defendant preclusion, and the attendant question of whether

trademark invalidity is a compulsory or permissive counterclaim in an infringement action, was not raised on this appeal, was not mentioned by the Trademark Trial and Appeal Board, and was never briefed by either party as a ground for decision below or on this appeal. Indeed the parties agreed throughout the case that the proper test for claim preclusion is that stated and applied by the TTAB. My colleagues' elaborate analysis of compulsory counterclaims is irrelevant, for as the TTAB recognized the cancellation proceeding raises the same grounds of invalidity that were before the district court.

The issue of validity was decided in the district court, as shown in the district court's ruling that the trademark "is valid and enforceable." Whether validity was rebutted with evidence, or admitted by default, is of no consequence, for the requirement that an issue was "actually litigated" applies only to issue preclusion, not claim preclusion. Maj. op. at 5 n.2. The premises of a valid and enforceable trademark, such as its distinctiveness and continuous use, were pleaded by the plaintiff, and Nasalok, a party to the action, did not dispute any of the pleadings. Failure to object to a critical issue in the district court does not preserve that issue for relitigation in the TTAB; to the contrary, it closes the issue.

Neither Nasalok nor any of the three other defendants appealed any aspect of the district court's decision. Whether or not validity would have been a compulsory counterclaim if validity were not otherwise before the district court does not authorize the defendant to raise, in a different action, an issue that was decided against it in the earlier action and from which no appeal was taken. The extensive discussion of compulsory counterclaims has no relevance to this appeal, for the validity aspects that might have been contested by counterclaim were presented as a premise of the complaint. Although there may be circumstances in which a PTO proceeding may be brought while parties are in litigation, precedent does not support a broad authorization to relitigate in the PTO issues

that were finally decided in the district court as between the same parties. As the TTAB observed, validity was decided and was not appealed. The generalizations expounded by my colleagues are inapt.

Other aspects of Part II of the court's opinion are also of concern. For example, the panel majority expounds on public policy as justifying applying to trademarks certain policy aspects of the patent case on licensee estoppel, Lear, Inc. v. Adkins, 395 U.S. 653 (1969). Patent public policy and trademark public policy are not the same. The purpose of trademark law is not the advancement of science and technology, and the purpose of patent law is not to protect reputation and guard against consumer confusion. To state, even in dictum, that Lear favors a trademark system that facilitates attacks on trademark property ignores the differing public purposes of patents and trademarks, as well as misperceives the policy principles of Lear. Further, no aspect comparable to Lear is at issue in this case; the court's discussion is inappropriate dictum. I also observe the misperception of the patent ruling in Foster v. Hallco Manufacturing Co., 947 F.2d 469 (Fed. Cir. 1991), which did not confront the compulsory counterclaim question, and which rejected the notion that the policy concerns of Lear alter the basic applicability of claim preclusion in patent cases. Id. at 477.

In sum, I do not concur in Part II.

In Part III the panel majority holds that because Nasalok's cancellation petition, if granted in the PTO, would collaterally attack and (according to my colleagues' dictum) require vacatur of the district court's judgment of infringement, the petition should be dismissed. I agree that the petition should be dismissed, but on the ground selected by the TTAB, that is, by application of basic claim preclusion doctrine. Although precedent illustrates situations in which various actions have been taken in the Patent and Trademark

Office concerning marks in litigation, Nasalok is incorrect in its position that there is an absolute right to bring a cancellation proceeding in the TTAB after having lost on the same grounds in the district court, or after having defaulted and declined to defend in the district court. Here, where Nasalok was a party to the district court proceeding and had full opportunity to raise the same grounds it raises in the cancellation proceeding, the TTAB correctly designated these aspects as res judicata: the parties are the same, the issues are the same, the transactional facts are the same, there was a final judgment of validity, and there was opportunity for appeal. See Parklane Hosiery Co. v. Shore, 439 U.S. 322, 326 n.5 (1979); Lawlor v. Nat'l Screen Serv. Corp., 349 U.S. 322, 326 (1955).

I would affirm the TTAB decision on the ground of res judicata.

97863.1

**EXHIBIT 28**

# Trademark/Service Mark Application, Principal Register

## TEAS Plus Application

**Serial Number: 77302044**
**Filing Date: 10/11/2007**

***NOTE: Data fields with the * are mandatory under TEAS Plus. The wording "(if applicable)" appears where the field is only mandatory under the facts of the particular application.***

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**The table below presents the data as entered.**

| | |
|---|---|
| TEAS Plus | YES |
| **MARK INFORMATION** | |
| *MARK | CHALKBOARD |
| *STANDARD CHARACTERS | YES |
| USPTO-GENERATED IMAGE | YES |
| LITERAL ELEMENT | CHALKBOARD |
| *MARK STATEMENT | The mark consists of standard characters, without claim to any particular font, style, size, or color. |
| **APPLICANT INFORMATION** | |
| *OWNER OF MARK | Amal Flores |
| DBA/AKA | Mine Design |
| *STREET | 11151 Mississippi Ave. |
| *CITY | Los Angeles |
| *STATE (Required for U.S. applicants) | California |
| *COUNTRY | United States |
| *ZIP/POSTAL CODE (Required for U.S. applicants only) | 90025 |
| PHONE | 800 973 0555 |
| **LEGAL ENTITY INFORMATION** | |
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| * COUNTRY OF CITIZENSHIP | United States |
| **GOODS AND/OR SERVICES AND BASIS INFORMATION** | |
| *INTERNATIONAL CLASS | 004 |

| | |
|---|---|
| FIRST USE ANYWHERE DATE | At least as early as 08/01/2007 |
| FIRST USE IN COMMERCE DATE | At least as early as 08/01/2007 |
| *DESCRIPTION | Candles |
| *FILING BASIS | SECTION 1(a) |
| FIRST USE ANYWHERE DATE | At least as early as 08/01/2007 |
| FIRST USE IN COMMERCE DATE | At least as early as 08/01/2007 |
| SPECIMEN FILE NAME(S) | \\TICRS2\EXPORT14\773\020 \77302044\xml1\FTK0003.JPG |
| SPECIMEN DESCRIPTION | product and packaging as shown in catalog |
| *DESCRIPTION | Scented candles |
| *FILING BASIS | SECTION 1(a) |
| FIRST USE ANYWHERE DATE | At least as early as 08/01/2007 |
| FIRST USE IN COMMERCE DATE | At least as early as 08/01/2007 |
| SPECIMEN FILE NAME(S) | \\TICRS2\EXPORT14\773\020 \77302044\xml1\FTK0003.JPG |
| SPECIMEN DESCRIPTION | product and packaging as shown in catalog |
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| *AUTHORIZED TO COMMUNICATE VIA EMAIL | Yes |
| **FEE INFORMATION** | |
| NUMBER OF CLASSES | 1 |
| FEE PER CLASS | 275 |
| *TOTAL FEE DUE | 275 |
| **SIGNATURE INFORMATION** | |
| * SIGNATURE | /CMC/ |
| * SIGNATORY'S NAME | Carlos Candeloro |
| * SIGNATORY'S POSITION | Attorney of record |
| * DATE SIGNED | 10/11/2007 |

PTO Form 1478 (Rev 9/2006)
OMB No. 0651-0009 (Exp 06/30/2008)

**Trademark/Service Mark Application, Principal Register**

**TEAS Plus Application**

**Serial Number: 77302044**
**Filing Date: 10/11/2007**

## To the Commissioner for Trademarks:

MARK: CHALKBOARD (Standard Characters, see mark)
The literal element of the mark consists of CHALKBOARD. The mark consists of standard characters, without claim to any particular font, style, size, or color.
The applicant, Amal Flores, DBA/AKA Mine Design, a citizen of United States, having an address of 11151 Mississippi Ave., Los Angeles, California, United States, 90025, requests registration of the trademark/service mark identified above in the United States Patent and Trademark Office on the Principal Register established by the Act of July 5, 1946 (15 U.S.C. Section 1051 et seq.), as amended.
**For specific filing basis information for each item, you must view the display within the Input Table.**
International Class 004: Candles; Scented candles
If the applicant is filing under Section 1(b), intent to use, the applicant declares that it has a bona fide intention to use or use through the applicant's related company or licensee the mark in commerce on or in connection with the identified goods and/or services. 15 U.S.C. Section 1051(b), as amended.
If the applicant is filing under Section 1(a), actual use in commerce, the applicant declares that it is using the mark in commerce, or the applicant's related company or licensee is using the mark in commerce, on or in connection with the identified goods and/or services. 15 U.S.C. Section 1051(a), as amended.
If the applicant is filing under Section 44(d), priority based on foreign application, the applicant declares that it has a bona fide intention to use the mark in commerce on or in connection with the identified goods and/or services, and asserts a claim of priority based on a specified foreign application(s). 15 U.S.C. Section 1126(d), as amended.
If the applicant is filing under Section 44(e), foreign registration, the applicant declares that it has a bona fide intention to use the mark in commerce on or in connection with the identified goods and/or services, and submits a copy of the supporting foreign registration(s), and translation thereof, if appropriate. 15 U. S.C. Section 1126(e), as amended.
The applicant hereby appoints Carlos Candeloro, 1601 N. Sepulveda Blvd. 239, Manhattan Beach, California, United States, 90266 to submit this

application on behalf of the applicant.

Correspondence Information: Carlos Candeloro
1601 N. Sepulveda Blvd. 239
Manhattan Beach, California 90266
310 498 4249(phone)
carlos@candeloro.net (authorized)

A fee payment in the amount of $275 will be submitted with the application, representing payment for 1 class(es).

**Declaration**

The undersigned, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. Section 1001, and that such willful false statements, and the like, may jeopardize the validity of the application or any resulting registration, declares that he/she is properly authorized to execute this application on behalf of the applicant; he/she believes the applicant to be the owner of the trademark/service mark sought to be registered, or, if the application is being filed under 15 U.S.C. Section 1051(b), he/she believes applicant to be entitled to use such mark in commerce; to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive; and that all statements made of his/her own knowledge are true; and that all statements made on information and belief are believed to be true.

Signature: /CMC/ Date Signed: 10/11/2007
Signatory's Name: Carlos Candeloro
Signatory's Position: Attorney of record
RAM Sale Number: 1932
RAM Accounting Date: 10/12/2007
Serial Number: 77302044
Internet Transmission Date: Thu Oct 11 16:58:34 EDT 2007
TEAS Stamp: USPTO/FTK-71.106.135.228-200710111658343
10910-77302044-400c1f3cf817cd2364d458f72
2eeffa45e1-CC-1932-20071011160447183729

# CHALKBOARD

## *Chalkboard* soy message candle $10

gnite your creativity! Write that special message, then erase it and draw a masterpiece. Mine chalkboard candles come with hree colors of chalk, and can be written and erased again and again. Mine chalkboard candles are available in five of our ost popular fragrances.

[illegible] gardenia chalkboard candle

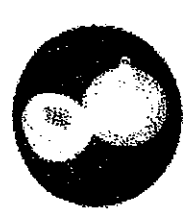
[illegible] gardenia chalkboard candle

[illegible] chalkboard candle

[illegible] chalkboard candle

[illegible] belgian berry chalkboard candle

[illegible] belgian berry chalkboard candle



[illegible] chalkboard candle

[illegible] chalkboard candle

[illegible] ginger mandarin chalkboard candle

[illegible] ginger mandarin chalkboard candle

Exhibit: 28
Page: 308

| | |
|---|---|
| **To:** | Amal Flores (carlos@candeloro.net) |
| **Subject:** | TRADEMARK APPLICATION NO. 77302044 - CHALKBOARD - N/A |
| **Sent:** | 1/19/08 4:54:13 PM |
| **Sent As:** | ECOM112@USPTO.GOV |
| **Attachments:** | |

# IMPORTANT NOTICE
## USPTO OFFICE ACTION HAS ISSUED ON 1/19/2008 FOR APPLICATION SERIAL NO. 77302044

Please follow the instructions below to continue the prosecution of your application:

**VIEW OFFICE ACTION:** Click on this link http://tmportal.uspto.gov/external/portal/tow?DDA=Y&serial_number=77302044&doc_type=OOA&mail_date=2008( (or copy and paste this URL into the address field of your browser), or visit http://tmportal.uspto.gov/external/portal/tow and enter the application serial number to access the Office action.

**PLEASE NOTE:** The Office action may not be immediately available but will be viewable within 24 hours of this notification.

**RESPONSE MAY BE REQUIRED:** You should carefully review the Office action to determine (1) if a response is required; (2) how to respond; and (3) the applicable **response time period**. Your response deadline will be calculated from 1/19/2008.

**Do NOT hit "Reply" to this e-mail notification, or otherwise attempt to e-mail your response, as the USPTO does NOT accept e-mailed responses. Instead, the USPTO recommends that you respond online using the Trademark Electronic Application System response form at http://www.uspto.gov/teas/eTEASpageD.htm.**

**HELP:** For *technical* assistance in accessing the Office action, please e-mail TDR@uspto.gov. Please contact the assigned examining attorney with questions about the Office action.

## WARNING

1. **The USPTO will NOT send a separate e-mail with the Office action attached.**

2. **Failure to file any required response by the applicable deadline will result in the ABANDONMENT of your application.**

| | |
|---|---|
| **To:** | Amal Flores (carlos@candeloro.net) |
| **Subject:** | TRADEMARK APPLICATION NO. 77302044 - CHALKBOARD - N/A |
| **Sent:** | 1/19/08 4:54:11 PM |
| **Sent As:** | ECOM112@USPTO.GOV |
| **Attachments:** | Attachment - 1 |

## UNITED STATES PATENT AND TRADEMARK OFFICE

**SERIAL NO:** 77/302044

**MARK:** CHALKBOARD

*77302044*

**CORRESPONDENT ADDRESS:**
CARLOS CANDELORO
1601 N SEPULVEDA BLVD # 239
MANHATTAN BEACH, CA 90266-5111

**RESPOND TO THIS ACTION:**
http://www.uspto.gov/teas/eTEASpageD.htm

**GENERAL TRADEMARK INFORMATION:**
http://www.uspto.gov/main/trademarks.htm

**APPLICANT:** Amal Flores

**CORRESPONDENT'S REFERENCE/DOCKET NO:**
N/A

**CORRESPONDENT E-MAIL ADDRESS:**
carlos@candeloro.net

## OFFICE ACTION

'O AVOID ABANDONMENT, THE OFFICE MUST RECEIVE A PROPER RESPONSE TO THIS OFFICE ACTION VITHIN 6 MONTHS OF THE ISSUE/MAILING DATE.

SSUE/MAILING DATE: 1/19/2008

'EAS PLUS APPLICANTS MUST SUBMIT DOCUMENTS ELECTRONICALLY OR SUBMIT FEE: TEAS Plus pplicants should submit the following documents using the Trademark Electronic Application System (TEAS) at ttp://www.uspto.gov/teas/index.html: (1) written responses to Office actions; (2) preliminary amendments; (3) changes of orrespondence address; (4) changes of owner's address; (5) appointments and revocations of attorney; (6) amendments to llege use; (7) statements of use; (8) requests for extension of time to file a statement of use, and (9) requests to delete a 1(b) basis. If any of these documents are filed on paper, they must be accompanied by a $50 per class fee. 37 C.F.R. §2.6(a)(1)(iv) and 2.23(a)(i). Telephone responses will not incur an additional fee. NOTE: In addition to the above,

applicant must also continue to accept correspondence from the Office via e-mail throughout the examination process in order to avoid the additional fee. 37 C.F.R. §2.23(a)(2).

The assigned trademark examining attorney has reviewed the referenced application and has determined the following:

**SEARCH FOR REFERENCES**

The Office records have been searched and no similar registered or pending mark has been found that would bar registration under Trademark Act Section 2(d), 15 U.S.C. §1052(d). TMEP §704.02.

**DESCRIPTIVENESS**

The examining attorney refuses registration because the proposed mark, CHALKBOARD, merely describes features of applicant's goods and/or services. Trademark Act Section 2(e)(1), 15 U.S.C. §1052(e)(1); TMEP §§1209 *et seq.*

A mark is merely descriptive under Trademark Act Section 2(e)(1), 15 U.S.C. §1052(e)(1), if it describes an ingredient, quality, characteristic, function, feature, purpose or use of the relevant goods and/or services. *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987); *In re Bed & Breakfast Registry*, 791 F.2d 157, 229 USPQ 818 (Fed. Cir. 1986); *In re MetPath Inc.*, 223 USPQ 88 (TTAB 1984); *In re Bright#Crest, Ltd.*, 204 USPQ 591 (TTAB 1979); TMEP §1209.01(b). A mark that describes an intended user of a product or service is also merely descriptive within the meaning of Section 2(e)(1). *Hunter Publishing Co. v. Caulfield Publishing Ltd.*, 1 USPQ2d 1996 (TTAB 1986); *In re Camel Mfg. Co., Inc.*, 222 USPQ 1031 (TTAB 1984); *In re Gentex Corp.*, 151 USPQ 435 (TTAB 1966).

The determination of whether a mark is merely descriptive is considered in relation to the identified goods and/or services, not in the abstract. *In re Polo International Inc.*, 51 USPQ2d 1061 (TTAB 1999) (Board found that DOC in DOC-CONTROL would be understood to refer to the "documents" managed by applicant's software, not "doctor" as shown in dictionary definition); *In re Digital Research Inc.*, 4 USPQ2d 1242 (TTAB 1987) (CONCURRENT PC-DOS found merely descriptive of "computer programs recorded on disk;" it is unnecessary that programs actually run "concurrently," as long as relevant trade clearly uses the denomination "concurrent" as a descriptor of this particular type of operating system); *In re Venture Lending Associates*, 226 USPQ 285 (TTAB 1985); *In re American Greetings Corp.*, 226 USPQ 365, 366 (TTAB 1985) ("Whether consumers could guess what the product is from consideration of the mark alone is not the test"); TMEP §1209.01(b).

Applicant applied to register CHALKBOARD for:

- International Class 004: Candles; Scented candles.

CHALKBOARD is defined as "*a smooth hard panel, usually green or black, for writing on with chalk; a blackboard.*" See attached dictionary definitions from *The American Heritage® Dictionary of the English Language*, Fourth Edition (2000), located at www.bartleby.com.

Applicant's goods are candles and the proposed mark, CHALKBOARD, describes features of these goods because the candles are encased in chalkboard material upon which consumers may write personal messages or create drawings. The

specimen of record is a marketing brochure which shows the goods and packaging for the goods. The specimen also shows candles with drawings and messages written on the outside surface of the candles, and the specimen states "*Write that special message, then erase it and draw a masterpiece. Mine chalkboard candles come with three colors of chalk, and can be written and erased again and again.*" Therefore, the proposed mark, CHALKBOARD, is descriptive of the features of the goods.

Accordingly, registration is DENIED on the Principal Register.

**SUPPLEMENTAL REGISTER**

Although the trademark examining attorney has refused registration on the Principal Register, applicant may respond to the stated refusal under 2(e)(1) by amending the application to seek registration on the Supplemental Register. Trademark Act Section 23, 15 U.S.C. §1091; 37 C.F.R. §§2.47 and 2.75(a); TMEP §§801.02(b), 815 and 816 *et seq.*

If applicant chooses to respond to the refusal to register, then applicant may present arguments relevant to the issue in a response to this Office Action.

To expedite prosecution of this application, applicant is encouraged to file its response to this Office action through the Trademark Electronic Application System (TEAS), available at http://www.uspto.gov/teas/index.html.

/Attiya Malik/

Trademark Examining Attorney

Law Office 112

(O) 571-272-5889

(F) 571-273-5889

**RESPOND TO THIS ACTION:** If there are any questions about the Office action, please contact the assigned examining attorney. A response to this Office action should be filed using the form available at http://www.uspto.gov/teas/eTEASpageD.htm. If notification of this Office action was received via e-mail, no response using this form may be filed for 72 hours after receipt of the notification. **Do not attempt to respond by e-mail as the USPTO does not accept e-mailed responses.**

If responding by paper mail, please include the following information: the application serial number, the mark, the filing date and the name, title/position, telephone number and e-mail address of the person signing the response. Please use the following address: Commissioner for Trademarks, P.O. Box 1451, Alexandria, VA 22313-1451.

**STATUS CHECK:** Check the status of the application at least once every six months from the initial filing date using the USPTO Trademark Applications and Registrations Retrieval (TARR) online system at http://tarr.uspto.gov. When conducting an online status check, print and maintain a copy of the complete TARR screen. If the status of your application has not changed for more than six months, please contact the assigned examining attorney.

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The American Heritage® Dictionary of the English Language: Fourth Edition. 2000.

# chalkboard

SYLLABICATION: chalk·board

PRONUNCIATION: chôk'bôrd', -bōrd'

NOUN: A smooth hard panel, usually green or black, for writing on with chalk; a blackboard.

The American Heritage® Dictionary of the English Language, Fourth Edition. Copyright © 2000 by Houghton Mifflin Company. Published by the Houghton Mifflin Company. All rights reserved.



Harry Potter amazon.com
Pay Off Debt $200,000 Loan Only $1,089/Mo.* START NOW LendingTree
*Terms & Conditions Apply
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Dice

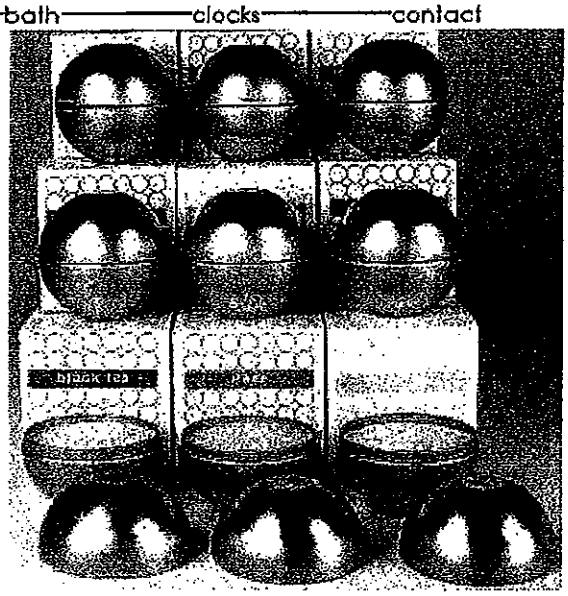
97863.1

**EXHIBIT 29**

# mine design

## candle compact - 4 oz.

home — candles — diffusers — bath — clocks — contact



click on the icons above for their description

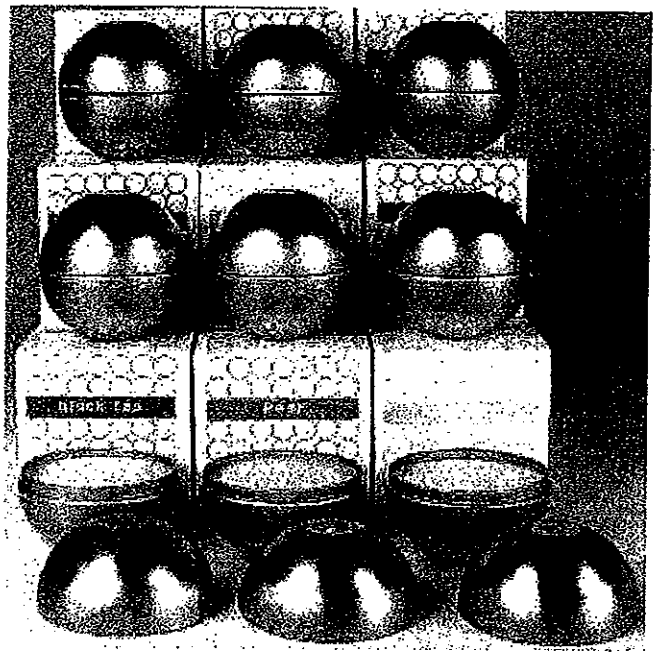
$17.95

Fragrance Mandarin/Ginger

Order Now

mine design
11761 mississippi ave.
los angeles, ca 90025
phone 800 973 0535 fax 310 914 3205 phone outside US 310 925 7516

Exhibit: 29
Page: 315






http://minedesignonline.com/sitebuilder/images/Mine_Designs_Main_007-340x330.jpg 6/5/2008

## *Chalkboard* soy message candle $10

**Ignite your creativity! Write that special message, then erase it and draw a masterpiece. Mine chalkboard candles come with three colors of chalk, and can be written and erased again and again. Mine chalkboard candles are available in five of our most popular fragrances.**

5cog gardenia chalkboard candle

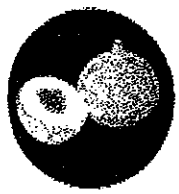
1ccb gardenia chalkboard candle

2cog lemongrass chalkboard candle

2ccb lemongrass chalkboard candle

5cog belgian berry chalkboard candle

3ccb belgian berry chalkboard candle



5cog persian fig chalkboard candle

3ccb persian fig chalkboard candle

5cog ginger mandarin chalkboard candle

3ccb ginger mandarin chalkboard candle

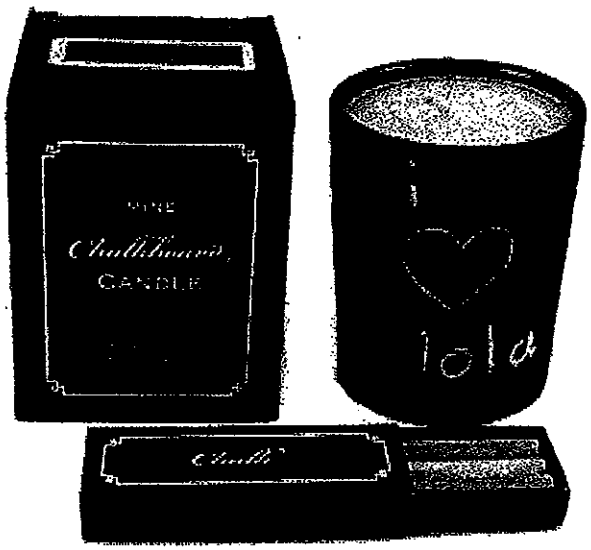
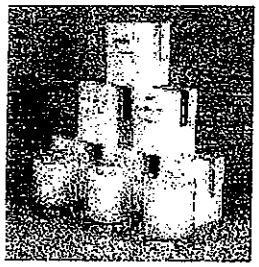
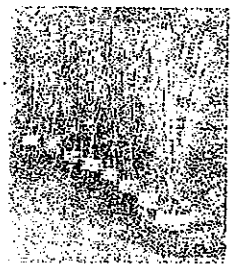
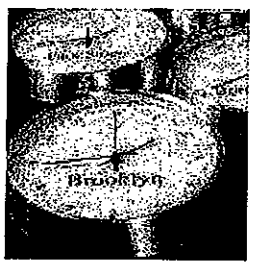



Exhibit: 29
Page: 318

# mine design

home candles diffusers bath clocks contact

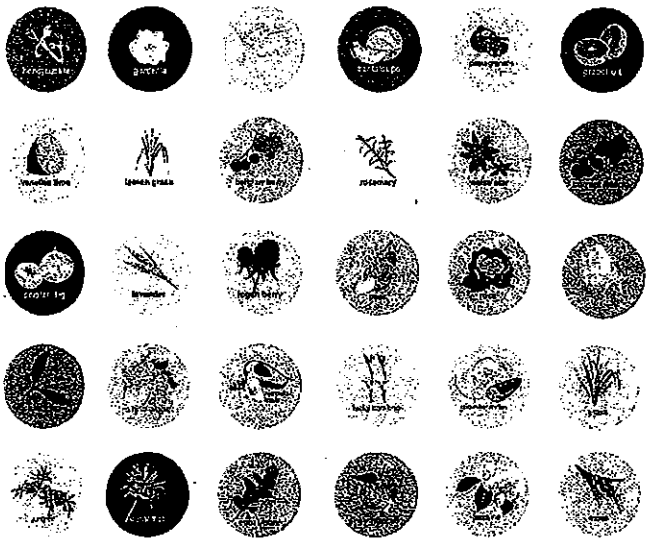


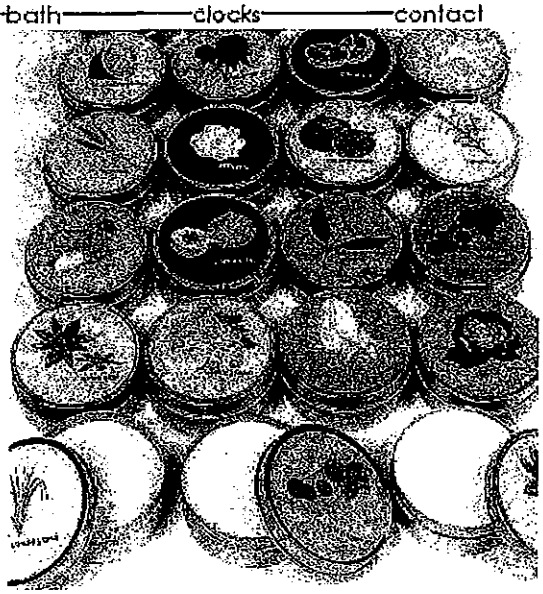

mine design
1121 mississippi ave.
los angeles, ca 90025
phone 800 573 0555 fax 310 914 3255 phone outside US 310 925 7516

# mine design

## candle compact - 4 oz.

home candles diffusers bath clocks contact





click on the icons above for their description

Fragrance Honeysuckle

Order Now

mine design
[illegible] Mississippi Ave.
Los Angeles, CA 90025

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# store is not open for business.

Ordering is allowed for testing purposes only.

**Shopping Cart**

| Item | Options | Unit Price | Qty. | Cost |
|---|---|---|---|---|
| **Candle Compact Soy Candle** *[remove]* | • Fragrance : Mandarin/Ginger | $9.95 | 1 Update | $9.95 |
| Subtotal: | | | | $9.95 |
| Total: | | | | $9.95 |

- Keep Shopping
- Checkout

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Exhibit: 29
Page: 321

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# store is not open for business.

Ordering is allowed for testing purposes only.

**Shopping Cart**

| Item | Options | Unit Price | Qty. | Cost |
|---|---|---|---|---|
| **Candle Compact Soy Candle** *[remove]* | • Fragrance : Mandarin/Ginger | $9.95 | 1 | $9.95 |
| **Fragrance Sphere Soy Candle** *[remove]* | • Fragrance : Mandarin/Ginger | $17.95 | 1 | $17.95 |
| | | Update | | |
| Subtotal: | | | | $27.90 |
| Total: | | | | $27.90 |

- Keep Shopping
- Checkout

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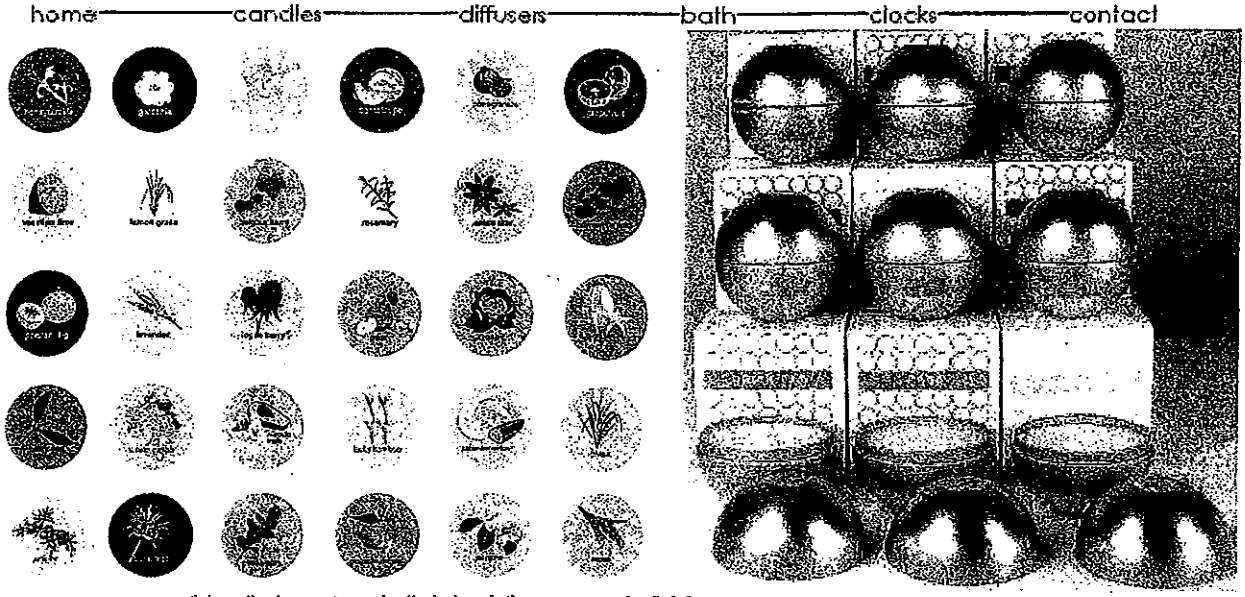
Exhibit: 29
Page: 322

# mine design

## candle compact - 4 oz.

home — candles — diffusers — bath — clocks — contact



click on the icons above for their description

$17.95

Fragrance | Mandarin/Ginger

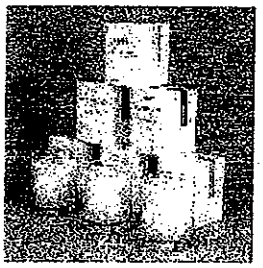
Order Now

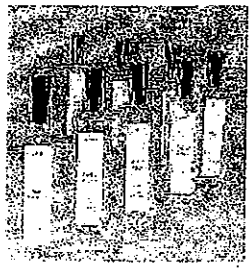
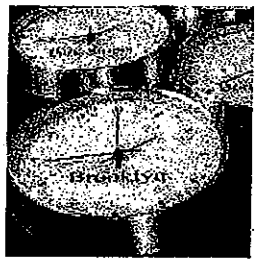
mine design
1151 mesklopi ave.
los angeles, ca 90025
phone 800 973 0555 fax 310 914 5205 phone outside US 310 905 7516

Exhibit: 29
Page: 323

# mine design

home candles diffusers bath clocks contact



minedesign
11181 mississippi ave.
los angeles, ca 90025
phone 800 973 0653 fax 310 914 3206 phone outside U.S. 310 925 7916

| MINE DESIGN CANDLE FRAGRANCES | VOTIVO CANDLE FRAGRANCES |
|---|---|
| Pomegranate | Minted Pomegranate |
| Grapefruit | Vanilla Grapefruit |
| Venitian Lime | Soku Lime |
| Lemon Grass | Sumatra Lemon Grass |
| Rosemary | Rosemary Garden |
| Currant (Black) | Currant (Red) |
| Persian Fig | Moroccan Fig |
| Lavender | St. Germain-en-Laye Lavender |
| Pear | Anjou Pear |
| Black Tea | Celadon Tea |
| Avocado/Fresia | Freesia &Tiger Lily |
| Grass | Tall Grass |
| Ginger/Mandarine | Black Ginger & Mandarine |
| Cucumber Melon | Bradford Cucumber |

97863.1

**EXHIBIT 30**

THIS OPINION IS A PRECEDENT OF THE TTAB

BUTLER

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Mailed: April 4, 2008

Opposition No. 91153172

DAIMLER CHRYSLER CORPORATION

v.

KEITH MAYDAK

Before Quinn, Rogers and Cataldo, Administrative Trademark Judges.

By the Board:

Applicant seeks to register the mark FORADODGE for "consulting services and providing information in the fields of privacy, avoiding legal problems, obtaining government records, correcting government records, and counterintelligence."[1]

As grounds for the opposition, opposer alleges that applicant's mark, when used on the recited services, so resembles opposer's previously used and registered marks DODGE, DODGE RAM and DODGE and design for, *inter alia*, automobiles and automotive goods and services, as to be likely to cause confusion, mistake or to deceive.[2] Opposer also alleges likelihood of confusion with its previously used 4ADODGE "designation," used in a website

[1] Application Serial No. 76274100, filed on June 15, 2002, claiming a date of first use anywhere of December 26, 1996 and a date of first use in commerce of January 1, 1997.
[2] Opposer pleads ownership of Registration Nos. 364669; 569431; 1169189; 1189233; 1409844; and 1762717.

address and with 1-800 telephone numbers in connection with various goods and services offered by opposer.

In his answer, applicant denies the salient allegations of the notice of opposition.

Although opposer informed the Board in its notice of opposition, filed August 15, 2002, that the parties were involved in civil litigation, it was not until September 30, 2003 that proceedings herein were suspended pending final determination of the court case involving the parties. This case now comes up on opposer's fully briefed motion, filed January 17, 2007, for summary judgment in its favor based on the final determination in its favor in the civil action and on opposer's fully briefed motion, filed April 4, 2007, to strike as untimely applicant's response to opposer's summary judgment motion.

***Opposer's motion to strike***

Applicant's response to opposer's motion for summary judgment was due, as last reset, on Tuesday, April 3, 2007. Applicant filed his response using the ESTTA filing system on Sunday, April 8, 2007. Applicant's response is accompanied by a certificate of service dated April 5, 2007.

Opposer moves to strike applicant's response on the bases that it was late, that it is not signed in conformance with the applicable rules, and that opposer did not receive its service copy.

In response, applicant argues that the ESTTA system does not permit a document to be uploaded without an electronic signature,

thus suggesting that the signature on the cover page is acceptable. Applicant argues that he did serve his response on opposer and, because opposer may obtain the response on-line, the "failure of the Postal Service to deliver the document was harmless." Applicant admits that his response was filed late, explaining that he attempted to file it on April 7, 2007 but received an error message. Applicant argues that the Board should consider his response because any miscalculation was "a harmless error."

Trademark Rule 2.193(c)(1)(iii) provides as follows:

> Where an electronically transmitted trademark filing is permitted or required, the person who signs the filing must either:
>
> > (A) Place a symbol comprised of numbers and/or letters between two forward slash marks in the signature block on the electronic submission; or (B) Sign the verified statement using some other form of electronic signature specified by the Director.

In this case, applicant used a symbol between the forward slash marks, "/s/," followed by his name. This qualifies as a signature under the Rule. *See also PPG Industries, Inc. v. Guardian Industries Corp.*, 73 USPQ2d 1926 (TTAB 2005) ("... when a paper is filed via ESTTA, it must be signed in conformance with Rule 2.193(c)(1)(iii). As a practical matter, ESTTA will allow the filing party to complete the submission process only after the required electronic signature has been entered."). As to opposer's non-receipt of its service copy, though unfortunate, there is no evidence that applicant actually did not serve a copy

on opposer. Finally, applicant's response is admittedly late. However, in view of the importance of ensuring that we adequately consider the ramifications of the disposition of the civil action, we have chosen to consider both parties' submissions on that subject.[3]

***Summary of the civil litigation***[4]

In the court case, which commenced on September 28, 1998, the parties are in the same position as they are in this opposition: opposer herein is the plaintiff and applicant herein is one of the defendants. Defendants registered the domain name foradodge.com with Network Solutions, Inc. Plaintiff brought claims under the Lanham Act for trademark infringement, trademark dilution, and unfair competition, under state law for trademark infringement and unfair competition, and under the Anticybersquatting Consumer Protection Act ("ACPA"). Plaintiff relied on its registered DODGE marks, its 4ADODGE mark, and its internet domain name 4ADODGE.COM, registered with Host Networks. On May 31, 2002, the court granted plaintiff's motion for summary judgment in its favor, brought on its ACPA claim only. In doing so, the court accepted the magistrate judge's Report and

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[3] Regarding our consideration of applicant's late brief, we note that, as discussed in more detail later in this order, the court's decision is binding on the Board. Thus, because both parties were before the court, there is no prejudice to opposer. This situation, as with situations presenting claim and issue preclusion, is distinguishable from other cases in which briefs are filed late and not considered by the Board because of their tardiness. *See* Trademark Rules 2.127(a) and 2.127(e); and TBMP §502.02(b) (2d ed. rev. 2004).

[4] *DaimlerChrysler Corp. v. The Net, Inc., et al, and Keith Maydak,* Case No. 98-CV-74186-DT (E.D. Mich. July 29, 2003); *aff'd DaimlerChrysler v. The Net, Inc., et al, and Keith Maydak; Michael Sussman,* 388 F.3d 201, 72 USPQ2d 1912 (6th Cir. 2004).

Recommendation ("Rpt. & Rec."), dated April 8, 2002, as the findings and conclusions of the court. However, the court noted that the plaintiff's remaining claims were still pending and therefore did not enter a final judgment in favor of the plaintiff.

After prevailing on the summary judgment motion regarding its ACPA claim, the plaintiff sought a remedy and final judgment by moving for a permanent injunction, for dismissal without prejudice of its remaining claims, and for transfer of the domain name in the court register. On June 19, 2003, the court accepted the magistrate judge's Report and Recommendation on the motion for permanent injunction and final judgment, dated May 23, 2003, as the findings and conclusions of the court.[5] The court then granted the permanent injunction and entered a final judgment in favor of plaintiff. In doing so, the court also granted plaintiff's motions for voluntary dismissal without prejudice of its remaining claims and for transfer of the domain name. The court also dismissed defendants' counterclaim (brought against plaintiff for abuse of process). The order permanently enjoining defendants for violation of the ACPA was entered by the court on July 29, 2003. The permanent injunction is discussed in more detail later in this order.

[5] In support of its summary judgment motion in this opposition, opposer introduced the magistrate judge's findings and conclusions, articulated in the Rpts. & Recs., with respect to the summary judgment determination (dated April 8, 2002) and with respect to the imposition of the permanent injunction and remaining matters (dated May 23, 2003).

Defendants appealed, among other things, the district court's grant of summary judgment in plaintiff's favor on the grounds that the district court erred when it found that 1) the mark 4ADODGE qualifies as a protected trademark under the ACPA and 2) that defendants had a bad faith intent to profit when they registered the foradodge.com domain name.[6] *DaimlerChrysler*, 72 USPQ2d at 1914. Defendants also appealed as overly broad the scope of the permanent injunction granted by the district court. *Id.* at 1917. The circuit court affirmed the district court on all grounds raised.

***Opposer's motion for summary judgment***

Opposer bases its motion in this case on the doctrine of collateral estoppel. Opposer argues that, in determining the ACPA claim, the district court has ruled both that applicant's use of "foradodge" in his domain name "foradodge.com" is likely to be confused with opposer's DODGE marks and that opposer's DODGE marks are protected, distinctive and famous; and the court further granted broad injunctive relief barring applicant's use of the term "foradodge." In addition to the district court's reports and recommendations and rulings, and the decision of the Sixth Circuit, opposer has introduced with its motion for summary judgment certified copies of its pleaded DODGE registrations showing that such registrations are valid and subsisting and are

[6] Both of these are elements necessary to establish an ACPA claim under 15 U.S.C. §1125(d)(1)(A), discussed in more detail in the magistrate judge's Rpt. & Rec. dated April 8, 2002.

owned by opposer. Consequently, for purposes of this motion for summary judgment, priority is not in issue with respect to such marks. *See King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974).

In response, applicant argues that opposer is not entitled to summary judgment because opposer withdrew its trademark claims and the court only adjudicated rights in the internet domain names. Applicant argues that the elements considered under the ACPA claim have no correlation to the elements of a trademark action, pointing out that in the court case there was no consideration of the products involved. Applicant argues that the court never addressed whether the term www.4adodge.com, as used by opposer, constituted a trademark. Applicant also contends that there is no evidence of how applicant's use of his mark will interfere with opposer's use of its mark for automobile parts.

On a motion for summary judgment, the moving party has the burden of establishing the absence of any genuine issue of material fact and that it is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56. A genuine dispute with respect to a material fact exists if sufficient evidence is presented that a reasonable fact finder could decide the question 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). Thus, all doubts as to whether any particular factual issues are genuinely in dispute must be resolved in the light most favorable

to the non-moving party. *See Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

1. Res Judicata and Collateral Estoppel

Under the doctrine of claim preclusion (*res judicata*), the entry of a final judgment "on the merits" of a claim (*i.e.*, cause of action) in a proceeding serves to preclude the relitigation of the same claim in a subsequent proceeding between the parties or their privies, even in those cases where prior judgment was the result of a default or consent. *See Lawlor v. National Screen Service Corp.*, 349 U.S. 322, 75 S.Ct. 865, 99 L.Ed. 1122 (1955); and *Chromalloy American Corp. v. Kenneth Gordon, Ltd.*, 736 F.2d 694, 222 USPQ 187 (Fed. Cir. 1984).

Clearly, the claim adjudicated in the court case under the ACPA is not the same claim as the one presented in this opposition proceeding, *i.e.*, priority of use and likelihood of confusion. Moreover, although applicant references *res judicata* in his response, opposer does not base its motion for summary judgment on claim preclusion.

Under the doctrine of collateral estoppel, or issue preclusion, if an issue is actually and necessarily determined by a court of competent jurisdiction, that determination is conclusive in a subsequent suit involving the same issue and the same parties, or at least the party against whom the same issue was adversely determined. The requirements which must be met for issue preclusion are:

(1) identity of issues in a prior proceeding;
(2) the issues were actually litigated;
(3) the determination of the issues was necessary to the resulting judgment; and
(4) the party defending against preclusion had a full and fair opportunity to litigate the issues.

*See Mayer/Berkshire Corp. v. Berkshire Fashions Inc.*, 424 F.3d 1229, 76 USPQ2d 1310 (Fed. Cir. 2005); *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854 (Fed. Cir. 2000); and *Larami Corp. v. Talk To Me Programs Inc.*, 36 USPQ2d 1840, 1843-1844 (TTAB 1995).

The district court, referencing the plain language of 15 U.S.C. §1125(d)(1), indicated that a plaintiff must prove the following to succeed on an anticybersquatting claim: 1) it has a valid trademark entitled to protection; 2) its mark is distinctive or famous; 3) the defendant's domain name is identical or confusingly similar to, or in the case of a famous mark, dilutive of, the plaintiff's mark; 4) the defendant used, registered, or trafficked in the domain name 5) with bad faith intent to profit.[7]

Reviewing the findings and conclusions made by the district court, there are at least some issues which were litigated and determined that have a bearing on the likelihood of confusion claim in this opposition proceeding. For example, relying in part on the statutory definition of a "trademark," Trademark Act §45, 15 U.S.C. §1127, the court concluded that plaintiff has a protected trademark in its 4ADODGE mark, even though such mark is

[7] April 8, 2002 Rpt. & Rec., p. 7.

not registered.[8] In addition, the court found that "... the 'foradodge' domain name and plaintiff's '4ADODGE' are phonetically identical, and thus confusingly similar."[9] Other likelihood of confusion factors were not determined in the court case (for example, the relatedness of the parties' involved goods and services). However, because we believe that the permanent injunction, as discussed below, prohibits registration by applicant of his mark, the Board need not conduct a further analysis of the applicability of collateral estoppel to opposer's substantive claim of priority and likelihood of confusion.

2. The Permanent Injunction

The terms of the permanent injunction are set forth below:

> THEREFORE, IT IS ORDERED that the Defendants; The Net, Inc., Host Networks, Inc., Mutual Assignment and Indemnification Company, Michael Sussman, and Keith Maydak, their officers, agents, servants, attorneys, employees, privies, successors and assigns, and all holding for and through them, and all persons in active concert or participation with any of them, are permanently enjoined from:
>
> (a) using, displaying, advertising, copying, registering, imitating, or infringing upon the DODGE, 4ADODGE, 1-800-4ADODGE marks or 4adodge.com, 4adodge.net, foradodge.com and foradodge.net.
>
> (b) using or displaying DODGE, 4ADODGE, 1-800-4ADODGE, or colorable imitations thereof including but not limited to FORADODGE, as a business name, domain name or mark in any written, oral, or electronic advertisements, displays, signs, sales promotions, directory listings, or in any other public communication (including answering telephones and internet websites);
>
> (c) From using DODGE or 4ADODGE or any other word that is confusingly similar to DODGE or 4ADODGE as or as part

[8] April 8, 2002 Rpt. & Rec., p. 9. There was no dispute that plaintiff's registered DODGE marks were entitled to protection. *Id.*
[9] April 8, 2002 Rpt. & Rec., p.16.

> of any trademark, service mark, brand name, trade name, or other business or commercial designation, in connection with the sale, offering for sale, distribution, advertising, or promotion of any product or service;
>
> (d) Making representations that Defendants' (*sic*) or Defendants' products or services, are in any way sponsored, approved, authorized, or affiliated with Plaintiff;
>
> (e) Otherwise infringing on Plaintiff's DODGE or 4ADODGE marks.

The permanent injunction prohibits applicant from using (subsections (b) and (c), *supra*) or registering the mark FORADODGE for any products or services, thus including those services recited in his application. Moreover, in affirming that the "scope of the injunction issued by the district court was entirely appropriate," the circuit court was aware that "… defendant Maydak continued to assert throughout the proceedings that he was entitled to use the "foradodge.com" domain name; he sought to register "foradodge" with the United States Trademark Office; and he registered to himself the "foradodge.us" domain name after this action was filed."[10] *DaimlerChrysler,* 72 USPQ2d 1917. Thus, the district court was aware of the existence of applicant's trademark application pending before the USPTO when

[10] *See also* Rpt. & Rec., May 23, 2003, p. 9. The district court, in determining that the scope of plaintiff's proposed permanent injunction (which is the permanent injunction the court entered) was not overly broad, stated that "Defendants have repeatedly infringed on plaintiff's "DODGE" and "4ADODGE" marks in their websites, and apparently have no intention of ceasing to do so on their own accord." The court went on to note, "For example, defendant Maydak continues to assert … that he is entitled to use the foradodge.com domain name, and has registered to himself the foradodge.com domain name." *Id.* at fn. 2.

it adopted the permanent injunction prohibiting applicant from using or registering his mark.

As the parties are aware, this opposition proceeding was suspended pending disposition of the court case. The policy reason for this is that, to the extent that a civil action in a Federal district court involves issues in common with those in a proceeding before the Board, the decision of the Federal district court is typically binding upon the Board, while the decision of the Board is not binding upon the court. *See* TBMP §510.02(a) (2d ed. rev. 2004). Moreover, any final determination made by the Board is appealable to Federal district court, including to the district in which the civil action between the parties took place. *See* Trademark Act §21(b); Trademark Rule 2.145(c); and TBMP §901 (2d ed. rev. 2004). Thus, in this case, it is incumbent upon the Board to give deference to the determinations of the court, including the remedy entered therein, and consider the terms of the permanent injunction. As a result, we find that applicant is precluded from registering his mark. A requisite condition for registration of a mark which is the subject of an application based on use or on an application based intent-to-use, which may only be registered after use commences, is use of the mark. Thus, because the injunction permanently prohibits applicant from using the applied-for mark, it is a legal impossibility for applicant to obtain a registration.

In view thereof, opposer is entitled to summary judgment in its favor as a matter of law because the terms of the permanent

injunction prohibit applicant from using or registering his FORADODGE mark for any goods or services. Accordingly, judgment is hereby entered against applicant, registration to applicant is refused, and the opposition is sustained.

***

# EXHIBIT C

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Attorney for Defendant

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Votivo, Ltd., a Washington corporation; and Votivo LLC, a South Carolina limited liability company,

Plaintiff,

vs.

Mine Design, a sole proprietorship,

Defendant

Case No.: No. CV 03-6017 DDP (Ex)

Mine Design's Opposition to Votivo's Motion To Substitute a Party

## I. INTRODUCTION

Votivo, Ltd. and Votivo, LLC have filed a motion pursuant to FRCP 25(c) for an Order substituting Votivo, LLC, a South Carolina limited liability company, in place of Votivo, Ltd., a now defunct Washington corporation (jointly "Votivo"). During the L.R. 7-3 conference, undersigned informed counsel for Votivo that Mine Design would not oppose Votivo, LLC's motion to substitute if undersigned was timely provided with proper evidence supporting Votivo, LLC's alleged interest. Before defending the present case against Votivo, LLC, Mine Design has the right to know whether Votivo, LLC has an interest in the litigation.

Rather than providing undersigned with proper evidence supporting Votivo, LLC's interest in the present lawsuit, and without first attempting to address the issues raised by Votivo pursuant to the terms of a Settlement Agreement between Votivo, Ltd. and Mine Design, Votivo has filed the present Motion and Application.

Votivo's Motion to Substitute should be denied because the evidence introduced in support of the motion is insufficient to show that Votivo, LLC has an in interest in the litigation. The only support cited in the Motion, the declaration of Mark Jordan, states that Votivo, Ltd. sold certain assets to Votivo, LLC in September of 2007. However no evidence was made of record with the Motion as to whether Votivo, LLC still owns those assets, or whether it has sold or otherwise encumbered them.

In addition, exhibits submitted with the declaration of Mr. Jordan in support of a transfer of assets fails to comply with the best evidence rule. Mr. Jordan appears to have selected certain portions of a larger document that seem to support Mr. Jordan's assertion that there was a transfer of assets. The document, however, is incomplete. It should thus not be considered.

The Motion also alleges that Votivo, LLC acquired from Votivo, Ltd. the right to enforce the Injunction. However, as admitted by Votivo in its Application to Show Cause, Votivo, Ltd. and Mine Design dismissed the two litigations between them pursuant to a Settlement Agreement. The Settlement Agreement includes a waiver and release of all claims between the parties up until and including the date of the Settlement Agreement, which was on or about May 2006. Votivo, Ltd. accordingly waived and released its right to sue to enforce the Injunction (entered on or about November 2005) when Votivo, Ltd. entered into the Settlement Agreement pursuant to which the appeal taken by Mine Design in the present case was dismissed. Votivo, Ltd. could not have sold to Votivo, LLC the right to bring an action against Mine Design pursuant to the Injunction, as stated in the Motion and allegedly supported by Mr. Jordan's declaration, because Votivo, Ltd. did not have that right to sell.

Because Votivo's Motion fails to provide evidence that Votivo, LLC has an interest in the litigation and because Votivo, LLC could not have acquired from Votivo, Ltd. the right to bring an action against Mine Design over the Injunction, Votivo's Motion to Substitute and Application to Show Cause should be denied.

## II. ARGUMENT

A. The evidence introduced by Votivo in support of the motion is insufficient to show that Votivo, LLC has an interest in the litigation.

Votivo's Motion argues that Votivo, Ltd. should be substituted with Votivo, LLC, because "[o]n September 28, 2007, Votivo, Ltd. assigned all rights, title and goodwill in and to all federal trademark registrations and applications it owned on that date to Votivo, LLC, a South Carolina limited liability company." Votivo Memorandum, 3:14-16.

The statement is allegedly supported by the Declaration of Mark V. Jordan, 3-4. Votivo Memorandum, 3:16-17.

*1. The Jordan Declaration*

In his declaration, Mr. Jordan asserts that he is a "member of the Invicta Law Group, counsel for Votivo, Ltd., which formerly was a corporation existing under the laws of the State of Washington." Jordan Decl., ¶1.

Paragraph 3 of the Jordan Declaration states that "[o]n September 28, 2007, Votivo, Ltd., the plaintiff in this case, assigned to Votivo, LLC, a South Carolina limited liability company, under an Assignment of Trademark Interests all of the registered trademarks which are referenced in the Permanent Injunction dated November 7, 2008 [sic 2005?] and entered by the Court in this case. A true and correct copy of the Assignment of Trademark Interests is attached as Exhibit A." Jordan Decl., ¶3.

Paragraph 4 of the Jordan Declaration states that "[a]lso, on September 28, 2007, Votivo, Ltd., assigned to Votivo, LLC pursuant to an Assignment of Intent-Based Trademark Interests all rights in two pending trademark applications for federal registration regarding the marks MANDARINE and MANDARIN GROVE. A true and correct copy of the Assignment of Intent-Based Trademark Interests is attached as Exhibit B." Jordan Decl., ¶4.

*2. The Jordan Decl. Is Not Probative On The Issue Of Votivo, LLC's Assets*

The statements in the Jordan Decl. are not probative on the issue of whether Votivo, LLC still owns any assets Votivo, LLC allegedly purchased from Votivo, Ltd. in September of 2007, or whether Votivo, LLC has already sold them or otherwise encumbered them. Nor do the statements in the Jordan Decl. support that Mr. Jordan would be in a position to know which assets allegedly purchased from Votivo, Ltd. Votivo, LLC still owns, if any. Of his own admission, Mr. Jordan represents Votivo, Ltd. (Jordan Decl., ¶1), now a defunct corporation, not Votivo, LLC.

Accordingly, as Votivo, LLC has presented no probative evidence that it owns any right in connection with the present litigation, Votivo's Motion to Substitute should be denied.

*3. The Evidence Submitted With The Declaration Of Mr. Jordan In Support Of The Transfer Of Assets Fails To Comply With The Best Evidence Rule*

Not only is the Jordan Decl. irrelevant on the material issue of whether or not Votivo, LLC has a real interest in the present litigation, the exhibits to the Jordan Decl. in support of the transfer of certain assets between Votivo, Ltd. and Votivo, LLC (Jordan Decl. Exhs. A and B) fail to comply with Federal Rule of Evidence 1002 -- the best evidence rule.

According to the best evidence rule, "[t]o prove the content of a writing . . . the original writing . . . is required, except as otherwise provided in these rules or by Act of Congress." Fed.R.Evid. 1002. "In general, legal transactions that can be reduced to a writing, such as those involving a . . . contract . . . are subject to the best evidence rule because an original is needed to prove content that has legal significance." Weinstein's Federal Evidence, § 1002.05[2].

Exhibits A and B to the Jordan Decl. violate Rule 1002 on several grounds. For example, page 3 of the Assignment of Trademark Interests (Jordan Decl. Exhibit A) is apparently missing.

Additionally, the Assignment of Trademark Interests and Assignment of Intent-Based Trademark Interests (Exhibits A and B, respectively, to the Jordan Decl.) appear to be only part of a much larger document recording the transaction between Votivo, Ltd. and Votivo, LLC. This is evidenced, for example, on page 2 of the Assignment of Intent-Based Trademark Interests (Jordan Decl. at 19, Exhibit B), which, on the left side of the page, shows the existence of lateral tabs numbered 7, 8 and 9 in connection with the document. As nine documents have not been submitted with the Jordan Decl., it can be surmised that the whole agreement between Votivo, Ltd. and Votivo, LLC has not been made of record.

The issue of whether Votivo has made the whole agreement of record with the Motion is not academic. For example, page 10 of the Assignment of Trademark Interests (Jordan Decl. at 16, Exhibit B) makes a special note for Application Serial Nos. 76/636181 and 76/665238, which had adverse events in connection with their prosecution before the Patent and Trademark Office. However there is no evidence that Votivo, Ltd. informed Votivo, LLC of Mine Design's opposition of Votivo, Ltd.'s Application Serial No. 76/613881 in the Trademark Trial and Appeal Board. The Notice of Opposition had already been filed by the date of the agreement between Votivo, Ltd. and Votivo, LLC, and one expects to find a reference to it in the agreement. This raises several important questions, including whether there are any contingencies in the agreement between Votivo, Ltd. and Votivo, LLC that may affect the proper outcome of the present Motion that are not being disclosed by Votivo or Mr. Jordan.

The exhibits submitted with the Jordan Decl. also fail to show whether Votivo, Ltd. informed Votivo, LLC of the Settlement Agreement between Votivo, Ltd. and Mine Design, an issue that is further discussed in the next section.

B. Votivo, LLC could not have acquired from Votivo, Ltd. the right to bring an action against Mine Design pursuant to the Injunction, as it now claims.

Votivo's Motion alleges that "it is appropriate to substitute Votivo, LLC as the plaintiff in this case in place of Votivo, Ltd. so that Votivo, LLC may enforce the

Permanent Injunction against Mine Design." Votivo Memorandum, 3:20-22. However Mine Design respectfully submits that the Injunction is not available to either Votivo, Ltd. or Votivo, LLC.

As admitted by Votivo in its Application for an Order to Show Cause, Votivo, Ltd. and Mine Design dismissed the two litigations between them pursuant to a Settlement Agreement. Edmiston Decl. Exh. 11, at page 138.

The Settlement Agreement arose from the Parties' "desire to fully, completely and finally settle and compromise, in accordance with the terms set [in the Settlement Agreement], without the further cost, expense or continued litigation, the Lawsuit and the dispute between them." Settlement Agreement p. 2.

Paragraph 6 of the Settlement Agreement is a waiver and release of "any and all claims and/or liabilities the Parties may have against each other . . . in law or in equity, in contract or tort or otherwise up until the EFFECTIVE DATE."

The EFFECTIVE DATE of the Settlement Agreement is on or about May 2006.

Paragraph 10 of the Agreement states that each Party "covenants and agrees that they will forever refrain and forebear from bringing, commencing or prosecuting any action, lawsuit, claim, or proceeding against the other Party hereto based on any claim, debt or obligation of any kind that is released or discharged herein."

Paragraph 15 of the Settlement Agreement states that "[t]his Agreement shall be binding upon and inure to the benefit of the Parties' successors and assigns."

Because the Injunction now complained of by Votivo was entered on or about November of 2005, and thus predates the May 2006 effective date of the Settlement Agreement, Votivo, Ltd. forever waived and released in the Settlement Agreement any rights it may have had to sue to enforce the Injunction. Accordingly, Votivo, LLC's allegation of having purchased from Votivo, Ltd. in September of 2007 the right to bring an action against Mine Design pursuant to the Injunction is highly suspect.

A district court has the discretion to vacate a judgment and any remedy it has imposed after a case has been appealed and the appeal dismissed as moot because of an

agreement between the litigating parties. *See*, *Ringsby Truck Lines, Inc. v. Western Conference of Teamsters*, 686 F.2d 720, 722 (9th Cir. 1982).

The Court may consider vacating the present case. The appeal was dismissed as moot pursuant to an agreement between Votivo, Ltd. and Mine Design. In the Settlement Agreement Votivo, Ltd., the only "person" that had a right to bring an action to enforce the Injunction, waived and released that right. The Injunction may accordingly be vacated.

## III. CONCLUSION

For the foregoing reasons, Votivo's Motion to Substitute and Application to Show Cause should be denied.

Dated this 28th day of August, 2008

Respectfully submitted,

/Carlos Candeloro/

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

VOTIVO, Ltd., a Washington corporation; and VOTIVO, LLC, a South Carolina limited liability company,

Plaintiffs,

vs.

MINE DESIGN, a sole proprietorship,

Defendant.

**NO. CV 03-6017-DDP (Ex)**
[Assigned for All Purposes to Hon. Dean D. Pregerson, Dept. 15]

**REPLY MEMORANDUM IN SUPPORT OF APPLICATION FOR AN ORDER TO SHOW CAUSE WHY DEFENDANT SHOULD NOT BE HELD IN CONTEMPT**

VOTIVO, LLC ("VOTIVO") has applied for an Order to Show Cause why defendant Mine Design, its sole proprietor Amal Flores, and its attorney Carlos Candeloro, should not be held in contempt for violating the terms of this Court's Permanent Injunction. VOTIVO contemporaneously filed a separate Motion for Substitution of a Party, seeking to substitute VOTIVO, LLC in place of VOTIVO, Ltd. so that VOTIVO, LLC may enforce the Permanent Injunction.

Mine Design has filed a single pleading in response, styled "Mine Design's Opposition to Votivo's Motion to Substitute a Party." The Mine Design pleading presents two arguments that are directed to the issue of substituting VOTIVO, LLC for VOTIVO, Ltd.[1] However, the Mine Design pleading also presents an argument that addresses the merits of VOTIVO's Application for an Order to Show Cause Why Defendant Should Not Be Held in Contempt. This is the only opposition asserted by Mine Design with respect to its violations of the Permanent Injunction. VOTIVO herein replies.

In opposing the Application, Mine Design asserts a single, baseless, argument: that VOTIVO has waived its right to enforce the Permanent Injunction based upon the terms of a settlement agreement between VOTIVO, Ltd. and Mine Design. As set forth below, the argument is without merit.

## I.
## ARGUMENT

**1. Mine Design Misrepresents The Terms Of The Settlement Agreement; VOTIVO Retained The Right To Enforce The Permanent Injunction And To Prosecute Any And All Claims Not Released Therein.**

a. The May 5, 2006, Settlement Agreement Expressly Preserved The Permanent Injunction.

[1] These arguments have been addressed by VOTIVO in a separate reply brief.

Mine Design bizarrely asserts that "[B]ecause the Injunction now complained of by Votivo was entered on or about November of 2005, and thus predates the May 2006 effective date of the Settlement Agreement, Votivo, Ltd. forever waived and released in the Settlement Agreement any rights it may have had to sue to enforce the Injunction." Mine Design Opposition, p. 6. This argument is factually and legally incorrect, because (1) the Permanent Injunction was preserved in the Settlement Agreement and was not dismissed; and (2) Mine Design's misconduct that violates the Permanent Injunction and the Settlement Agreement occurred after the date of both.

Mine Design appealed the original Order entered by this Court (and upon which the Permanent Injunction is based) to the Ninth Circuit, Case No. 06-55147. See the August 20, 2008, Declaration of Steve Edmiston in Support of Application Why Defendant Should be Held in Contempt, Ex. 10. While the appeal was pending, on May 5, 2006, VOTIVO entered into a Settlement Agreement with Mine Design. Edmiston Decl., Ex. 11.

In the Settlement Agreement, the parties were careful and precise. In the Recitals section of the Settlement Agreement, with respect to pending legal actions, the parties employed a defined term, the "Lawsuits." Id. The defined term "Lawsuits" included only (1) a separate action also pending in Federal District Court, case number CV-05-2942; and (2) the U.S Court of Appeals (9th Cir.) Docket No. 06-55147 (the appeal arising from in this case, CV 03-6017). Id. The *very next paragraph* in the Settlement Agreement Recitals separately addresses the entry of Judgment and the Permanent Injunction in this case.

Section 1 of the Settlement Agreement provides that Mine Design and VOTIVO agreed "respectively to dismiss their claims against the other in the Lawsuits." Id. Clearly, with respect to the judgment entered in this litigation, and

the Permanent Injunction, they agreed *only* that the Mine Design *appeal* would be dismissed. Id.

The Settlement Agreement is replete with references to the Permanent Injunction. Section 3 of the Settlement Agreement confirms the broad prohibition against Mine Design's use of all of VOTIVO's federally registered trademarks, including MANDARINE:

> **3. Use of VOTIVO Registrations. MINE agrees that it will not, directly or indirectly... use... (ii) any of the trademarks set forth in the Permanent Injunction provided such trademarks remain registered with the United States Patent and Trademark Office.**

Id. In Section 5, Mine Design represents and warrants that it "has not used or infringed any of the trademarks set forth in Permanent Injunction up until the effective date." Id.

Perhaps most significantly, Section 11 of the Settlement Agreement provides for ongoing enforcement of the Permanent Injunction against Mine Design by expressly providing for the retention of jurisdiction by the Federal Court. Id.

In lockstep consistency with the Settlement Agreement, (1) a dismissal of the *Appeal* was in fact ultimately entered (Edmiston Decl., Ex. 12); and (2) a dismissal of the separate Federal District Court action, case number CV-05-2942, was entered (Edmiston Decl., Ex. 13). No dismissal of this action was entered, nor contemplated, by the parties. There is simply no language in the Settlement Agreement that supports the argument that the Permanent Injunction was dismissed, and there is no evidence in the record that VOTIVO intended, as a

result of executing the Settlement Agreement, to waive any of its rights to enforce the Permanent Injunction. If fact, the language within the Settlement Agreement requires the opposite conclusion.

b. Mine Design's Violation Of The Permanent Injunction Does Not Involve Any "Released Claims" Under The Settlement Agreement.

The claims at issue with respect to the ongoing violations of the Permanent Injunction -- including the prosecution of the TTAB Opposition with respect to trademarks that Mine Design is prohibited from using, and the marketing of products using trademarks that Mine Design is prohibited from using – post-date the "effective date" of the Settlement Agreement, and have not been released. Specifically, Mine Design filed the TTAB Opposition on August 6, 2007. With respect to Mine Design's efforts to market and sell candles and related products in violation of the Permanent Injunction, the conduct was ongoing at least as of the date of August 28, 2008, the date of the filing of the present Application. The fact that the violations of the Permanent Injunction that are before the Court occurred after the execution of the Settlement Agreement, executed on May 5, 2006, are beyond dispute.

**2. Mine Design Provides No Substantive Defense To Its Violations Of The Permanent Injunction.**

VOTIVO, in its Application for an Order to Show Cause Why Defendant Should Not be Held in Contempt, has submitted evidence establishing a prima facie showing that Mine Design, its owner, Amal Flores, and its attorney, Carlos Candeloro, were in violation of the terms of the Permanent Injunction. See Application for an Order to Show Cause Why Defendant Should Not be Held in Contempt; Memorandum of Points and Authorities in Support Thereof; and Declaration of Steve Edmiston in Support of Application. Specifically, VOTIVO

established that the Permanent Injunction had been violated as a result of (1) Mine Design's ongoing prosecution of the Trademark Trial and Appeal Board litigation relating to trademarks that Mine Design is prohibited from using, and (2) Mine Design's marketing and sale of products including candles, in violation of the Permanent Injunction. See Memorandum of Points and Authorities, pp. 9-10; pp. 12-14.

Notably, Mine Design has presented no facts contradicting *any* of the evidence presented to this Court establishing the violation of the Permanent Injunction. Instead, Mine Design is relying solely upon technical defenses that are, as discussed above, meritless.

**3. There Are No Grounds For Vacating The Permanent Injunction.**

Finally, Mine Design's unsupported request to vacate the Permanent Injunction must be rejected. Mine Design has made no motion, nor provided any legal authority that suggests such a result is appropriate under the circumstances. The case relied upon by Mine Design, *Ringsby Truck Lines, Inc. v. Western Conference of Teamsters,* 686 F.2d 720, 722 (9th Cir. 1982), does not stand for the proposition for which it is cited. Indeed, the discussion in *Ringsby* (as well as the holding, in which the appeal was dimissed as moot but the motion to vacate the trial court decision was denied) supports the retention of jurisdiction by the district court in the present case. Mine Design's request to vacate the Permanent Injunction should be disregarded as procedurally, factually, and legally unsupportable.

///

///

## II.

## RELIEF REQUESTED

For the reasons above, VOTIVO requests that the Court enter an order to show cause why Mine Design, Amal Flores, and attorney Carlos Candeloro should not be held in contempt.

Dated: September 18, 2008

Respectfully Submitted,

**BAUTE & TIDUS LLP**

By:

Robert. M. Gilchrest, Esq.
Mark D. Baute, Esq.
Attorneys for Plaintiffs
VOTIVO, Ltd. and VOTIVO, LLC.

**PROOF OF SERVICE**

VOTIVO, LTD. vs. MINE DESIGN, et al.

USDC Case No. CV 03-6017 DDP (Ex) [2030.1]

I am employed in the County of Los Angeles, State of California, I am over the age of 18 and not a party to the within action; my business address is 777 South Figueroa Street, Suite 4900, Los Angeles, California 90017.

On **September 18, 2008**, I served the foregoing document(s) described as: **REPLY MEMORANDUM IN SUPPORT OF APPLICATION FOR AN ORDER TO SHOW CAUSE WHY DEFENDANT SHOULD NOT BE HELD IN CONTEMPT** on all other parties and/or their attorney(s) of record to this action by placing a true copy thereof in a sealed envelope, as follows:

**(***SEE ATTACHED SERVICE LIST***)**

**[X] By Mail:** By placing a true copy thereof in a sealed envelope and addressed to the parties listed below. I placed such envelope(s) for deposit in the U.S. Mail for service by the United States Postal Service, with postage thereon fully prepaid.

I am "readily familiar" with this firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California, in the ordinary course of business. I am aware that, on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in affidavit.

**[X] By ECF:** Filed and served electronically in accordance with the Court's electronic filing ("ECF") rules, pursuant to which registered ECF users receive service copies by e-mail delivery. A courtesy copy will follow by U.S. Mail.

[ ] **STATE:** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

**[X] FEDERAL:** I hereby certify that I am employed in the office of a member of the Bar of this Court at whose direction the service was made, and I certify under penalty of perjury that the foregoing is true and correct.

Executed this **18TH** day of **September, 2008**, at Los Angeles, California.

Julie Q. Diep
[Name]

[Signature]

**SERVICE LIST**

VOTIVO, LTD. vs. MINE DESIGN, et al.
USDC Case No. CV 03-6017 DDP (Ex) [2030.1]

Carlos M. Candeloro, Esq.
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**Attorney for Defendant MINE DESIGN**

# EXHIBIT E

O

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

| | |
|---|---|
| VOTIVO LTD, a Washington corporation,<br><br>Plaintiff,<br><br>v.<br><br>MINE DESIGN,<br><br>Defendant. | Case No. CV 03-06017 DDP (Ex)<br><br>**ORDER GRANTING MOTION TO SUBSTITUTE, ORDERING SUPPLEMENTAL BRIEFING ON MOTION FOR ORDER TO SHOW CAUSE**<br><br>[Motions filed on November 17, 2008, Dkt. Nos. 87, 89] |

## I. BACKGROUND

In August 2003, Votivo, Ltd. ("Votivo One") filed a complaint against Defendant Mine Design ("Mine") alleging trademark infringement and related claims. On November 8, 2005, Judge Dickran Tevrizian entered a Permanent Injunction (the "Injunction") against Mine. (Order, November 8, 2005 ("Injunction").) The Injunction restrained Mine from using the term "Mandarine" and certain other names "in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use." (Injunction 2:21-27.)

On May 5, 2006, the parties entered a private Settlement

Agreement (the "Settlement"). As part of the Settlement, Defendant agreed that it would not directly or indirectly use any of Votivo One's registered trademarks, including the trademarks set forth in the Permanent Injunction. (Edmiston Decl. ¶ 13, Ex. 11 ("Settlement") ¶ 3.) Both parties also agreed to release all claims against each other up to the date of the Settlement. (Settlement ¶ 6.)

Approximately one year later, on September 28, 2007, Votivo One assigned all of its trademarks to Votivo, LLC ("Votivo Two"). This included all trademarks at issue in the Permanent Injunction, as well as two marks that were pending registration: "Mandarine" and "Mandarin Grove". (Jordan Decl. ¶ 3-4.) Thereafter, in May 2008, Votivo One filed articles of dissolution and voluntarily ceased doing business. (Jordan Decl. ¶ 5.) Votivo Two currently alleges that Mine is intentionally violating the Permanent Injunction against it by using the term "Mandarin" in connection with the sale of candles, in addition to infringing use of other trademarks named in the Injunction and Settlement.

This case was reassigned to this Court on August 26, 2008. Votivo Two now moves[1] to substitute itself in place of Votivo One, in order to enforce the Injunction against Mine. Votivo Two has

[1] These motions were originally filed on August 20, 2008. The Court then took the matter under submission without oral argument. Subsequently, due to Plaintiff's filing error, the Court advised Plaintiff to refile the motions. Defendant objects to Plaintiff's refiled motion and application based on Local Rule 7-3, and argues that it was not given sufficient notice. However, as Defendant had notice of the first filing and the re-filing was due to a clerical error, the Court finds that Defendant had sufficient notice of the instant Motions. Additionally, as both parties refer to their prior filings, the Court will also review these documents in its consideration of the present Motions.

also filed a Motion asking the Court to order Mine to show cause why it should not be held in contempt for violation of the Injunction.

**II. DISCUSSION**

A. Motion to Substitute Parties

1. Legal Standard

Federal Rule of Civil Procedure 25 governs motions to substitute parties. Rule 25 is "not designed to create new relationships among parties to a suit but is designed to allow the action to continue unabated when an interest in the lawsuit changes hands." In re Bernal, 207 F.3d 595, 598 (9th Cir. 2000)(internal quotation omitted). Substitution may occur in four situations: 1) death, 2) incompetency, 3) transfer of interest, and 4) upon the death of a public officer or their separation from office. Fed. R. Civ. P. 25(a)-(d). If one of these situations applies, the court has discretion to permit substitution. In re Bernal, 207 F.3d at 598.

2. Transfer of Interest

A cause of action based upon a trademark will survive the transfer of this interest. See Comm. of the Russian Fed'n on Precious Metals & Gems v. U.S.A., 987 F. Supp. 1181, 1182 (N.D. Cal. 1997)(citing Sun-Maid Raisin Growers of Cal. v. Cal. Packing Corp., 273 F.2d 282, 284 (9th Cir. 1959)). Votivo Two provides both an assignment agreement and a declaration from Votivo One's counsel as evidence that it is the successor-in-interest to the trademarks at issue in the Permanent Injunction and Settlement. (Jordan Decl. ¶ 2-4, Exs. A-B.) Defendant first argues that Votivo One has not presented sufficient probative evidence to show that

Votivo Two is the actual owner of the trademark rights, because the declaration provided by Votivo Two originated from Votivo One's attorney and does not demonstrate present ownership of the marks by Votivo Two. This argument is speculative and unsupported. Votivo Two provides a copy of the assignment itself, demonstrating the transfer (Jordan Decl. ¶3-4, Ex. A.), which has not been rebutted by Mine.

Mine next argues that Votivo Two's evidence does not satisfy the "Best Evidence Rule," under Federal Rule of Evidence 1002. As noted by Votivo Two, Evidence Rule 1003 provides an exception to Rule 1002 where: 1) no genuine question is raised as to the duplicate's authenticity; and 2) admitting the duplicate is not unfair. Fed. R. Evid. 1003. Mine argues that there is a genuine question as to Votivo Two's copy of the assignment agreement, because one page is missing from the series of pages provided and the agreement appears to be part of a larger document. Again, Mine merely speculates what the missing pages contain and presents no evidence to suggest why the duplicate copy is otherwise inauthentic. See United States v. Stewart, 420 F.3d 1007, 1021 n.13 (9th Cir. 2005)(upholding admission of a recording under Rule 1003 where the defendant had provided no evidence that a duplicate recording had been altered or fabricated). For the same reason, it is not unfair to admit the duplicate copy (versus the original), because Mine fails to do more than speculate as to the authenticity of the copy.

Defendant's next argument is that Votivo Two may not be substituted in the instant suit to enforce the Permanent Injunction, because Votivo One waived the right to enforce the

Injunction in the Settlement Agreement. Plaintiff disputes this interpretation of the Settlement and argues that the Injunction is still in effect. "The construction and enforcement of settlement agreements are governed by the principals of local contract law," even where the underlying cause of action is federal, as here. United Commercial. Ins. Serv. v. Paymaster Corp., 962 F.2d 853, 856 (9th Cir. 1992). A settlement agreement is therefore treated the "same as any other contract for purposes of interpretation." Id. Whether an ambiguity in a contract exists is a question of law for the court to determine. Miller v. U.S., 363 F.3d 999, 1003-04 (9th Cir. 2004); see also Local Motion v. Niescher, 105 F.3d 1278, 1280 (9th Cir. 1996)("An ambiguous term is susceptible to more than one reasonable interpretation.")

The Settlement does not explicitly address the Injunction and is ambiguous as to whether Votivo One's right to enforce the Injunction continues. Defendant points to several passages where it argues Votivo One waives its future claims, but these sections are not unambiguous. For example, in the section titled "Mutual Releases," the Settlement states:

> both Parties mutually agree to waive and release any and all claims and/or liabilities the Parties may have against each other . . . of whatever kind, nature or description, direct or indirect, in law or in equity, in contract or tort or otherwise up until [May 5, 2006].

(Settlement ¶ 6.) This passage waives present-existing claims and liabilities at the time the Settlement is entered, but does not address future liability between the parties. A similar ambiguity arises with the section titled "Covenant Not To Sue":

> [the parties] agree that they will forever refrain and forebear from bringing, commencing or prosecuting any action,

> lawsuit, claim, or proceeding against the other Party hereto based on any claim, debt or obligation of any kind that is released or discharged herein.

(Settlement ¶ 10.) This section refers to the release of past or present claims, which consequently may not be brought in the future. It does not address whether the right to sue under the Injunction is extinguished by the Settlement, as opposed to merely those claims arising under the Injunction before the Settlement's execution date. Therefore, the Court finds that the Settlement is ambiguous as to whether Plaintiff has waived its right to enforce the Injunction.

However, this ambiguity does not preclude Votivo Two from substituting for Votivo One, even if Votivo One waived its right to enforce the Injunction. As the successor-in-interest to Votivo One's trademark rights, Votivo Two also has the right to enforce the Settlement Agreement signed by Defendant. The Court has discretion to retain jurisdiction over the Settlement for this purpose, which is expressly stated in the agreement. See Kokkonen v. Guardian Life Ins. Co., 511 U.S. 375, 381 (1994)("[T]he court is authorized to embody [a] settlement contract in its dismissal order []or . . . retain jurisdiction over the settlement contract[] if the parties agree.") The Settlement provides that this Court "will retain jurisdiction for the purpose of enforcing this Agreement." (Settlement ¶ 11.) Defendant also conceded the Court's jurisdiction at oral argument.

As such, the Court grants the motion to substitute Votivo Two in place of Votivo One.

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B. Motion for an Order to Show Cause

Plaintiff has moved the Court to issue an order to show cause to Defendant regarding why it should not be held in contempt for violating the Injunction.[2] As noted above, the Settlement is ambiguous as to whether Votivo One waived its right to enforce the Injunction. "Where a contract is ambiguous, it is the court's task to determine the ultimate construction to be placed on the ambiguous language by applying the standard rules of interpretation in order to give effect to the mutual intention of the parties." Miller, 363 F.3d at 1004 (internal quotation omitted).

At oral argument, the parties continued to dispute whether Votivo Two had waived its right to enforce the Injunction. Neither party addressed this issue in their papers and, accordingly, the Court requests supplemental briefing. As the decision whether Votivo Two may enforce the Injunction is a threshold determination before the Court may issue an order to show cause, the Court presently makes no decision as to Plaintiff's Motion.

**IV. CONCLUSION**

The Court GRANTS Votivo, LLC's Motion for Substitution. The Court ORDERS Defendant to submit supplemental briefing, due by January 26, 2009, why the Court should not enjoin Defendant from violating the Permanent Injunction of November 8, 2005, for the

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[2] Under this standard, "the moving party has the burden of showing by clear and convincing evidence that the contemnors violated a specific and definite order of the court[, and then the] burden shifts to the contemnors to demonstrate why they were unable to comply." FTC v. Enforma Natural Prods., 362 F.3d 1204, 1211 (9th Cir. 2004). The procedures under the Settlement for new instances of infringement are not the same. Under the Settlement, Votivo Two would be required to file a new suit in order to assert trademark infringement. (Settlement ¶ 8.)

reasons stated in Plaintiff's Motion of November 17, 2008. In its briefing, Defendant may submit argument and evidence to resolve the existing ambiguity as to whether Votivo, Ltd. (Votivo One) waived its right to enforce the Permanent Injunction under the Settlement Agreement.

Votivo, LLC (Votivo Two) may file a response to Mine's filing on February 9, 2009. A HEARING RE: ENFORCEMENT OF THE PERMANENT INJUNCTION is hereby set at 10:00 a.m., on February 23, 2009.

IT IS SO ORDERED.

Dated: December 22, 2008

DEAN D. PREGERSON
United States District Judge

# EXHIBIT F

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Attorney for Defendant

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

Votivo, Ltd., a Washington corporation,

Plaintiff,

vs.

Mine Design, a sole proprietorship,

Defendant

**Case No.: CV 03-6017 DDP (Ex)**

**Mine Design's Supplemental Briefing Re: Enforcement of the Injunction**

**Hearing**
**Date:** **February 23, 2009**
**Time:** **10:00 a.m.**
**Courtroom:** **3 (2nd Floor)**

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## I. INTRODUCTION

Presently before this Court is a contractual dispute over a settlement agreement between Votivo and Mine Design, and, more particularly, the effect of the agreement on the enforceability of a Permanent Injunction entered in the present case. Also before this Court are allegations by Votivo that Mine Design has violated terms of said Injunction.

At the center of the present dispute is Mine Design's right to use plant, flower and fruit names to describe the scent of its candles. The use of plant, flower and fruit names to describe the scent of scented products has an ancient tradition. The tradition sprung from ancient perfumers who attempted to extract and concentrate odorous essences from plants, flowers and fruits. However it was discovered that extracts did not necessarily carry the same smell the perfumers intended to replicate, *i.e.*, the scent of the original source. Instead, it was discovered that a mixture of compounds from different sources, including artificial sources, when properly formulated, could more closely resemble the odor of the original product whose odor the perfumer wanted to imitate. And, as may be evidenced by any perfume description, the odors perfumers want to imitate are beautiful odors from nature – flowers in bloom, ripe fruits and deliciously fragrant plants like rosemary, gardenia and geranium. *See*, Exh. 2, Candeloro Decl. pp. 10-12.

Amal Flores, the defendant in the present action, is the principal at Mine Design. Mr. Flores attended the University of Stanford, graduating in Engineering and Design. Through Mine Design, a boutique design and manufacturing company based in Los Angeles, Mr. Flores has successfully designed, manufactured and sold dozens of cool and trendy consumer products, including furniture, magnetic re-configurable clocks (*see*, U.S. Patent Nos. 5,680,372 and 5,892,734), removable word tattoos (*see*, *Mine Design v. Schenone Specialty Foods* (Case No. CV 06-4918 SVW)), and scented candles (*see*, *e.g.*, U.S. Patent No. D547,469). Mine Design's products have received positive attention from the public and the media. For example, Mine Design's "CHALKBOARD" line of candles (available in some fragrances Votivo now complains of) made it into the coveted

list in Oprah's 2008 100 best gifts for Christmas under $100. *See*, Exh. 1, Candeloro Decl. pp. 7, 8. The fragrance names, it is noted, did not.

The Court heard from the parties at a hearing on December 15, 2008, and entered an Order relating to the hearing on December 22, 2008. Pursuant to the December 22, 2008 Order, Mine Design is to "submit supplemental briefing, due by January 26, 2009, why the Court should not enjoin Defendant from violating the Permanent Injunction of November 8, 2005, for the reasons stated in Plaintiff's Motion of November 17, 2008." The present supplemental briefing by Mine Design is meant to address said Order.

Initially, assuming the Injunction is enforceable, Mine Design respectfully submits it should not be enjoined by this Court from using the terms "lavender," "pear," "rosemary," "grapefruit," "lemongrass," "grass," "black tea," "avocado/freesia," "ginger/mandarin," "pomegranate," "cucumber melon" and "currant (black)" now complained of by Votivo because these terms are not confusingly or substantially similar to the registrations Votivo asserts in the present case, nor has Votivo met its burden of showing that they are. In fact, many of the terms now complained of by Votivo were disclaimed in Votivo's registrations. These terms used by Mine Design are purely informational in nature and thus understood by consumers to refer to the scent of the scented candles, not the source or sponsorship of the candles.

Votivo originally initiated the present lawsuit against Mine Design on or about late August of 2003 over the terms "red currant" and "soku lime." Votivo also initiated a lawsuit against Mine Design over the term "tall grass" in April of 2005. Mine Design was using all of the terms Votivo now complains of at the time Votivo was conducting the two lawsuits against Mine Design. In fact the fragrance names Votivo now complains about and the fragrances Votivo sued Mine Design over appeared in the same catalogs, some in the same collections. And all the registrations Votivo now asserts had already issued at that time. Accordingly, if Votivo wanted to assert the present registrations against the fragrance names it now complains about, it should have done so

during the lawsuits. Votivo should be barred from asserting these claims now, based on res judicata, estoppel, laches and/or acquiescence.

The December 22, 2008, Order held that the waiver and release clauses in the settlement agreement were ambiguous as to Votivo's right to enforce the Injunction after the effective date. The Order permitted Mine Design to present further "argument and evidence . . . to resolve the existing ambiguity as to whether Votivo, Ltd. (Votivo One) waived its right to enforce the Permanent Injunction under the Settlement Agreement." December 22, 2008 Order 7-8. The issue is addressed in section III.A, *infra*.

## II. STATEMENT OF FACTS

1. The table below summarizes the trademark registrations Votivo presently asserts and the fragrance names used by Mine Design alleged by Votivo to conflict with those registrations. *See*, Application for an Order to Show Cause, 10:22-24 and table in last page of Exhibit 29 to Edmiston Declaration. The rows are ordered by the date Mine Design introduced a fragrance.

| Votivo Registration (issue date)[1] | Disclaimers, etc.[2] | Mine Design Fragrance Name (date of introduction – use)[3] |
|---|---|---|
| Rosemary Garden (06/10/03) | Disclaimed "rosemary" | Rosemary (Summer 2003 – present) |
| Sumatra Lemon Grass (06/03/03) | Disclaimed "lemon grass" | Lemon Grass (Summer 2003 – present) |
| Minted Pomegranate (09/02/03) | Section 2(f) | Pomegranate (Summer 2003 – present) |
| Vanilla Grapefruit (05/27/03) | Section 2(f) | Grapefruit (Summer 2003 – present) |
| Soku Lime (05/20/03) | Disclaimed "lime" | Venetian Lime (Fall 2003 – present) |
| St. Germain-en-Laye Lavender (06/03/03) | Disclaimed "lavender" | Lavender (2004 – present) |
| Anjou Pear (08/12/03) | Section 2(f) | Pear (2004 – present) |
| Red Currant (06/03/03) | Section 2(f) | Currant (Black) (2004 – present) |
| Moroccan Fig (05/20/03) | Disclaimed "fig" | Persian Fig (2004 – present) |

[1] *See*, Exhibits 12-25 Candeloro Decl.

[2] *Id.*

[3] *See*, Flores Decl. ¶¶ 5, 8, 12, 13, 15, 16.

| | | |
|---|---|---|
| Celadon Tea (12/16/03) | Section 2(f) | Black Tea (2004 – present) |
| Freesia & Tiger Lily (05/25/04) | Supplemental Register | Avocado/Fresia (Spring 2005 – present) |
| Black Ginger (04/08/03) | Supplemental Register | Ginger Manderin (Spring 2005 – 08/2008) |
| Mandarine (06/03/03) | Section 2(f) | Ginger Manderin (Spring 2005 – 08/2008) |
| Tall Grass (05/20/03) | Disclaimed "grass" | Grass (Summer 2005 – Mid 2008) |
| Bradford Cucumber (05/06/03) | Disclaimed "cucumber" | Cucumber Melon (Fall 2005 – present) |

2. As may be seen from the table, Mine Design introduced the "pomegranate," "grapefruit," "lemongrass" and "rosemary" fragrances Votivo now complains about in a brochure in the Summer of 2003, along with the fragrances "honeysuckle," "gardenia," "orchid," "cantaloupe," "red currant," and "soku lime." Flores Decl. ¶ 5.

3. Mine Design's Summer 2003 brochure gave rise to the present litigation. The complaint in the present litigation was filed on or about August 28, 2003. Although Votivo's registrations for Vanilla Grapefruit, Sumatra Lemon Grass and Rosemary Garden had already issued, and the registration for Minted Pomegranate was about to issue, Votivo did not assert these registrations in the complaint.

4. On or about April 2005 Votivo filed another complaint against Mine Design (Case No. CV-02942). At that time, all the registrations now asserted by Votivo had already issued.

5. All Mine Design fragrances Votivo now complains about also appeared in the 2005 catalog that gave rise to Case No. CV-02942, or were in use at the time of the litigation, with Votivo's full knowledge. *See*, Candeloro Decl. ¶ 3. However, in Case No. CV-02942 Votivo only asserted its "Tall Grass" registration against Mine Design's "tall grass" fragrance. In other words, all the claims Votivo now makes of conflict between its registrations and Mine Design's fragrance names could have been brought, but were not brought, in Case No. CV 05-02942.

6. In response to Votivo's complaint in Case No. CV-02942, on or about the Summer of 2005 Mine Design changed its fragrance name "tall grass" to "grass". Votivo was apprised of the change and did not object.

7. On or about November of 2005, the final judgment and injunction, both of which had been drafted by Votivo, were entered verbatim in the present case.

8. In Mine Design's view, the judgment and injunction entered in the present case possibly suffered from irregularities and/or defects. One such possible irregularity or defect was that the judgment had been entered against Mine Design on the issue of trademark infringement for use of the term "red currant," a term that is not protectable as a matter of law in connection with scented candles in general, and red currant scented candles in particular.

9. The judgment and injunction also possibly ran afoul of Fed.R.Civ.P. 54(c)("A default judgment must not differ in kind from, or exceed in amount, what is demanded in the pleadings. . . .".). The judgment extended beyond that complained of because it held Mine Design had infringed Votivo's "Tall Grass" registration, an issue which had not been complained of in this case, but rather was at issue in Case No. CV 05-02942, which was still in the discovery phase. The judgment possibly also extended relief beyond that complained of because the Injunction listed numerous registrations, none of which had been included in the complaint.

10. Mine Design timely appealed.

11. On or about late 2005, pursuant to the Federal Rules of Civil Procedure Mine Design produced certain documents to Votivo in Case No. CV 05-02942. As a courtesy to Votivo, on or about December 16, 2005, Mine Design sent Votivo's counsel (Via FedEx) copies of Mine Design documents with Bates label Nos. MINE 101-241. *See*, Candeloro Decl. ¶ 3.

12. The documents produced in Case No. CV 05-02942 included all the documents now submitted with Exhibits 4, 5, 6 and 7 to the Flores Decl. submitted herewith. *See*, Candeloro Decl. ¶ 3. Exhibits 1 and 2 to the Flores Decl. submitted

herewith are already of record in the present proceeding. *See*, Exhibits A and E to the Flores Declaration filed July 7, 2005.

13. On or about April 2006 (or about 2 months before Mine Design's brief in the appeal of the present case was due), Mine Design put Votivo and its counsel on notice that *A.J. Canfield Co. v. Honickman*, 808 F.2d 291 (3rd Cir. 1986), held that terms as those being asserted by Votivo, like "red currant" and "tall grass," were unprotectable as a matter of law and that according to the law here in the Central District of California, *see*, *K-Jack Engineering Co. v. Pete's Newsrack Inc.*, 209 USPQ 386 (C.D. Cal. 1980), attempting to enforce Registrations known to be invalid made the case "exceptional" under the Lanham Act, thus permitting defendant to obtain attorneys' fees and triple damages. *See*, Exh. 4, Candeloro Decl.

14. Shortly thereafter, and before briefing in the appeal of the present case, the parties settled both the present case and Case No. CV 05-02942 pursuant to the settlement agreement now before this Court.

15. There is presently a dispute between the parties as to whether the agreement precludes Votivo from bringing an action to enforce the Injunction.

16. Notably, while before this Court Votivo has taken the position that the waiver and release clause does not apply to future claims, before the TTAB (in Mine Design's opposition to Votivo's application for registration of the term "mandarine" in connection with bath salts), Votivo argued that "under the Settlement Agreement, Mine Design released all claims . . . through the date of the Settlement Agreement. Since the application for the Mark had been pending for over one and one-half years [before the effective date], the release includes claims by Mine Design relating to the Mark."[4] The position is clearly inconsistent with the position Votivo is now taking before this Court.

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[4] Votivo's Memorandum (1) In Opposition to Motion For Summary Judgment, etc., in Opposition No. 91178747, at p. 15. Available directly from the U.S. Patent and Trademark Office web site at "ttabvue.uspto.gov/ttabvue/v?pno=91178747&pty=OPP&eno=10".

17. The structure of the agreement is relatively simple. All claims up until the effective date are extinguished. *See, e.g.*, Agreement ¶¶ 6 and 10. After the effective date the terms of the agreement govern. *See*, Agreement p. 2, last "Whereas" clause ("both parties desire to fully, completely and finally settle and compromise, in accordance with the terms set forth below . . ."); and ¶ 17 ("The recitals set forth above are incorporated into this Agreement as if fully set forth herein.").

18. By its terms, paragraph 3 of the agreement expressly modifies Mine Design's obligations under the Injunction.

19. The Injunction enjoined Mine Design from "using the term[s]" "red currant," "soku lime," "tall grass" or any of the terms set forth in Exhibit "A" or "any other term that is confusingly or substantially similar" to those terms "in connection with candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use." Permanent Injunction, a-d.

20. Paragraph 3 of the settlement agreement both narrows and expands Mine Design's obligations relating to the registrations listed in the Injunction. With respect to the terms "red currant," "soku lime" and "tall grass" (defined as the "VOTIVO Registrations" in the first "whereas" clause of the agreement), the agreement states that Mine Design will not use "the VOTIVO Registrations or any confusingly similar words, terms, trademarks or trade names in connection with any of his products or services." Agreement ¶ 3(i). The paragraph narrows Mine Design's obligations because it does not refer to "confusing or substantially similar" terms as the Injunction does, but rather only "confusingly similar" terms. The paragraph expands on the Injunction because it recites that the terms will not be used "in connection with any of [Mine Design's] products or services," while the Injunction was limited to certain goods, including "candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use."

21. In addition, paragraph 3 of the agreement significantly modifies and narrows Mine Design's obligations regarding the registrations listed in the Injunction because it provides that Mine Design will not use "any of the trademarks set forth in the Permanent Injunction provided such trademarks remain registered with the United States Patent and Trademark Office." Agreement ¶ 3(ii). The paragraph narrows Mine Design's obligations relative to the Injunction because it does not refer to "confusing or substantially similar" terms as the Injunction does, or to "confusingly similar" terms as subparagraph 3(i) of the agreement, but rather refers only to "trademarks." Thus, this subparagraph narrows Mine Design's obligations under the Injunction and only excludes Mine Design's use of terms that are the same as (*i.e.*, identical to) "trademarks" listed in the Injunction.

22. Subparagraph 3(i) effectuates the position Votivo had taken at all relevant times herein that compound fragrance names were not likely to cause confusion with singe fragrance names or with different compound fragrance names. Objective evidence supporting that this had been Votivo's position includes the appeal taken by Votivo to the TTAB in the Blackberry Lemonade case. *See, e.g.*, Exh. 26, Candeloro Decl.

23. In addition, Subparagraph 3(ii) of the agreement limits only Mine Design's use of "trademarks" set forth in the Injunction, thus permitting Mine Design to use terms that are set forth in the Injunction that are not trademarks, or that are later determined not to be trademarks. Flores Decl. ¶ 18.

24. Paragraph 8 of the agreement specifies and limits the actions Votivo can take against Mine Design after the effective date with respect to trademark matters. *Id.*

25. The limitations placed on the remedies Votivo could pursue after the effective date were meant to balance the interests of the parties, in particular, Mine Design's interest of limiting the remedies Votivo could pursue such as to avoid the cost and expense of further litigation and Votivo's interest in not having the Ninth Circuit and the District Court consider the applicability of the *Canfield* test to the "red currant" and "tall grass" registrations, respectively. The arrangement further preserved Mine

Design's right to attack the protectability of Votivo fragrance names other than the "Votivo Registrations" (Red Currant, Soku Lime and Tall Grass) while limiting Votivo's rights to enforcement of any alleged trademark right pursuant to paragraph 8 of the agreement. Flores Decl. ¶ 18.

## III. ARGUMENT

### A. The Settlement Agreement Extinguished Votivo's Right To Enforce The Injunction.

The December 22, 2008, Order held that paragraph 6 of the Settlement Agreement between the parties is ambiguous as to whether enforcement of the Injunction was waived and released by Votivo, Ltd. According to the Order, the section titled "Mutual Releases" in the Settlement Agreement (Settlement ¶ 6) "waives present-existing claims and liabilities at the time the Settlement is entered, but does not address future liability between the parties." December 22, 2008, Order at 5. The Order further states that a "similar ambiguity arises with the section titled 'Covenant Not To Sue'" (Settlement ¶ 10). December 22, 2008, Order at 5. According to the Order, this section "does not address whether the right to sue under the Injunction is extinguished by the Settlement, as opposed to merely those claims arising under the Injunction before the Settlement's execution date." December 22, 2008, Order at 6.

Pursuant to the Order, "argument and evidence may be submitted [in Mine Design's Supplemental Briefing] to resolve the existing ambiguity as to whether Votivo, Ltd. (Votivo One) waived its right to enforce the Permanent Injunction under the Settlement Agreement." December 22, 2008, Order 7-8.

Mine Design's position that the Settlement Agreement extinguished Votivo's right to enforce the Injunction is consistent with the Order's interpretation of the waiver and release clauses in the agreement. As recognized by the Order, all claims between the parties up until the effective date of the agreement are waived and released. The Order stated that these clauses were "ambiguous" regarding what would happen *after* the effective date. However, as stated in the agreement itself, *after* the effective date, *the*

*terms of the agreement govern. See*, Agreement, last "Whereas" clause ("both parties desire to fully, completely and finally settle and compromise, in accordance with the terms set forth below . . ." and ¶ 17 ("The recitals set forth above are incorporated into this Agreement as if fully set forth herein.").

The argument that the settlement agreement preserves Votivo's right to enforce the Injunction cannot be reconciled with the fact that paragraph 3 of the Settlement Agreement expressly modifies Votivo's rights and Mine Design's obligations regarding the registrations listed in the Injunction after the effective date. *See*, Statement of Facts ¶¶18-25. The express modification in the agreement of Mine Design's obligations regarding the registrations listed in the Injunction is factually and legally inconsistent with the survival of Votivo's right to enforce the Injunction.[5] If Votivo hoped to enforce the terms of the agreement in an action for contempt, Votivo would have had to have the agreement incorporated into the dismissal order. *See*, *National Presto Industries v. Dazey Corp.*, 107 F.3d 1576, 1580 (Fed. Cir. 1997)("To bring a settlement agreement under this inherent [contempt] court power, however, an order must incorporate the settlement agreement such that a breach of the agreement also violates the court's decree." interpreting *Kokkonen v. Guardian Life Ins. Co.*, 511 U.S. 375, 382, 114 S. Ct. 1673, 128 L. Ed. 2d 391 (1994)). *See also*, *Shiley, Inc. v. Bentley Labs, Inc.*, 621 F.Supp. 105, 106 (D.C.Cal. 1985)(inequitable to try previously withdrawn claims on a summary basis in a contempt action); *Beers v. North American Van Lines, Inc.*, 836 F.2d 910, 912 (5th Cir. 1988)("the parties cannot create federal subject matter jurisdiction either by agreement or consent.").

In addition, paragraph 8 of the agreement addresses Votivo's future remedies against Mine Design for alleged violations of its trademarks, and enforcement of the

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[5] It is also interesting to note that in the Mandarine Opposition before the TTAB, Votivo took the opposite position than it takes before this Court regarding the scope of the waiver and release in the agreement. *See*, Statement of Facts ¶16.

Injunction is conspicuous by its absence from paragraph 8 or elsewhere in the agreement. Thus, when the settlement agreement is considered as a whole, no ambiguity is left that Votivo's right to enforce the Injunction was extinguished. Mine Design provided Votivo with monetary and other consideration, which included dismissing the appeal in the present case. Accordingly it would be inequitable to permit Votivo to breach the agreement and sue to enforce the Injunction.

Alternatively, Mine Design respectfully requests this Court consider the bargained for terms of the agreement rather the terms of the Injunction when considering whether to enjoin Mine Design.

B. If the Agreement or the Injunction are enforceable in a contempt proceeding, Votivo's Motion fails to demonstrate by clear and convincing evidence that Mine Design has acted in contravention of the terms of the agreement or the Injunction.

To succeed on a civil contempt motion, plaintiffs bear the burden of establishing by clear and convincing evidence that defendants disobeyed a specific and definite court order. *FTC v. Enforma Natural Prods.*, 362 F.3d 1204, 1211 (9th Cir. 2004).

Mine Design respectfully submits that, even if the agreement or the Injunction are enforceable against Mine Design in an action for contempt, Votivo's motion fails to demonstrate by clear and convincing evidence that Mine Design has violated the terms of the settlement agreement or the Injunction.

In its motion for on Order to Show Cause, Votivo lists 14 fragrance names it alleges Mine Design is using and juxtaposes the list with Votivo registrations listed in the Injunction. Statement of Facts ¶1. Votivo further alleges that Mine Design's opposition to Votivo's registration of the term "Mandarine" in connection with scented bath salts and hand lotion is in violation of the Injunction.

*1. MINE DESIGN'S OPPOSITION TO VOTIVO'S REGISTRATION OF THE TERM MANDARINE IS NOT CONTRARY TO THE INJUNCTION OR THE AGREEMENT.*

Votivo's principal objective in filing the present Application is to have the Court force Mine Design to dismiss Opposition No. 91178747 before the U.S. PTO's TTAB. *See*, Application Section III.B, and at 14:24-26 ("This Court has the authority to require Mine Design, and its legal counsel, to cease efforts to 'backdoor' its way around the Permanent Injunction. Based upon the facts, Mine Design should be ordered to dismiss its TTAB Opposition."). Votivo argues that "[d]espite the clarity of the language of the Permanent Injunction, Mine Design . . . has interfered with VOTIVO's ongoing efforts to register the mark MANDARINE by filing the Opposition before the TTAB." Application, 13:11:13.

Mine Design agrees with Votivo that the language of the Injunction is clear, however Mine Design disagrees that interfering with Votivo's efforts to register generic fragrance names violates the Injunction. The Injunction enjoins and restrains Mine Design, etc., from "*using* any of the terms set forth in Exhibit "A" [to the Injunction] . . . in connection with in connection with [sic] candles and tapers, burning sticks and incense, scented room sprays, scented skin soaps, scented body sprays, and any other scented products for household or personal care use." Injunction paragraph d, 2:21-27 (emphasis added).

Votivo's argument is based on the false premise that Mine Desing's opposition of Votivo's application for registration of the term "mandarine" in connection with bath salts and hand lotion evidences an "intent to use" a term set forth in the Injunction. Application, 13:13-16 (citing *Ritchie v. Simpson*, 170 F.3d 1092, 1095-96 (Fed. Cir. 1999)).

Mine Design respectfully submits that as a producer of scented goods, Mine Design can have, and does have, a "real interest" in the TTAB Opposition and a reasonable basis for the belief of damage if the PTO allows the registration of the term "Mandarine," and other similar terms, in connection with scented bath salts and hand

lotion, other than Mine Design's direct interest in using the term. Namely, Mine Design has an interest that the PTO adopt the correct law on the protectability of plant, fruit and flower names in connection with scented goods, as this would save Mine Design significant resources that otherwise have to be dedicated to searching through the PTO's database to clear generic fragrance names or be subjected to baseless lawsuits like the present one. Moreover, it was reasonable for Mine Design to bring a test case to clarify the scope of the term "trademarks" in subparagraph 3(ii) of the agreement.

The cases Votivo relies on for the proposition that an Injunction in a trademark case prevents an opposition proceeding before the PTO are inapposite. In the cases cited by Votivo, the same terms being contested in the oppositions had already been litigated by the parties, and the terms of the injunctions specifically precluded the opposition proceedings. In the present case a default judgment was entered, and Votivo's Mandarine registrations were not asserted in the complaint. It would be unfair not to give Mine Design his fair day in court to contest the protectability of the term. In addition, the Injunction in the present case only speaks of enjoining "use" of the terms listed in the Injunction, not of enjoining Mine Design's contesting the registrability of the terms listed in the Injunction in connection with additional goods or services.

*2. VOTIVO'S ALLEGATIONS REGARDING FRAGRANCE NAMES.*

In subsection 4 of the "Statement of Facts" Votivo alleges that "[a]s part of VOTIVO's investigation and defense of the TTAB matter, VOTIVO has discovered that Mine Design is marketing products, including candles, in violation of the Permanent Injunction." Application, 9:27-10:1. The statement that Votivo recently "discovered" that Mine Design was using the fragrance names Votivo now complains about is completely false, as Votivo was aware of all Mine Design fragrances now complained of since at least December 2005. *See*, Statement of Facts ¶¶1-5.

According to Votivo, "[a] complete list of Mine Design candles offered on the website using terms prohibited by the Permanent Injunction are . . . listed in Exhibit 29 to Edmiston Declaration." Application, 10:22-24. *See*, Statement of Facts ¶1.

As an initial matter, if the table shows anything, it shows that Mine Design has been diligent in avoiding using terms listed in the Injunction. Despite Votivo's considerable efforts investigating the matter, Votivo could not come up with a single fragrance name used by Mine Design that is the same to a term listed in the Injunction. Nor has Votivo satisfied its burden of showing by clear and convincing evidence that any of Mine Design's fragrances is "confusingly or substantially similar," to a fragrance name listed in the Injunction. Votivo merely lists the fragrance names and expects the Court to find a likelihood of confusion in a vacuum, devoid of the factual analysis required under *Sleekcraft*.

Moreover, Paragraph 3 of the agreement expressly modifies Mine Design's obligations toward the registrations listed in the Injunction. Statement of Facts ¶¶18-25. Accordingly, Mine Design respectfully submits the terms in the agreement rather than the terms of the Injunction should govern if the Court will consider enjoining Mine Design from using any of the fragrance names now complained of by Votivo. In any event, as explained below, Mine Design submits the fragrances used by Mine Design are not contrary to the terms of the Agreement or the Injunction.

*3. VOTIVO HAS FAILED TO SHOW THAT THE FRAGRANCE NAMES USED BE MINE DESIGN ARE CONTRARY TO THE TERMS THE INJUNCTION.*

**a. Mine Design Fragrances Introduced In 2003 With The Fragrances That Gave Rise To The Present Litigation -- "pomegranate," "grapefruit," "lemongrass" and "rosemary"**

Votivo alleges that Mine Design's fragrance names "pomegranate," "grapefruit," "lemon grass" and "rosemary" are confusingly similar to its registrations for the terms "minted pomegranate" (Reg. No. 2758232, issued 09/02/3003), "vanilla grapefruit" (Reg. No. 2718889, issued 05/27/2003), "Sumatra lemon grass" (Reg. No. 2720903, issued 06/03/2003) and "rosemary garden" (Reg. No. 2723693 issued 03/18/2003), respectively.

Probably the best evidence that there is no likelihood of confusion between Mine Design's fragrance names and Votivo registrations is that Mine Design introduced the "pomegranate," "grapefruit," "lemongrass" and "rosemary" fragrances in Mine Design's Summer 2003 brochure, the same brochure that give rise to the present litigation over the terms "red currant" and "soku lime." At that time, Votivo's registrations for the terms "vanilla grapefruit" (Reg. No. 2718889, issued 05/27/2003), "Sumatra lemon grass" (Reg. No. 2720903, issued 06/03/2003) and "rosemary garden" (Reg. No. 2723693, issued 03/18/2003) had already issued, and Votivo's "minted pomegranate" registration (Reg. No. 2758232, issued 09/02/3003) was about to issue. If Votivo believed there was a likelihood of confusion regarding these fragrance names, why did Votivo not make these claims then, along with the "red currant" and "soku lime" claims?

In addition, Mine Design's "pomegranate," "grapefruit," "lemongrass" and "rosemary" fragrances were also present in Mine Design's 2004 catalog and the 2005 catalog that gave rise to the "tall grass" litigation. And again, Votivo did not assert its registrations against Mine Design's "pomegranate," "grapefruit," "lemongrass" and "rosemary" fragrances in that litigation. Mine Design respectfully submits Votivo's inaction strongly evidences Mine Design's fragrances are not substantially or confusingly similar to its registrations.

Lastly, the documents produced by Mine Design in Case No. CV 05-02942 and sent to Votivo in December of 2005, further showed that Mine Design continued use of these fragrance descriptors through the Fall of 2005, after the Injunction had been entered. Rather than informing Mine Design that Votivo objected to these fragrance names, or even moving for contempt, Votivo signed the settlement agreement with Mine Design without objecting to these fragrance names.

Not only does Votivo's inaction serve as further proof that no actionable similarity exists between these Mine Design fragrance names and Votivo's asserted registrations, but Votivo should be precluded by res judicata, estoppel, laches and acquiescence from claiming there is. *See*, Flores Decl. ¶¶ 19, 22, 23 and 24.

In addition, Votivo's present allegation that Mine Design's fragrance name "lemon grass," is confusingly or substantially similar to Votivo's registration for the term "Sumatra Lemon Grass" is frivolous. Votivo disclaimed the term "lemon grass" from its registration. Accordingly, Votivo cannot now claim that the term "lemon grass," when used alone, is confusingly or substantially similar to the registered term "Sumatra Lemon Grass." *See*, *Shaler Co. v. Rite-Way Products, Inc.*, 43 USPQ 425, 427 (6th Cir. 1939); *Oakwood Mfg., Inc. v. Novi Am., Inc.*, 213 USPQ 1014, 1022 (E.D. Mich., 1982). Nor has Votivo produced any evidence of confusing or substantial similarity. Accordingly, Votivo's claim must fail.

The same is true for Votivo allegation that Mine Design's fragrance "rosemary" is confusingly or substantially similar to Votivo's registration for the term "Rosemary Garden." Votivo disclaimed the term "rosemary" from its registration. Accordingly, Votivo cannot now claim that the term "rosemary," when used alone, is confusingly or substantially similar to the registered term "Rosemary Gardern." *See*, *Shaler*, 43 USPQ 425, 427; *Oakwood*, 213 USPQ 1014, 1022. Nor has Votivo produced any evidence of confusing or substantial similarity. Accordingly, Votivo's claim must fail.

Votivo has also produced no evidence that consumers would consider Mine Design's fragrance name "pomegranate" confusingly or substantially similar to Votivo's registered term "Minted Pomegranate." Votivo obtained the registration under Section 2(f) of the statute. Although both fragrance names share the term "pomegranate," when considered "as a whole" the two fragrance names provide a distinctly different commercial impression. Since Votivo averred that the combined term "Minted Pomegranate" had acquired distinctiveness (presumably over the term "pomegranate" alone) in order to obtain the registration, now Votivo cannot take the opposite position and say that "pomegranate," when used alone, is confusingly or substantially similar to the combined term. Nor has Votivo offered any evidence that in the highly saturated scented goods category consumers would find the term "pomegranate," used alone, confusingly or substantially similar to the combined term "Minted Pomegranate."

The same applies to Votivo's "vanilla grapefruit" registration, which also was obtained under Section 2(f). It is unclear how this term should be protectable at all. Even assuming the term is protectable, Votivo cannot allege that the combined term is confusingly similar to the individual terms "vanilla" and "grapefruit" because Votivo averred that the combined term had acquired distinctiveness (presumably over the individual terms when used alone). Accordingly, Votivo should not be able to take the opposite position now and say that either "grapefruit" or "vanilla," when used alone, are confusingly or substantially similar to the combined term. And, again, Votivo has offered no evidence that consumers would find the term "grapefruit," used alone, confusingly or substantially similar to the combined term "vanilla grapefruit."

**b. "Venetian Lime"**

Votivo alleges that Mine Design's fragrance name "Venetian Lime" is confusingly or substantially similar to Votivo's registration for the term "Soku Lime" (Reg. No. 2717257, issued 05/20/3003). The allegation is frivolous. Initially it is noted that Votivo disclaimed the term "lime" from its registration. The remaining terms, "Venetian" and "Soku," are completely different in sound, sight and meaning, as are the two fragrance names when considered as a whole. Notably, Votivo has produced no evidence to substantiate this allegation.

Also, Mine Design adopted the fragrance name "Venetian Lime" in the Fall of 2003, to substitute for "soku lime" after Mine Design received Votivo's cease and desist letter regarding Votivo's registration. Flores Decl. ¶ 8. Not only was the term Venetian Lime adopted by Mine Design with Votivo's knowledge, but apparently Votivo's counsel expressly approved Mine Design's use of the term. *See*, May 24, 2005, Letter of Mr. Goonan, ¶2, Exhibit 3 to the Flores Decl.

Also, Votivo did not assert the Soku Lime registration when it brought Case No. CV 05-2942 (the "Tall Grass" litigation), which is a strong indication that Votivo did not believe Mine Design's "Venetian lime" is substantially or confusingly similar to its registrations.

Lastly, the documents produced by Mine Design in Case No. CV 05-02942 and sent to Votivo in December of 2005, further showed that Mine Design continued use of this fragrance name through the Fall of 2005, after the Injunction had been entered. Rather than informing Mine Design that Votivo objected to this fragrance name, or even moving for contempt, Votivo signed the settlement agreement with Mine Design.

Not only does Votivo's inaction serve as further proof that no actionable similarity exists between Mine Design's "Venetian Lime" and Votivo's "Soku Lime" registration, but Votivo should be precluded by res judicata, estoppel, laches and acquiescence from claiming there is. *See*, Flores Decl. ¶¶ 19, 22, 23 and 24.

**c. Fragrances Introduced In 2004 -- "lavender," "pear," "currant (black)," "persian fig," and "black tea"**

Votivo also alleges that Mine Design's fragrance names "lavender," "pear," "currant (black)," "persian fig" and "black tea" are confusingly similar to its registrations for the terms "St. Germain-en-laye Lavender" (Reg. No. 2720901, issued 06/03/2003), "Anjou Pear" (Reg. No. 2749671, issued 08/12/2003), "red currant" (Reg. No. 2720907, issued 06/03/2003), "Moroccan Fig" (Reg. No. 2717265, issued 05/20/2003), and "Celadon Tea" (Reg. No. 2793818, issued 12/16/2003), respectively.

Mine Design introduced the fragrance names "lavender," "pear," "currant (black)," "persian fig" and "black tea" in Mine Design's Fall 2004 Catalog. Although Votivo's registrations for "St. Germain-en-laye Lavender," "Anjou Pear," "Red Currant," "Moroccan Fig," and "Celadon Tea," had already issued, Votivo did not assert these registrations along with its "Tall Grass" claim -- a strong indication Mine Design's fragrances and Votivo's registrations were not in conflict. If Votivo was of the opinion that these fragrance names used by Mine Design violated Votivo's trademark rights, Votivo should have asserted those claims together with the Tall Grass claim.

The documents produced by Mine Design further showed that Mine Design continued offering candles in these fragrances through the Fall of 2005, after the Injunction had been entered. Rather than informing Mine Design that Votivo objected

to these fragrance names, or even moving for contempt, Votivo signed the settlement agreement with Mine Design. Not only does Votivo's inaction at the time serve as further proof that no actionable similarity exists between these Mine Design fragrance names and Votivo's asserted registrations, but Votivo should be precluded by res judicata, estoppel, laches and acquiescence from claiming there is. *See*, Flores Decl. ¶¶ 19, 22, 23 and 24.

In addition, the allegation that Mine Design's fragrance name "lavender," is confusingly or substantially similar to Votivo's registration for the term "St. Germain-en-laye Lavender" is frivolous not only because Votivo disclaimed the term "lavender" from its registration, *see*, *Shaler*; *Oakwood*, but also because the two terms, when considered as a whole, are nothing alike. Nor has Votivo produced any evidence of confusing or substantial similarity.

Similarly, the commercial impression of Mine Design's fragrance name "currant (black)" is significantly different from Votivo's registration for "red currant," as consumers recognize that these are two different types of berries, with a different taste, smell and appearance. Because the "red currant" registration was obtained under Section 2(f) it should be given a narrow scope of protection (only because Mine Design has agreed not to attack the validity of this registration). In addition, Votivo expressed that it only objected to use of the word "red" with "currant-scented Products." *See*, Flores Decl. ¶ 11 and Exhibit 3 thereto. Lastly, Votivo has produced no evidence that consumers would find these terms confusingly or substantially similar.

Votivo has also produced no evidence that consumers would consider Mine Design's fragrance name "black tea" confusingly or substantially similar to Votivo's registered term "celadon tea." In fact, the two fragrance names provide a distinctly different commercial impressions because "celadon tea" is a green tea, and green and black teas have a different taste, smell and appearance. There is also little resemblance in sight and sound between Mine Design's fragrance name and Votivo's registered term.

Votivo has also produced no evidence that consumers would consider Mine Design's fragrance name "pear" confusingly or substantially similar to Votivo's registered term "Anjou Pear." Assuming the term is protectable, which it is not, it is noted that Votivo obtained the registration under Section 2(f) of the statute. Although both fragrance names share the term "pear," when considered "as a whole" the two fragrance names provide a distinctly different commercial impression. Since Votivo averred that the combined term "Anjou Pear" had acquired distinctiveness (presumably over the term "pear" alone), now Votivo cannot take the opposite position and say that "pear," when used alone, is confusingly or substantially similar to the combined term. Nor has Votivo offered any evidence that consumers would find the term "pear," used alone, confusingly or substantially similar to the combined term "Anjou Pear."

Mine Design also submits that the term "persian fig" used by Mine Design is not confusingly or substantially similar to Votivo's registered term "Moroccan Fig." The two terms are different in sight, sound and meaning, as they only share the common word "fig," a term that was disclaimed in the registration. Clearly Persia and Morocco are worlds apart geographically, culturally and ethnically. Accordingly, the two terms convey a significantly different commercial impression. Thus, the terms are not likely to be confusingly or substantially similar to consumers. Tellingly, Votivo has produced no evidence to the contrary.

**d. Fragrances Introduced In 2005 With The "Tall Grass" Fragrance That Gave Rise To Case No. CV 05-02942 -- "ginger/mandarin," "avocao/freesia," "grass" and "cucumber/melon"**

Votivo also alleges that Mine Design's fragrance name "ginger/mandarin" is confusingly similar to its registrations for the terms "mandarine" (Reg. No. 2720908, issued 06/03/2003) and "black ginger" (Reg. No. 2705581, issued 04/08/2003 in the Supplemental Register), when combined, that Mine Design's fragrance name "avocao/fresia" is confusingly similar to Votivo's registration for the term "Freesia and Tiger Lily" (Reg. No. 2846979, issued 05/25/2004 in the Supplemental Register), and

that Mine Design's fragrance names "grass" and "cucumber/melon" are confusingly similar to Votivo's registrations for the terms "tall grass" (Reg. No. 2717259, issued 05/20/2003) and "Bradford cucumber" (Reg. No. 2713166, issued 05/06/2003), respectively.

Mine Design introduced the "ginger mandarin" and "avocao/freesia" fragrances with the SHINE collection of candles, in the same Spring 2005 catalog (and the same collection) that gave rise to the "tall grass" litigation (Case No. CV 05-02942). Although Votivo's registrations for "Mandarine," "Black Ginger" and "Freesia and Tiger Lily" had already issued, Votivo did not assert these registrations along with its "Tall Grass" claim -- a strong indication that these terms are not substantially or confusingly similar to Mine Design's fragrances. The documents produced by Mine Design to Votivo in Case No. CV 05-02942 further showed that Mine Design continued offering for sale candles in these fragrances through the Fall of 2005, after the Injunction had been entered. Rather than informing Mine Design that Votivo objected to these fragrances, or possibly moving for contempt, Votivo signed the settlement agreement with Mine Design and never was heard from again until Mine Design opposed Votivo's registration of the term "mandarine" in connection with bath salts.

In addition, the documents produced by Mine Design to Votivo in Case No. CV 05-02942 showed that the fragrance names "grass" and "cucumber/melon," now complained of by Votivo, were introduced in 2005. Regarding the fragrance name "grass," Mine Design adopted the term with Votivo's full knowledge and consent after Votivo filed the complaint in Case No. CV 05-02942. The documents produced by Mine Design in that case clearly showed the substitution, and Votivo did not object at the time. The fragrance name "cucumber/melon" was introduced in the Fall of 2005, and appears in the "final catalog" produced by Mine Design prior to settlement. Exh. 7, Flores Decl. There was no objection from Votivo at the time.

Not only does Votivo's inaction at the time serve as further proof that no actionable similarity exists between Mine Design's fragrances and the registered terms,

but Votivo should be precluded by res judicata, estoppel, laches and acquiescence from claiming there is. *See*, Flores Decl. ¶¶ 19, 22, 23 and 24.

In addition, the fragrances sold by Mine Design do not conflict with Votivo's registrations. For example, the term "Freesia and Tiger Lily" was registered by Votivo in the Supplemental Register. Accordingly, it should be given a very narrow scope of protection. "Freesia" is the only common term between the registered term and Mine Design's fragrance name "avocado/freesia." The terms are not conflicting when considered on sight, sound or meaning, and in fact give a completely different commercial impression, as an avocado/freesia scent would smell nothing like freesia and tiger lily. Nor has Votivo produced any evidence that consumers would find the two scents or scent descriptors confusingly or substantially similar.

Similarly the term "Black Ginger" was registered in the Supplemental Register, while the term "Mandarine" was registered under Section 2(f). Assuming either of these terms should be given any protection at all, the scope of protection should be very narrow. Also, Votivo has not adequately explained its theory of combining some of the terms in two different registrations to come up with the allegedly conflicting scent descriptor, namely "ginger mandarin," and how that should play with the likelihood of confusion test. In any event Mine Design's fragrance descriptor has one term that overlaps with one of Votivo's registrations and another term that overlaps with the other. However, when considering the terms "as a whole," there is little or no similarity in sight, sound or meaning between Mine Design's fragrance descriptor and either term registered by Votivo. In fact, all three terms give a completely different commercial impression. A ginger mandarin scent is obviously significantly different than mandarin alone, or black ginger alone, particularly because ginger mandarin suggests something that's been cooked or baked. Since Votivo has produced no evidence that consumers would be likely to confuse Mine Design's ginger mandarin scent or scent descriptor with either of Votivo's registrations, alone or when combined, Mine Design respectfully submits Votivo's claim must fail.

As a courtesy to Votivo, Mine Design stopped using the term ginger mandarin, having substituted it for citrus ginger on or about mid August of 2008 after receiving Votivo's initial objection to the "mandarin" scent descriptor. Flores Decl. ¶ 20; Exh. 5, Candeloro Decl.

Votivo's allegation that Mine Design's fragrance name "grass," is confusingly or substantially similar to its registration for the term "Tall Grass" is frivolous. Votivo disclaimed the term "grass" from its registration. Accordingly, Votivo cannot now claim that the term "grass," when used alone, is confusingly or substantially similar to the registered term "Tall Grass." *See*, *Shaler*; *Oakwood.* Nor has Votivo produced any evidence of confusing or substantial similarity. In addition, Mine Design adopted the fragrance name "grass" as a substitute for its "tall grass" fragrance name with Votivo's knowledge and consent after Votivo initiated the lawsuit over the term "tall grass." Lastly, for reasons unrelated to the present action, Mine Design has discontinued this fragrance. Flores Decl. ¶ 21.

Votivo has also presented no evidence that Mine Design's "melon cucumber" fragrance name is confusingly or substantially similar to Votivo's "Bradford Cucumber" registration. In fact, when considering the terms "as a whole," there is little or no similarity in sight, sound or meaning between Mine Design's fragrance and Votivo registered term, in which "cucumber" was disclaimed. In fact, the two fragrance names give a completely different commercial impression. A melon cucumber scent is obviously significantly different from cucumber alone. And the term "Bradford," which is dominant in Votivo's registered term, is nothing like "melon." Since Votivo has produced no evidence that consumers would be likely to confuse Mine Design's melon cucumber scent or scent descriptor with Votivo's registration, Mine Design respectfully submits Votivo's claim must fail.

*4. THE FRAGRANCE NAMES USED BE MINE DESIGN ARE NOT CONTRARY TO THE TERMS THE AGREEMENT.*

As discussed *supra*, paragraph 3 of the agreement narrows and expands Mine Design's obligations regarding the registrations listed in the Injunction. Paragraph 3 of the agreement makes a distinction between Mine Design's obligations regarding the "Votivo Registrations" and the other Registrations listed in the Injunction. Accordingly, pursuant to the agreement, Mine Design's fragrance names "grass," "currant (black)" and "Venetian Lime," should be analyzed under ¶ 3(i) of the agreement, as they are alleged by Votivo to be problematic when compared to "Votivo Registrations" as the term is defined in the agreement. All other Mine Design fragrance names Votivo now complains of, including "lavender," "lemon grass," "rosemary," "Persian fig," "cucumber/melon," "pear," "pomegranate," "grapefruit," "black tea," "avocado/fresia" and "ginger/mandarin" should be analyzed under ¶ 3(ii) of the agreement, as they are alleged to be problematic when compared to terms listed in the Injunction that are not "Votivo Registrations" as the term is defined in the agreement.

The agreement states that Mine Design will not use "the VOTIVO Registrations or any confusingly similar words, terms, trademarks or trade names in connection with any of his products or services." Agreement ¶ 3(i). The paragraph narrows Mine Design's obligations when compared to the terms of the Injunction because ¶ 3(i) does not refer to "confusing or substantially similar" terms as the Injunction does, but rather only "confusingly similar" terms. Mine Design incorporates by reference its arguments provided *supra* that Mine Design's fragrances "grass," "currant (black)," and "Venetian lime" are not confusingly similar to the Votivo's registrations for "tall grass," "Soku Lime" and "Red Currant," respectively, and that Votivo has presented no evidence that they are confusingly similar.

Mine Design's "lavender," "lemon grass," "rosemary," "Persian fig," "cucumber/melon," "pear," "pomegranate," "grapefruit," "black tea," "avocado/fresia" and "ginger/mandarin" fragrances fall under paragraph 3(ii) of the agreement, because

they are not alleged to conflict with one of the "Votivo Registrations" as the term is defined in the agreement, but rather are alleged to conflict with other registrations listed in the Injunction.

Paragraph 3 of the agreement significantly modifies and narrows Mine Design's obligations regarding all the other registrations listed in the Injunction. Since the parties expressly excluded the term "confusingly similar" from section 3(ii), Mine Design's obligation pursuant to the agreement is not to use an exact term registered by Votivo listed in the Injunction, and then only if the exact term is a "trademark." The paragraph is consistent with Votivo's views on the scope of protection that should be given to these terms (as argued by Votivo in the Blackberry Lemonade case, *see*, Exh. 26, Candeloro Decl.) and with Mine Design's position that purely informational subject matter regarding the fragrance of a scented candle is not protectable as a matter of law.

Since not one of Mine Design's fragrances now complained of by Votivo is the same as a Registered term listed in the Injunction, Mine Design has not breached the agreement by using these fragrances with Mine Design's candles.

## IV. CONCLUSION

For the foregoing reasons Votivo's motion should be denied.

Dated this 26th day of January, 2009

Respectfully submitted,

/Carlos Candeloro/

Carlos Candeloro
Bar No. 194,716

1601 N. Sepulveda Blvd. 239
Manhattan Beach, CA 90266

Phone: (310) 994-4259
carlos@candeloro.net

**Proof of Service**

Votivo, Ltd. v. Mine Design, USDC Case No. CV 03-6017 DDP (Ex)

On January 26, 2009, I served the foregoing **Mine Design's Supplemental Briefing Re: Enforcement of the Injunction** on all other parties and/or their attorney(s) of record to this action by filing and serving electronically in accordance with the electronic filing ("ECF") rules, with a courtesy copy via U.S. Mail on even date addressed to:

Mark D. Baute
Robert M. Gilchrest
Baute & Tidus LLP
777 S. Figueroa Street, Suite 4900
Los Angeles, CA 90017
(Attorneys for Votivo Ltd. and Votivo LLC)

Executed this 26th day of January, 2009, at Los Angeles, California

/Carlos Candeloro/

Carlos Candeloro

# EXHIBIT G

Carlos Candeloro (Bar No. 194,716)
1601 N. Sepulveda Blvd. 239
Manhattan Beach, CA 90266
carlos@candeloro.net
(310) 994-4259

Attorney for Defendant

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

Votivo, Ltd., a Washington corporation,

Plaintiff,

vs.

Mine Design, a sole proprietorship,

Defendant

**Case No.: CV 03-6017 DDP (Ex)**

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Hearing**
**Date:** **February 23, 2009**
**Time:** **10:00 a.m.**
**Courtroom:** **3 (2nd Floor)**

DECLARATION OF AMAL FLORES

I, Amal Flores, declare as follows:

1. I am the principal at Mine Design. I have personal knowledge of the facts set forth in the declaration and if called as a witness, I could and would testify competently thereto.

2. I graduated from Stanford University in 1991 with a degree in Engineering and Design. I started Mine Design on or about 1995.

3. Mine Design is in the business of designing, manufacturing and selling consumer products, including articles for interior decoration. Mine Design also designs, manufactures and produces packaging and marketing materials.

4. Mine Design generally markets its goods by attending 6 to 8 shows a year, which lately have included the Summer and Winter Los Angeles Gift Shows, San Francisco Gift Shows and New York Gift Shows.

5. Mine Design started selling scented candles on or about the Summer of 2003. My intent at the time was to sell the candles for their special appearance, and make them available in several generic scents. Exhibit 1 hereto is a true and correct grayscale reproduction of the relevant side of Mine Design's initial scented candle brochure. As may be seen from the brochure, Mine Design's first scented candles was offered in several scents, including "honeysuckle," "gardenia," "orchid," "cantaloupe," "pomegranate," "grapefruit," "lemongrass," "red currant," "rosemary," and "soku lime."

6. Shortly after introducing my line of candles, I received a letter from Votivo's attorneys complaining about Mine Design's use of the terms "soku lime" and "red currant."

7. Mine Design promptly responded to the letter and stopped using the terms "soku lime" and "red currant."

8. Promptly after receiving Votivo's letter, Mine Design re-designed its candle brochure, changing the terms "red currant" to "currant (red)" and "soku lime" to "venetian lime." Exhibit 2 hereto is a true and correct grayscale reproduction of one side of said brochure showing the changes.

9. Despite Mine Design's efforts to accommodate Votivo's demands, Votivo started the present litigation.

10. At the initial stages of the litigation I retained the law firm of Belasco, Jacobs & Townley LLP, Mark B. Mizrahi, Esq., to attempt to settle the dispute.

11. In a letter dated May 25, 2004, addressed from Votivo's counsel to Mr. Mizrahi Votivo's counsel expressly authorized Mine Design to use the term "Venetian Lime." In paragraph number "3" of the same letter, Votivo explains its position regarding "currant" based fragrance names. In particular, it states that "[i]f Mine Design wants to sell currant-scented Products, it will need to do so without use of the word

'red.'" Exhibit 3 hereto is true and correct copy of the letter provided to me by Mr. Mizrahi.

12. Exhibit 4 hereto is a true and correct grayscale reproduction of Mine Design's Fall 2004 candle catalog. In addition to the fragrance names in the previous collection (namely, "honeysuckle," "gardenia," "orchid," "cantaloupe," "pomegranate," "grapefruit," "lemongrass," "currant (red)," "rosemary," and "venetian lime") the Fall 2004 candle catalog introduced other fragrance names, including "anise star," "currant (black)," "Persian fig," "lavender," "logan berry," "pear," "star fruit," "black tea" and "white grape."

13. Exhibit 5 hereto is a true and correct grayscale reproduction of Mine Design's Spring 2005 candle catalog. In addition to the fragrance names in the previous catalog (namely, "honeysuckle," "gardenia," "orchid," "cantaloupe," "pomegranate," "grapefruit," "lemongrass," "currant (red)," "rosemary," "venetian lime," "anise star," "currant (black)," "Persian fig," "lavender," "logan berry," "pear," "star fruit," "black tea" and "white grape") the Spring 2005 candle catalog introduced the fragrance name "rose" and the SHINE Collection, available in fragrances new to Mine Design's catalog, including "avacao/freesia," "lucky bamboo," "bay laurel," "bergamot," "eucalyptus," "mandarin/ginger," "tall grass," "jasmine" and "moss."

14. Votivo then initiated a lawsuit against Mine Design, Case No. CV 05-2942, over the fragrance name "tall grass," which appeared in the SHINE collection.

15. In an effort to avoid another litigation with Votivo, starting with the Summer 2005 catalog Mine Design changed the fragrance name "tall grass" to "grass." Mine Design continued to offer scented candles in all the other fragrance names available in the Spring 2005 catalog, including "honeysuckle," "gardenia," "orchid," "cantaloupe," "pomegranate," "grapefruit," "lemongrass," "currant (red)," "rosemary," "venetian lime," "anise star," "currant (black)," "Persian fig," "lavender," "logan berry," "pear," "star fruit," "black tea" and "white grape", "rose," "avacao/freesia," "lucky bamboo," "bay laurel," "bergamot," "eucalyptus," "mandarin/ginger," "grass,"

"jasmine" and "moss." Exhibit 6 hereto are true and correct grayscale reproductions of the cover and candle related pages of Mine Design's Summer 2005 catalog, possibly reduced in size to accommodate the exhibit labels.

16. After it became evident that the Court was going to enter the default judgment and the injunction, Mine Design changed the fragrance name "currant (red)" to "Belgian berry" starting in the Fall 2005 catalog. Exhibit 7 hereto are true and correct grayscale reproductions of the cover and candle related pages of Mine Design's Fall 2005 catalog, possibly reduced in size to accommodate the exhibit labels.

17. In the late Winter, early Spring of 2006, I received a phone call from Edgar Lee, the principal at Votivo. We agreed that it was not productive to continue spending money litigating over fragrance names. We agreed to settle the litigations and that Votivo would in the future address fragrance names disputes with Mine Design in a more amicable manner. Our respective attorneys then jointly drafted the settlement agreement now under dispute.

18. It was my understanding that the settlement agreement formed a détente between the parties regarding existing Mine Design fragrance names and existing Votivo registrations. New fragrance names by Mine Design would be treated under paragraphs 3 and 8 of the agreement, while further registrations Votivo may seek to obtain would be fair game to resolve the issue whether certain fragrance names should be protectable or not. Mine Design also agreed not to challenge Votivo's registrations for the terms "red currant," "soku lime," and "tall grass."

19. Votivo obviously knew of all the fragrance names present in Mine Design's catalogs and Votivo had not been reticent about initiating lawsuits. Votivo did not include any fragrance names other than "red currant," "soku lime" and "tall grass" in the first or second lawsuits. It is my understanding that all the registrations Votivo now is asserting had already issued at that time. Votivo also did not object to any of the fragrance names they now complain of after the Injunction issued. Accordingly, I

believe I was justified in concluding that Votivo did not object to any of the other fragrance names Mine Design was using at the time.

20. Votivo's letter threatening to bring the present action under the Injunction complained that Mine Design was using the term Mandarin, but complained of no other fragrance name. In an effort to accommodate Votivo, Mine Design stopped using the term ginger/mandarin within 30 days of receiving said notice (in early to mid August 2008), substituting it with ginger citrus.

21. For reasons unrelated to the present dispute, Mine Design has stopped selling grass scented candles.

22. I have now been making and selling candles for over five years. Mine Design's candles have been available in hundreds of stores across the nation, from boutique candle retail stores to major chains like CHICO's. I have interacted with buyers from these stores for more than five years. I believe that the fragrance names used by Mine Design would not be likely to cause confusion as to the source or sponsorship of Mine Design's candles. It is my understanding from direct personal experience, and from interacting with those directly retailing scented candles to consumers, that the plant, fruit and flower fragrance names used by Mine Design and which Votivo now complains of, including "lavender," "lemon grass," "rosemary," "cucumber/melon," "pear," "pomegranate," "grapefruit," "black tea," "avocado/freesia," "grass," "ginger mandarin" and "currant (black)" are understood by consumers as solely providing information regarding the fragrance of the candles, not the source or sponsorship of the candles.

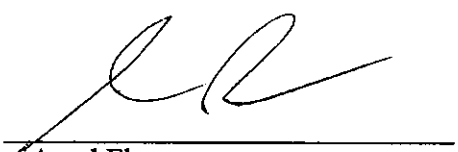
23. Unfortunately, given the litigiousness of companies like Votivo regarding fragrance names, Mine Design would be harmed if it was required to change these generic fragrance names Mine Design has been using for so long. As any change would have to be away from the generic name, the change would open Mine Design to further disputes and possibly litigation.

24. In addition, Mine Design and consumers would be harmed if Mine Design was not able to truthfully inform the public of the fragrance of its candles.

25. Until the present allegations by Votivo, I had never heard a suggestion from a consumer or anybody else that Mine Design's "Persian Fig" fragrance name could be confusingly similar to Votivo's "Moroccan Fig" fragrance name. Nor have there been any instances of confusion brought to my attention. Given the great cultural, ethnic and geographic distance between Persia and Morocco, the terms Persian and Moroccan provide a distinct commercial impression.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on January 22, 2009, in Los Angeles, California.



Amal Flores

# Exhibit 1

honeysuckle

gardenia

orchid

cantaloupe

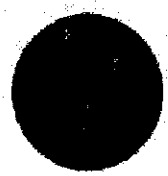
pomegranate

grapefruit

soku lime

lemon grass

red currant


rosemary

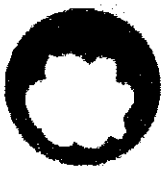
**pure**white candles
ingredients:100% soy wax, natural fragrance
size: 10.5oz
burn time: 60 hours
price:$11.00
minimum opening: order 50 candles, 10 fragrances
minimum reorder: 24 candles
testers of each scent provided with opening order
all candles are personalized with your store name

**mine**design
box 16775 beverly hills, ca 90209
voice 800 973 0555
fax 310914 3205
outside the US 310 948 0471
email amalflores@netscape.net
made in USA

# Exhibit 1

# Exhibit 2

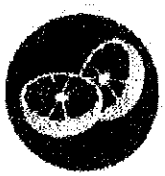
honeysuckle


gardenia

orchid

cantaloupe

pomegranate


grapefruit

venetian lime

lemon grass

currant (red)

rosemary

**pure**white candles
ingredients:100% soy wax, natural fragrance
size: 10.5oz
burn time: 60 hours
price:$11.00
minimum opening: order 50 candles, 10 fragrances
minimum reorder: 24 candles
testers of each scent provided with opening order
all candles are personalized with your store name

**mine**design
box 16775 beverly hills, ca 90209
voice 800 973 0555
fax 310914 3205
outside the US 310 948 0471
email amalflores@netscape.net
made in USA

# Exhibit 2

# Exhibit 3

THE AFFINITY LAW GROUP APC
BUSINESS AND INTELLECTUAL PROPERTY LAW MATTERS

600 WEST BROADWAY, SUITE 400
SAN DIEGO, CALIFORNIA 92101-8028

GREGORY P. GOONAN
GGOONAN@AFFINITY-LAW.COM

TELEPHONE: (619) 702-4335
FACSIMILE: (619) 515-1197
WWW.AFFINITY-LAW.COM

FILE NO. 1021.001

May 25, 2004

RECEIVED
MAY 2 0 2004
BJT LAW

VIA FIRST CLASS MAIL

Mark B. Mizrahi, Esq.
Belasco, Jacobs & Townley LLP
Howard Hughes Center
6100 Center Drive, Suite 630
Los Angeles, CA 90045

Re: VOTIVO v. Mine Design

Dear Mr. Mizrahi:

Although you have not appeared as counsel of record on behalf of defendant Mine Design ("Mine Design") in the pending trademark infringement lawsuit brought against Mine Design by VOTIVO, Ltd. ("VOTIVO"), you have represented to us that you are representing Mine Design in connection with settlement discussions in this matter. We send this letter to set forth VOTIVO's settlement demand to Mine Design:

1. To settle this case, Mine Design will have to stipulate to the entry of a permanent injunction against it. Although we will have to work out the specific language of such permanent injunction, the injunction will have to provide in substance that Mine Design agrees not to use any of VOTIVO's trademarks, or any terms that are confusingly similar to VOTIVO's trademarks, in connection with the offer for sale or sale of home decor products, gift products and personal care products. Among the many products sold by VOTIVO are candles, burning sticks and incense, scented room sprays, skin soaps, and scented body sprays (collectively "Products").

2. As you know, Mine Design previously used the term "Soku Lime" to offer and sell Products. As you also know, VOTIVO has a federal trademark registration for the mark "Soku Lime." You have represented to us that Mine Design has stopped using the term Soku Lime to offer and sell its Products, and instead is now using the term "Venetian Lime" to offer and sell its lime-scented Products. Such change is acceptable to VOTIVO.

3. Mine Design also previously used the term "Red Currant" to offer and sell Products. As you know, VOTIVO has a federal trademark registration for the mark "Red Currant." You have represented to us that Mine Design has stopped using the term Red Currant to offer and sell its

# Exhibit 3

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**

Products, and instead is now using the term "Currant (Red)" to offer and sell its Products. Such change is not acceptable to VOTIVO. Simply moving the word "red" from the beginning to the end of the subject term really is a distinction without a difference, and does not avoid infringement of VOTIVO's trademark rights. If Mine Design wants to sell currant-scented Products, it will need to do so without use of the word "red." Please confirm that Mine Design will stop using the word "red" in association with the word "currant."

4. As you know, Mine Design also previously used the marks "Wild Orchid" and "Honeysuckle" to offer and sell Products. As you also know, VOTIVO has federal trademark registrations for the marks "Wild Orchid" and "Honeysuckle." You have represented to us that Mine Design has stopped using the marks Wild Orchid and Honeysuckle to offer and sell its Products.

5. In the interest of full disclosure, we set forth below the others trademarks for which VOTIVO has federal trademark registrations or pending applications for federal registration. If we are able to reach a settlement, the permanent injunction to be entered against Mine Design will need to provide that Mine Design will not use any of the marks listed below, or any marks confusingly similar to the listed marks, to offer and/or sell Products:

-- Blackberry Basil
-- VOTIVO Flowers
-- Joie de Noel
-- Freesia & Tiger Lily
-- Venetian Silk
-- Venetian Cotton
-- Murano
-- Tibetian Lily
-- Murano Collection
-- Venetian Coffee
-- Venetian Pearl
-- Venetian Leather
-- Citrus Grove
-- Newbury Holly
-- Celadon Tea
-- Woodland Hyacinth
-- Provencal Honey
-- River Rock
-- Prairie Sage
-- Gingersnap
-- Peppered Rose
-- Christmas Sage
-- Bungalow Light
-- Cottage Light
-- VOTIVO
-- VOTIVO design
-- Minted Pomegranate
-- Bradford Cucumber
-- Clean Crisp White

# Exhibit 3

- Cedar & Sage
- Deep Clover
- Anjou Pear
- Gingered Currant
- Golden Fuji Apple
- Mt. Airy Azalea
- Shenandoah Wildflower
- Sea Island Grapefruit
- Somerset Rain
- Nantucket Christmas
- Lavender Fields
- Fresh Tomato Leaf
- Augusta Peach
- Black Ginger
- Coventry Meadow
- Paperwhite Narcissus
- Mandarine
- Desert
- Moroccan Fig
- Forest
- Night
- Tall Grass
- Teak
- Vanilla Grapefruit
- Sumatra Lemongrass
- Tuscan Olive
- Squash Blossom
- St. German-en-Laye Lavender
- Rosemary Garden
- Rhone Valley Lilac
- Westminster Bayberry
- Mahogany
- Saffron
- Tumbleweed

6. My sense from speaking with you is that you are an experienced trademark attorney. Therefore, you know that one measure of the damages that VOTIVO can seek to recover for Mine Design's infringement is disgorgement of all profits that Mine Design earned from the sale of Products using the infringing Red Currant, Soku Lime, Wild Orchid and Honeysuckle marks. You have represented to me that Mine Design did not earn any profits from the sale of Products using the infringing marks. We will need confirmation of your representation directly from Mine Design. Before VOTIVO can agree to any settlement, Mine Design will need to provide VOTIVO with a declaration under the penalty of perjury that sets forth the following information both for Products sold using the terms Red Currant , Soku Lime, Wild Orchid and Honeysuckle: (i) the dates Mine Design started and stopped selling products using the subject marks; (ii) the total number of units of each Product sold; (iii) the selling price for each such Product; (iv) the price that Mine Design paid for each such Product; (v) other costs that Mine Design contends should be offset against its

# Exhibit 3

revenues (i.e., shipping costs, packaging, etc.); (vi) the date(s) when each such sale took place; and (vii) the location(s) where such sales took place. Please send us such declaration within two weeks of this letter.

7. Finally, so there are no surprises, VOTIVO also demands a monetary payment from Mine Design of $25,000 to offset the costs and expenses of this litigation. Not only has your client infringement on Red Currant and Soku Lime (for which it received the first cease and desist letter), but Mine Design went ahead six months later and infringed VOTIVO other registered marks (Wild Orchid and Honeysuckle) during a subsequent gift show. Your client must deal with reality, and the fact is that VOTIVO has been forced to incur substantial expense in attorneys fees and costs to deal with Mine Design's infringements. I suggest we deal with the settlement payment issue once we get Mine Design's declaration and reach an agreement on the other issues set forth in this letter.

I would like to have your client's response to this letter as soon as possible so we can determine our next steps. Please call me if you have any questions.

Sincerely,

Gregory P. Goonan

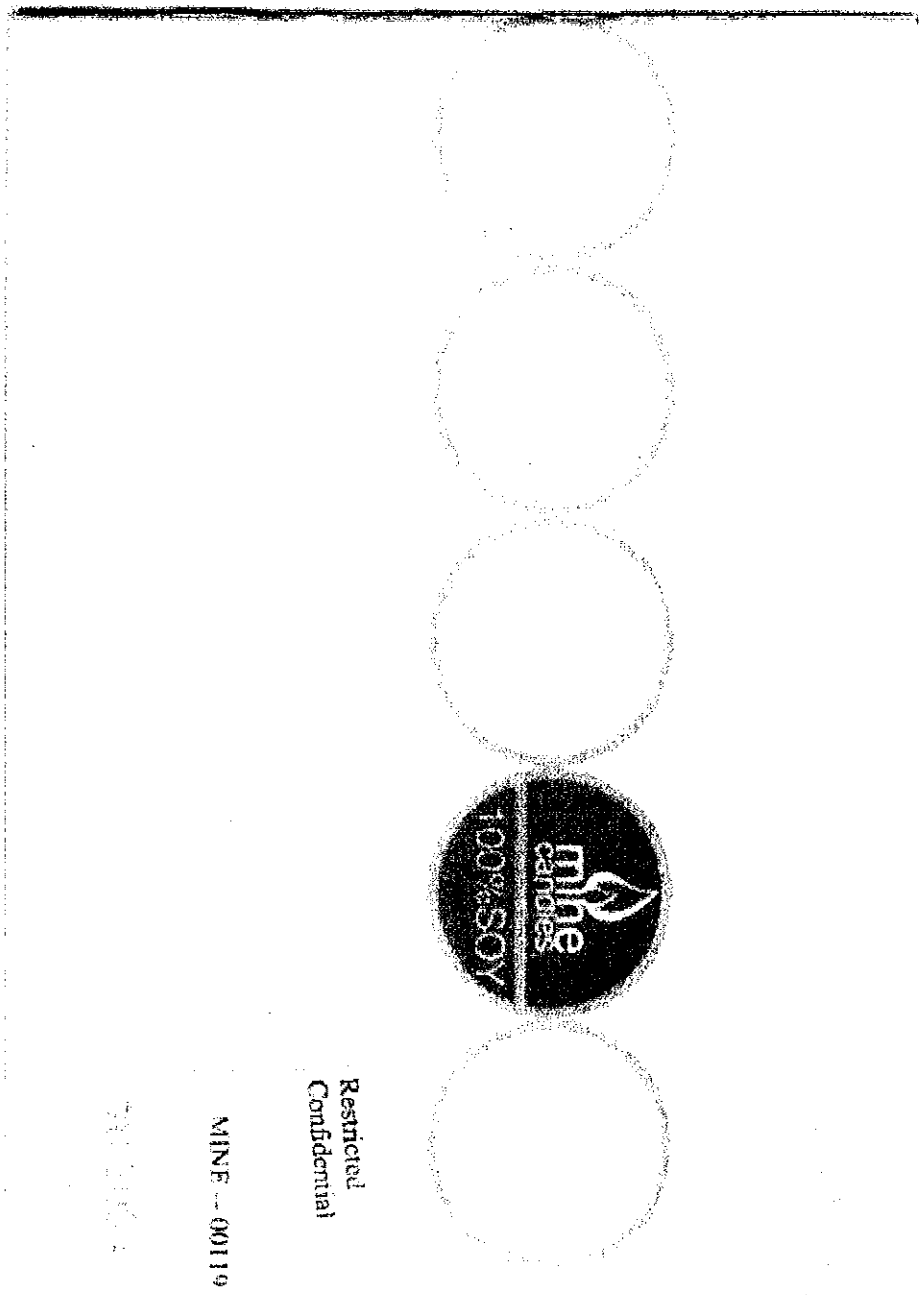
cc: Mr. Edgar Lee
Mark V. Jordan, Esq.

# Exhibit 3

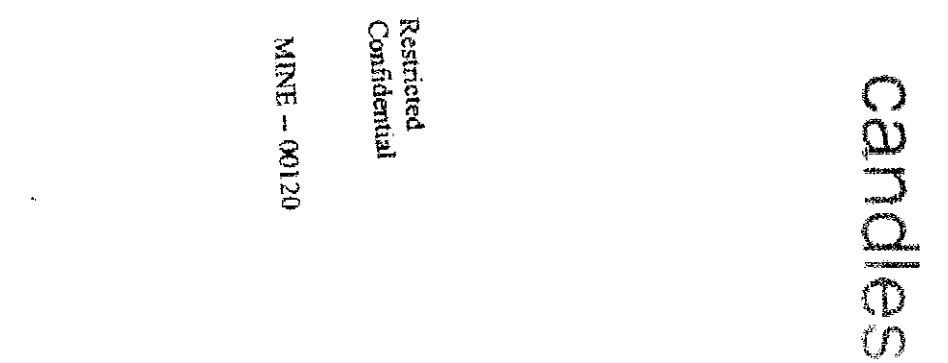
**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**

# Exhibit 4




# Exhibit 4

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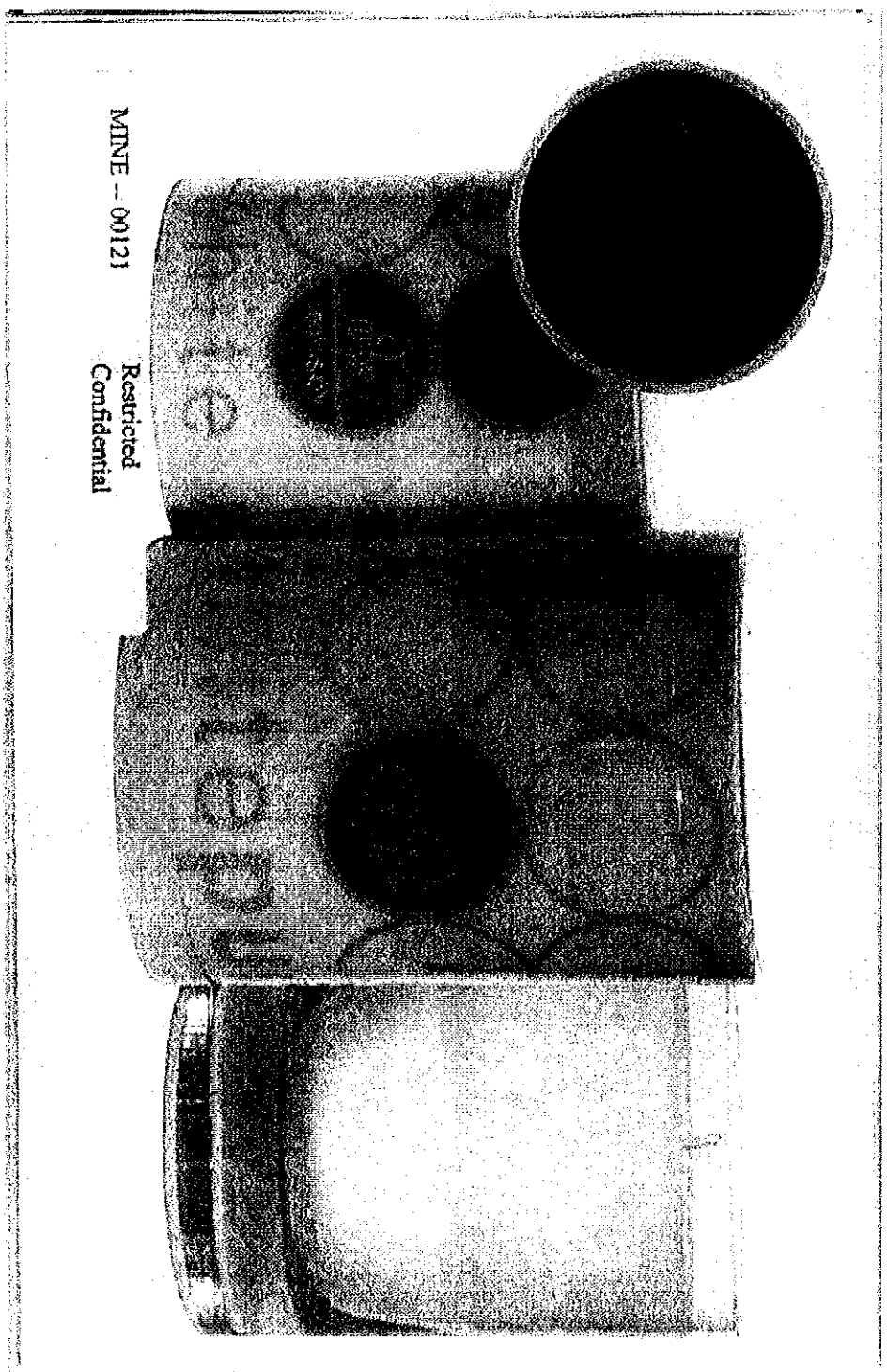


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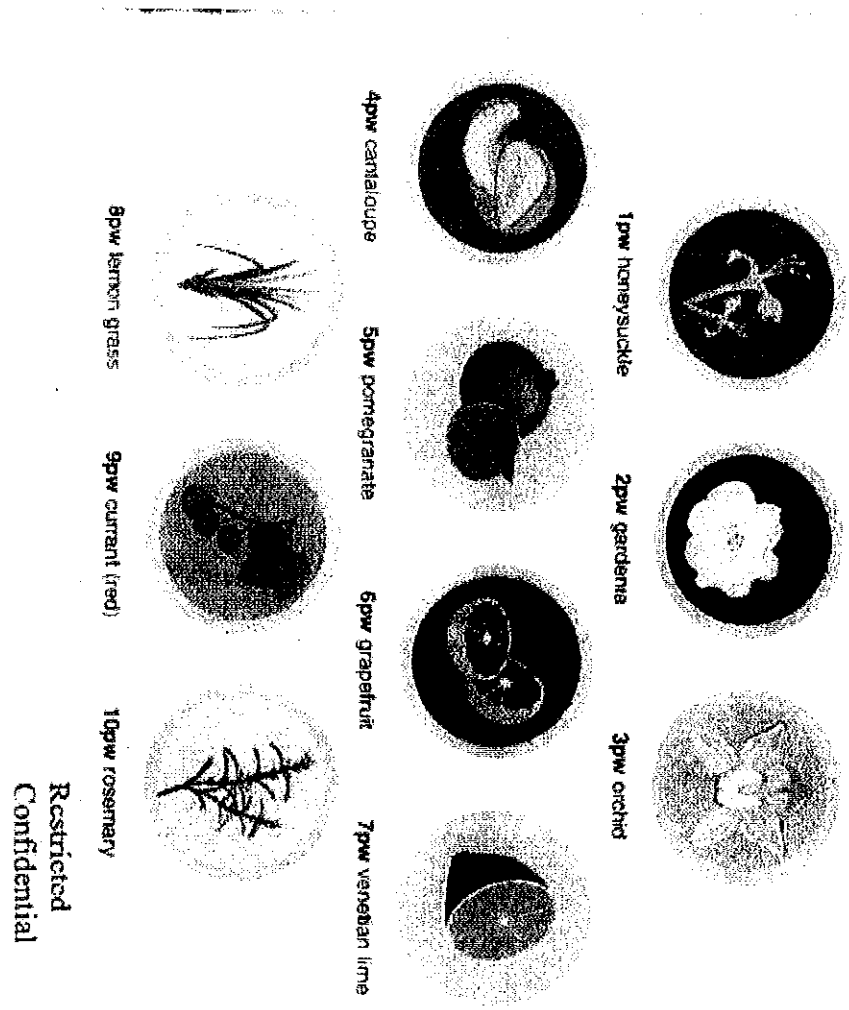
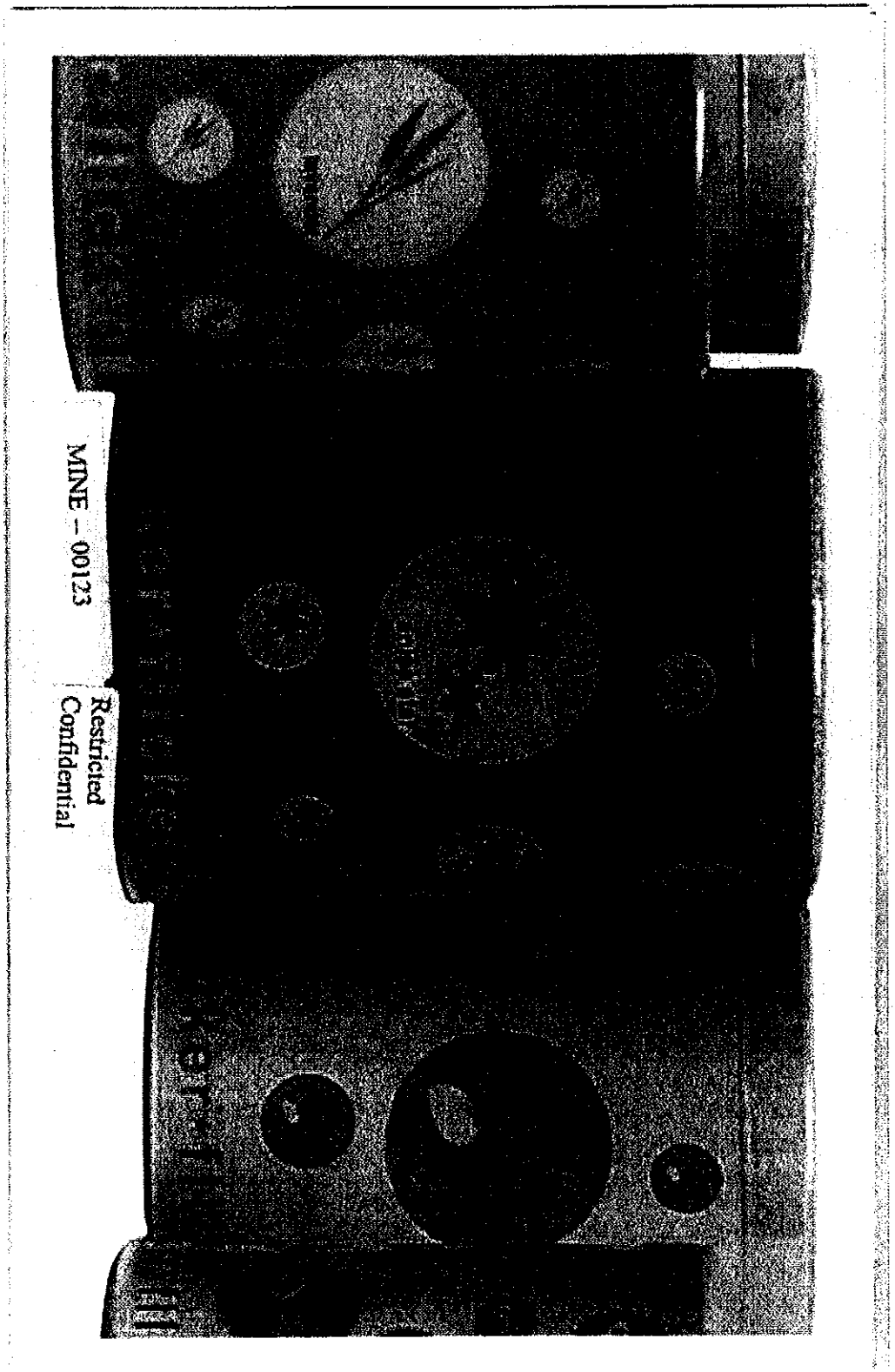

1pw honeysuckle
2pw gardenia
3pw orchid
4pw cantaloupe
5pw pomegranate
6pw grapefruit
7pw venetian lime
8pw lemon grass
9pw currant (red)
10pw rosemary
Restricted
Confidential
purewhite
MINE 00122

Exhibit 4

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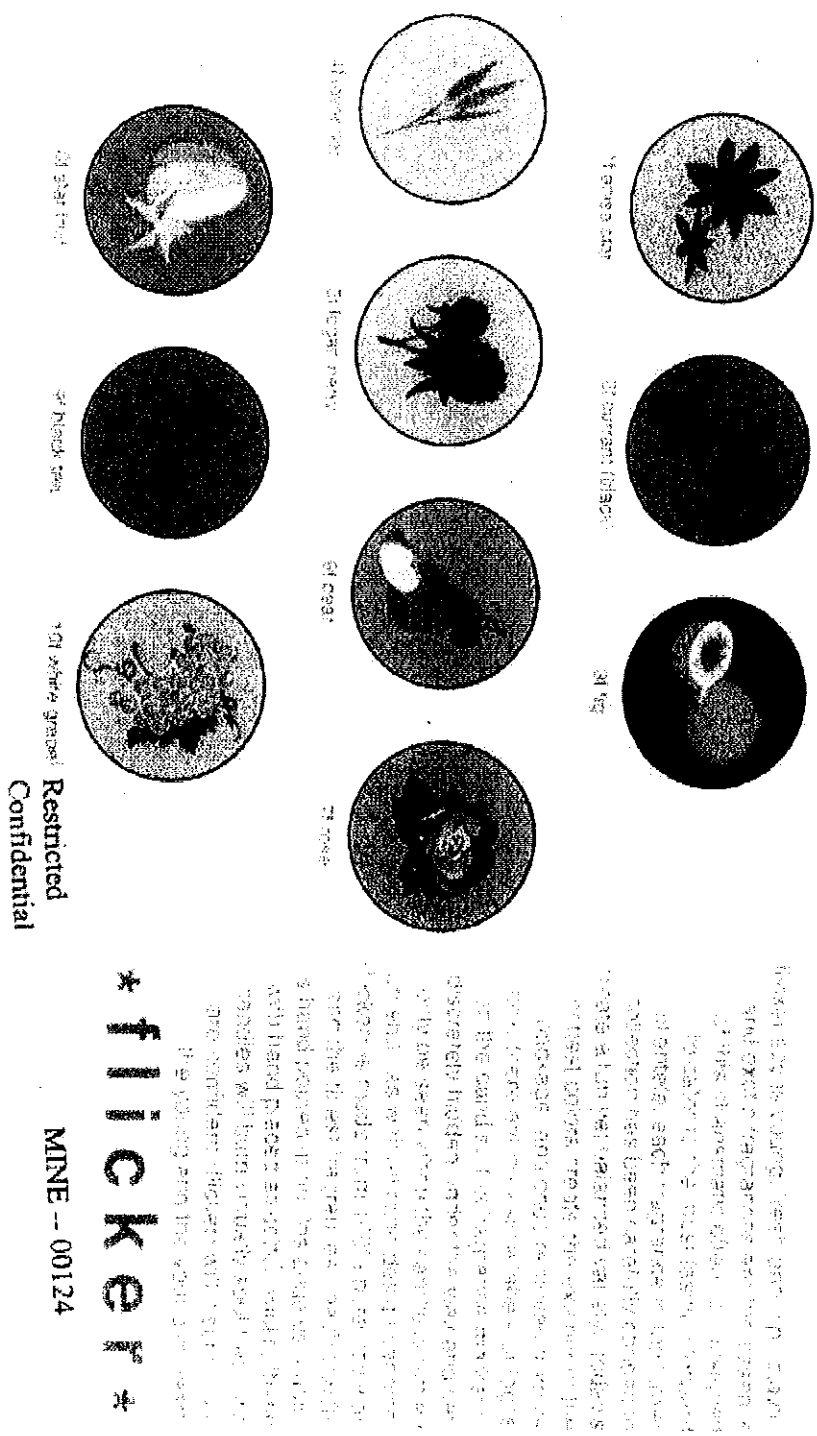


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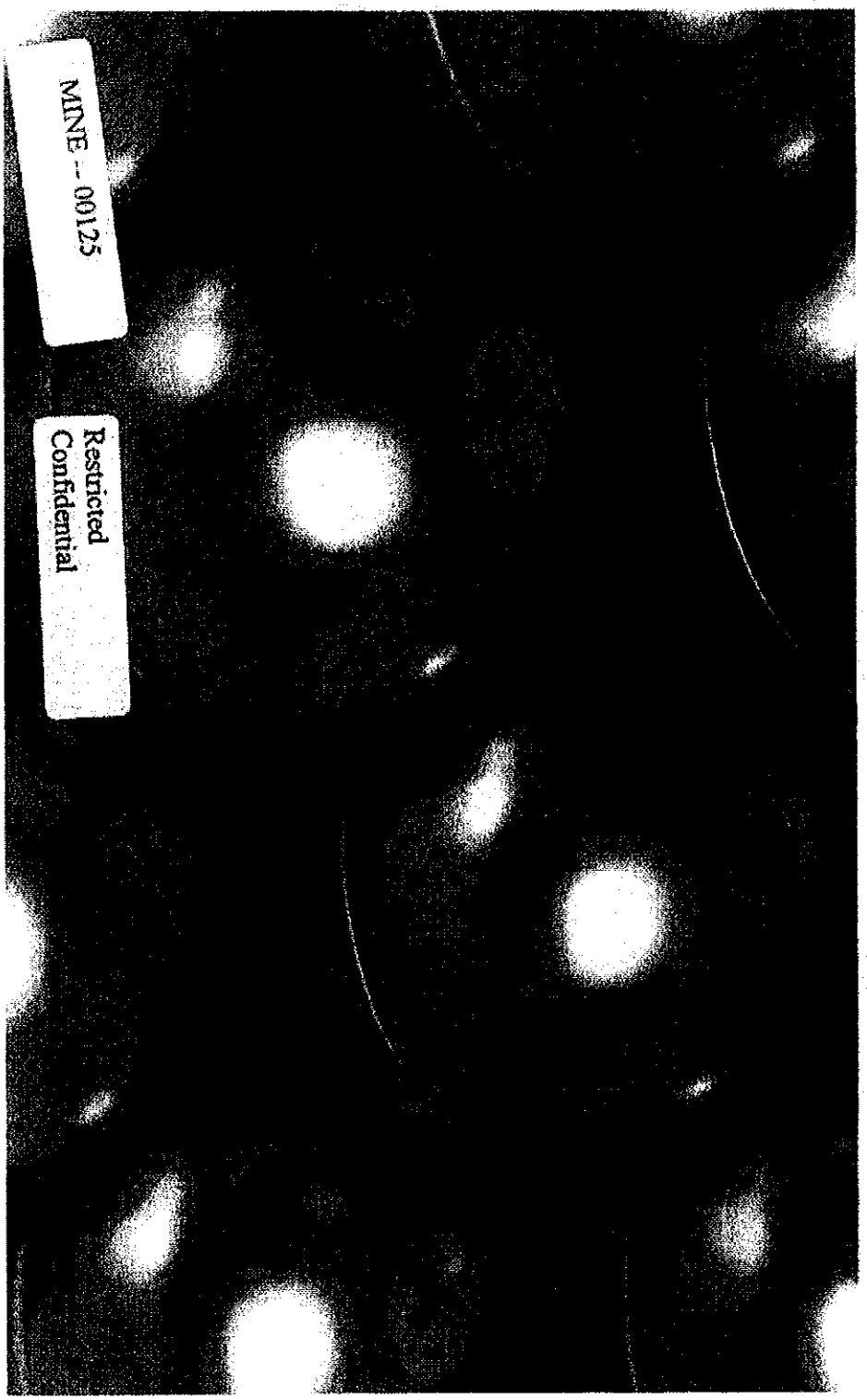


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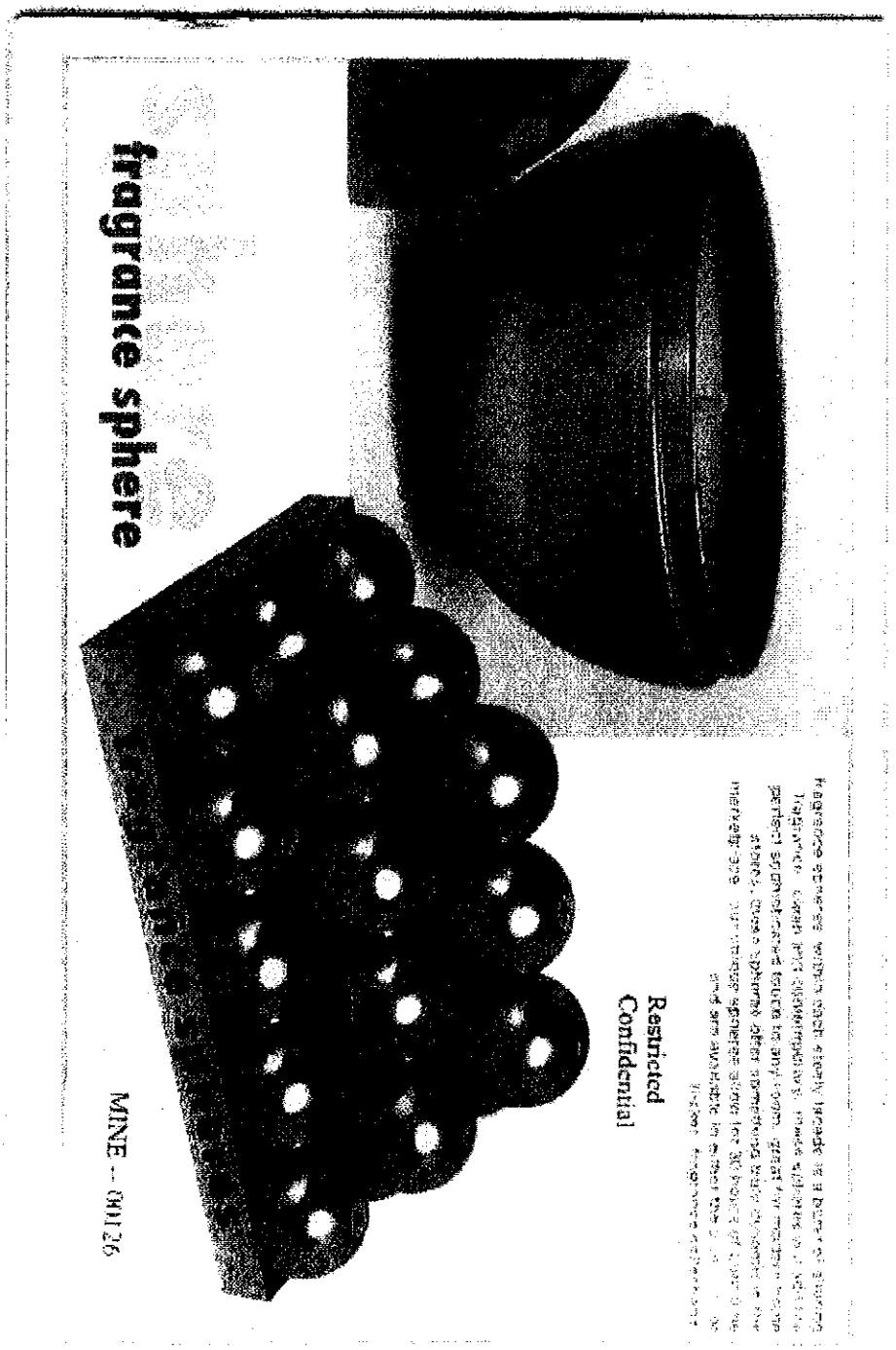


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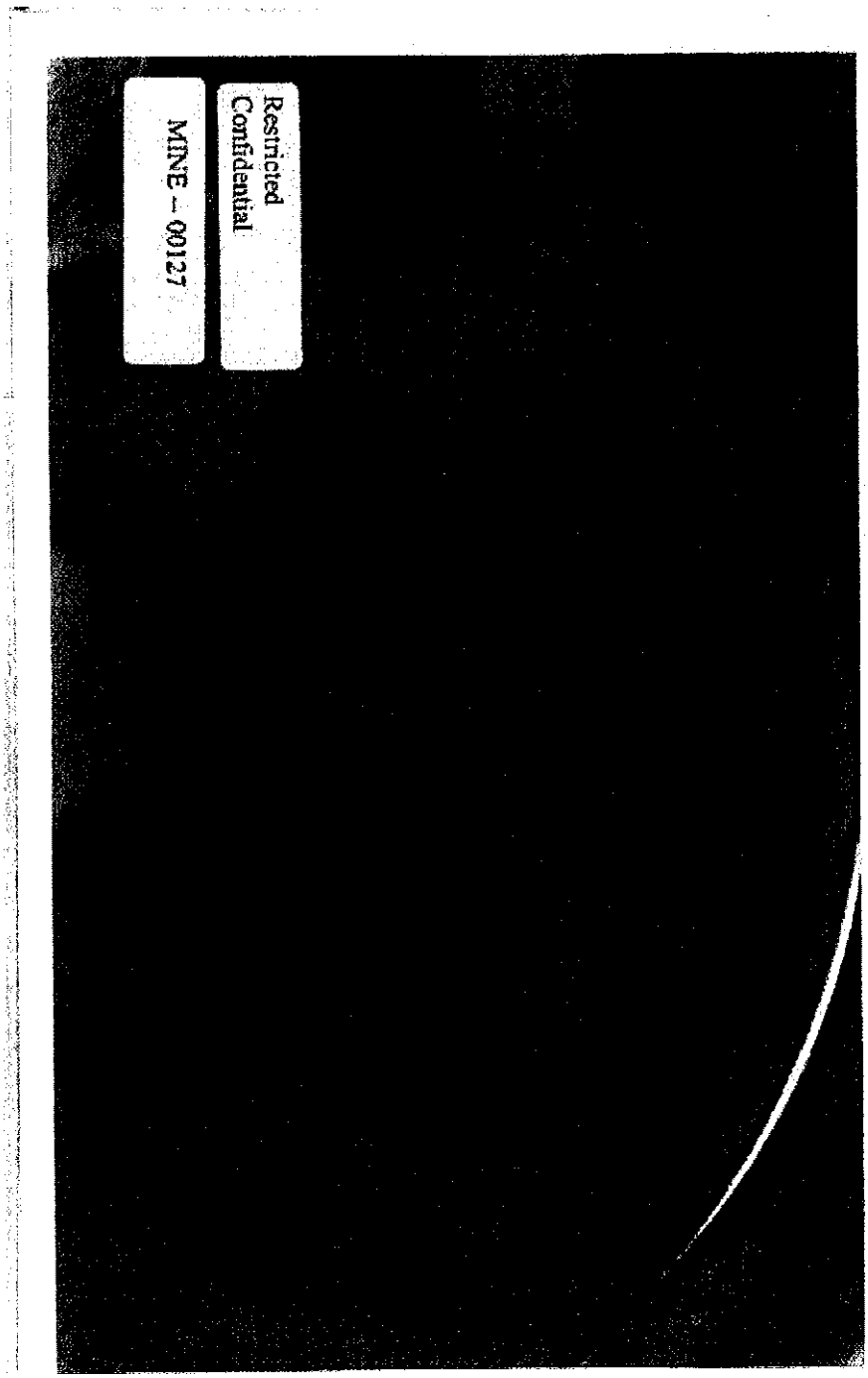


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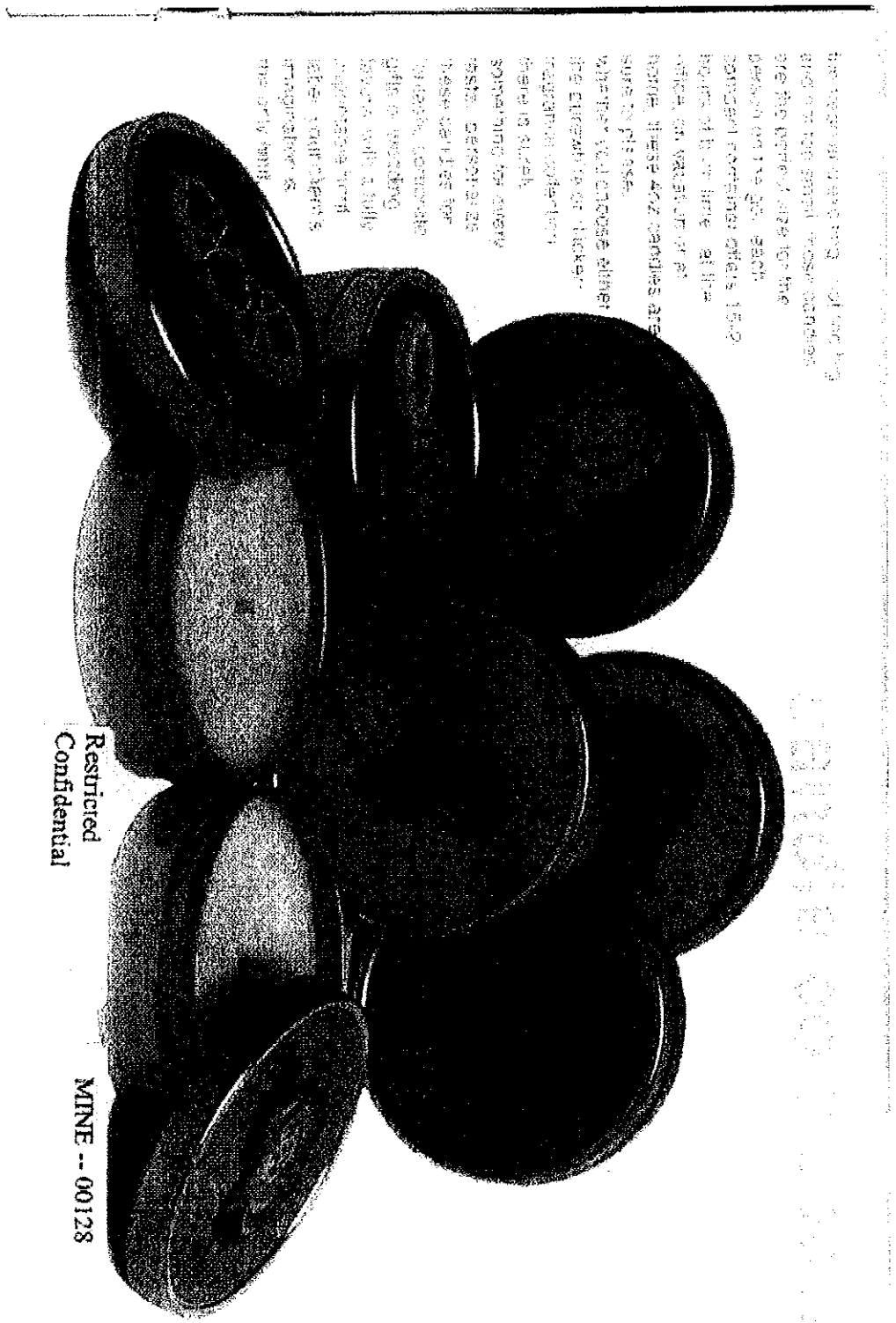


Exhibit 4

MINE -- 00129

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# Exhibit 4

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**

# minedesign candle pricing

**purewhite and •flicker• candles are made from 100% soy wax and the finest fragrances.**

| size (oz) | container | price | burn time (hours) |
|---|---|---|---|
| 10.5 | glass | 11.00 | 60-70 |
| 7.5 | glass | 9.00 | 40-50 |
| 6 | tin (sphere) | 6.00 | 30-35 |
| 4 | tin (slip lid) | 4.00 | 15-20 |
| 1 | travel tin | 2.00 | 4-6 |

opening packages:

opening order **purewhite** 7.5oz: 50 candles (with 10 free testers) $450.00

opening order **purewhite** 10.5oz: 50 candles (with 10 free testers) $550.00

opening order **•flicker•** 7.5oz: 50 candles (with 10 free testers) $450.00

opening order **•flicker•** 10.5oz: 50 candles (with 10 free testers) $550.00

opening order **fragrance sphere**: 50 candles (with 10 free testers) $300.00

opening order **candle compacts**: 60 candles (with 10 free testers) $240.00

opening order **travel tins**: 100 assorted candles (one collection) $200.00

opening order, 2 sizes: 60 units 30 each size (with 10 free testers) $600.00
minimum reorder: 24 candles assorted
testers of each scent ordered provided with opening order
additional testers can be purchased for $5 each

all candles in glass are personalized with your store name, add your logo for $25

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MINE -- 001130

Exhibit 4

get

all **mine**design candles are individually hand crafted
from pure 100% natural soy wax and the finest fragrances.
each candle will fill a room with beautiful light and lingering aroma.

soy wax is:

**cleaner burning**, producing far less black soot than
conventional paraffin or synthetic waxes.
**longer burning**, burning at a lower temperature than
traditional wax, soy typically burns 10-20% longer.
**100% biodegradable**, made from all natural soy beans
and completely bio-friendly.

we hope you enjoy your mine design soy candles.

**mine**design
box 16775 beverly hills, ca 90209
voice 800 973 0555
fax 310914 3205
outside the US 310 948 0471
email minedesignprinting@yahoo.com
made in USA

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MINE – 00131

# Exhibit 4

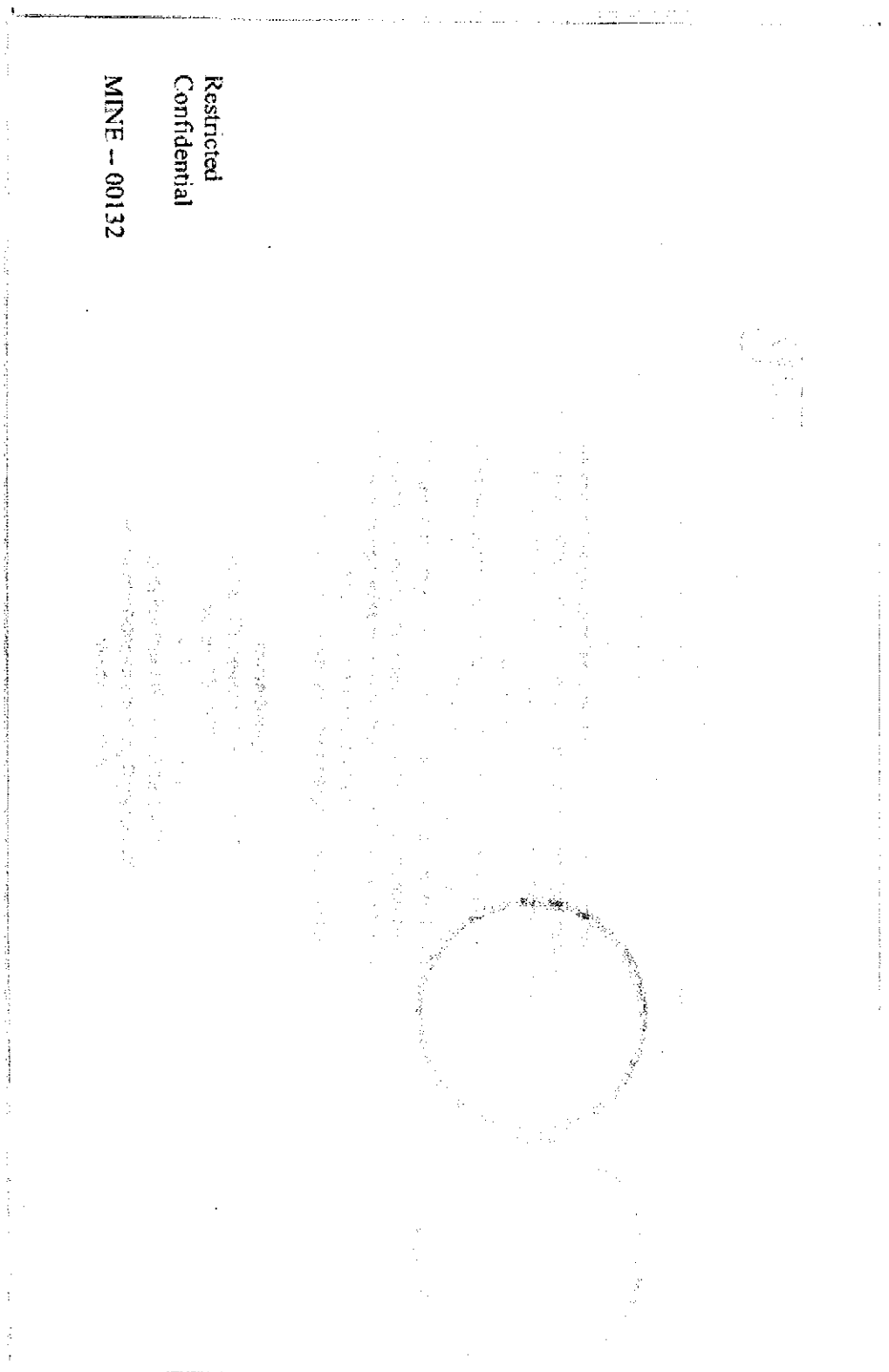
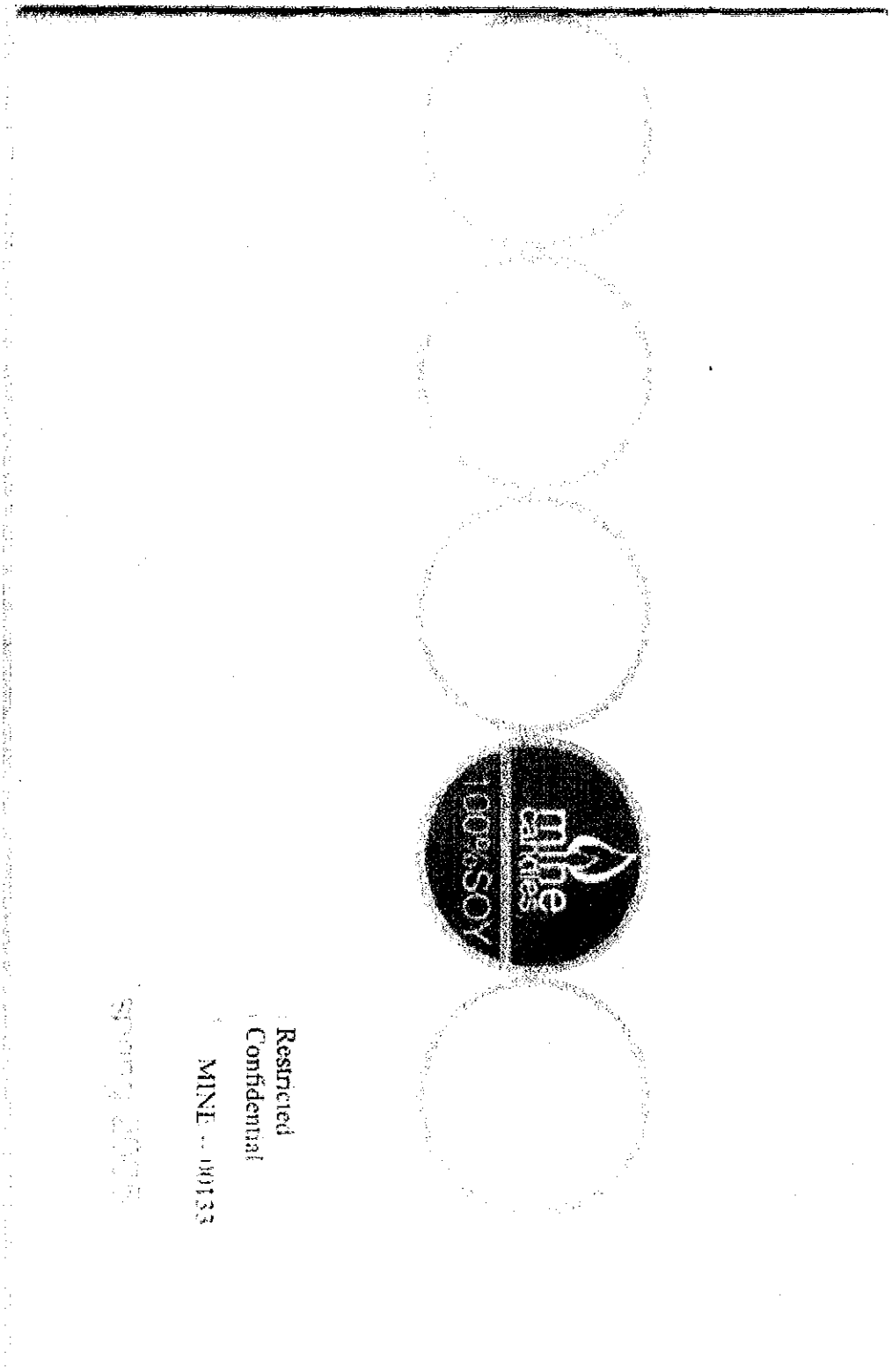



Exhibit 4

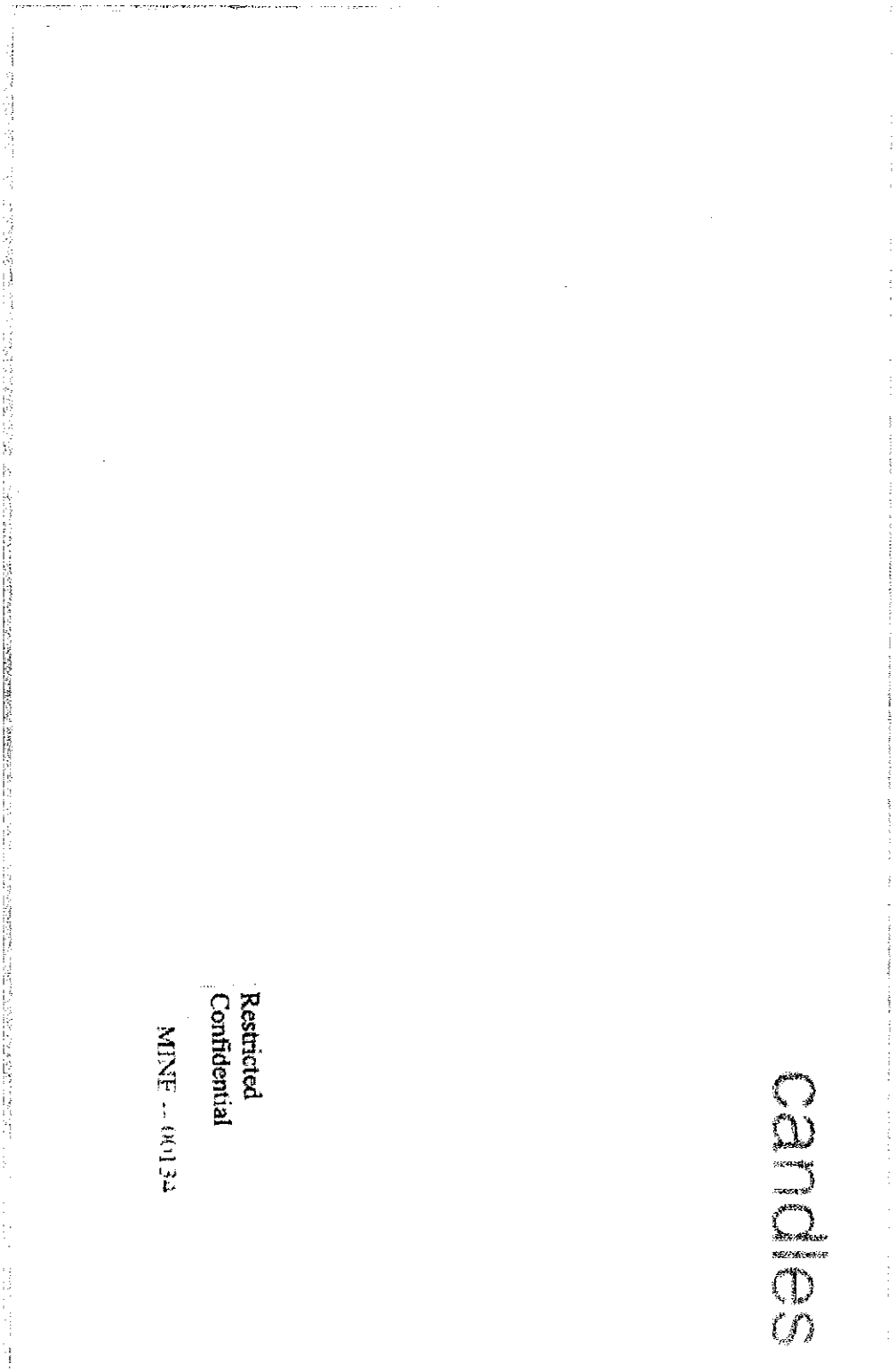
# Exhibit 5




# Exhibit 5

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**

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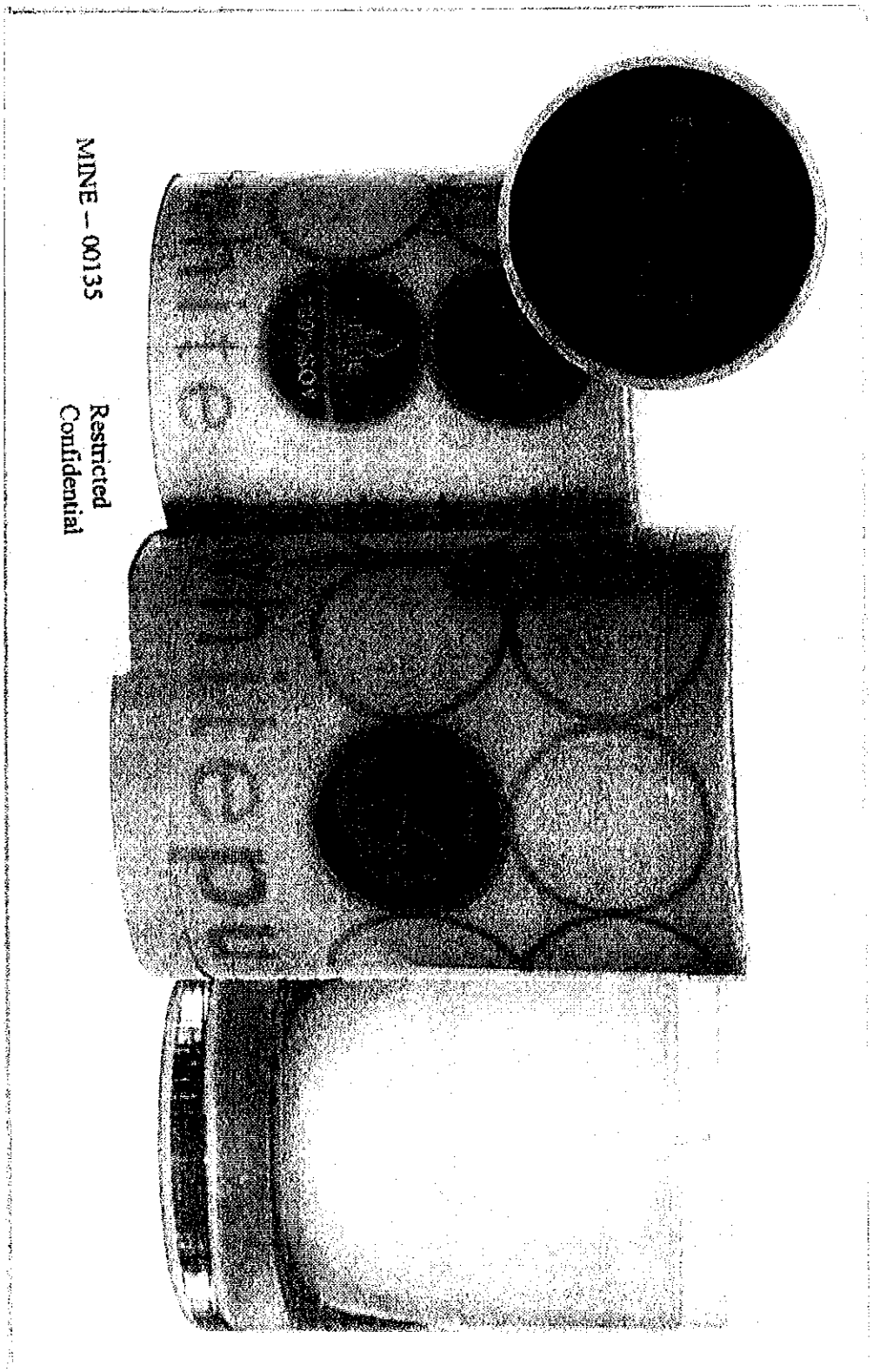


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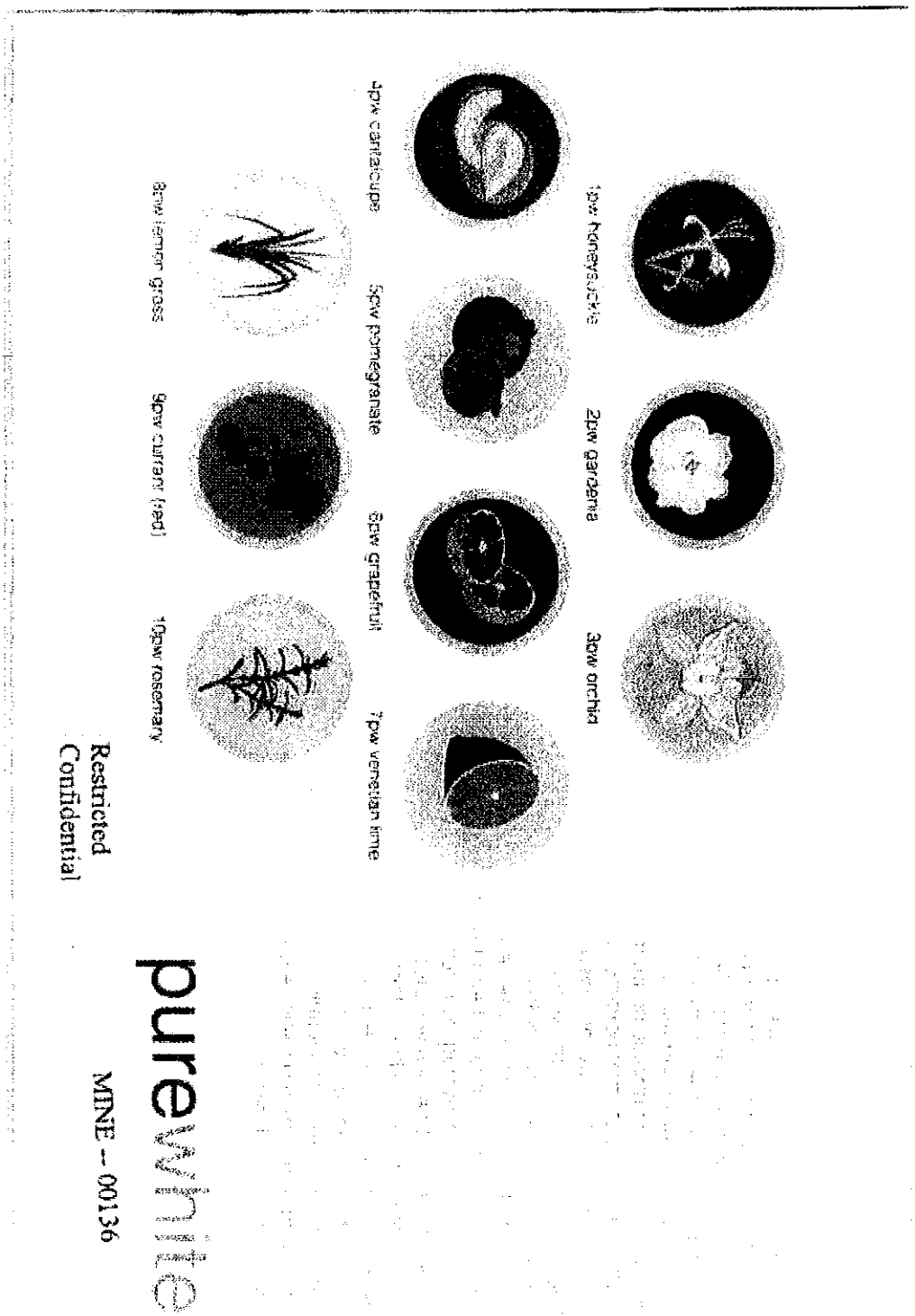


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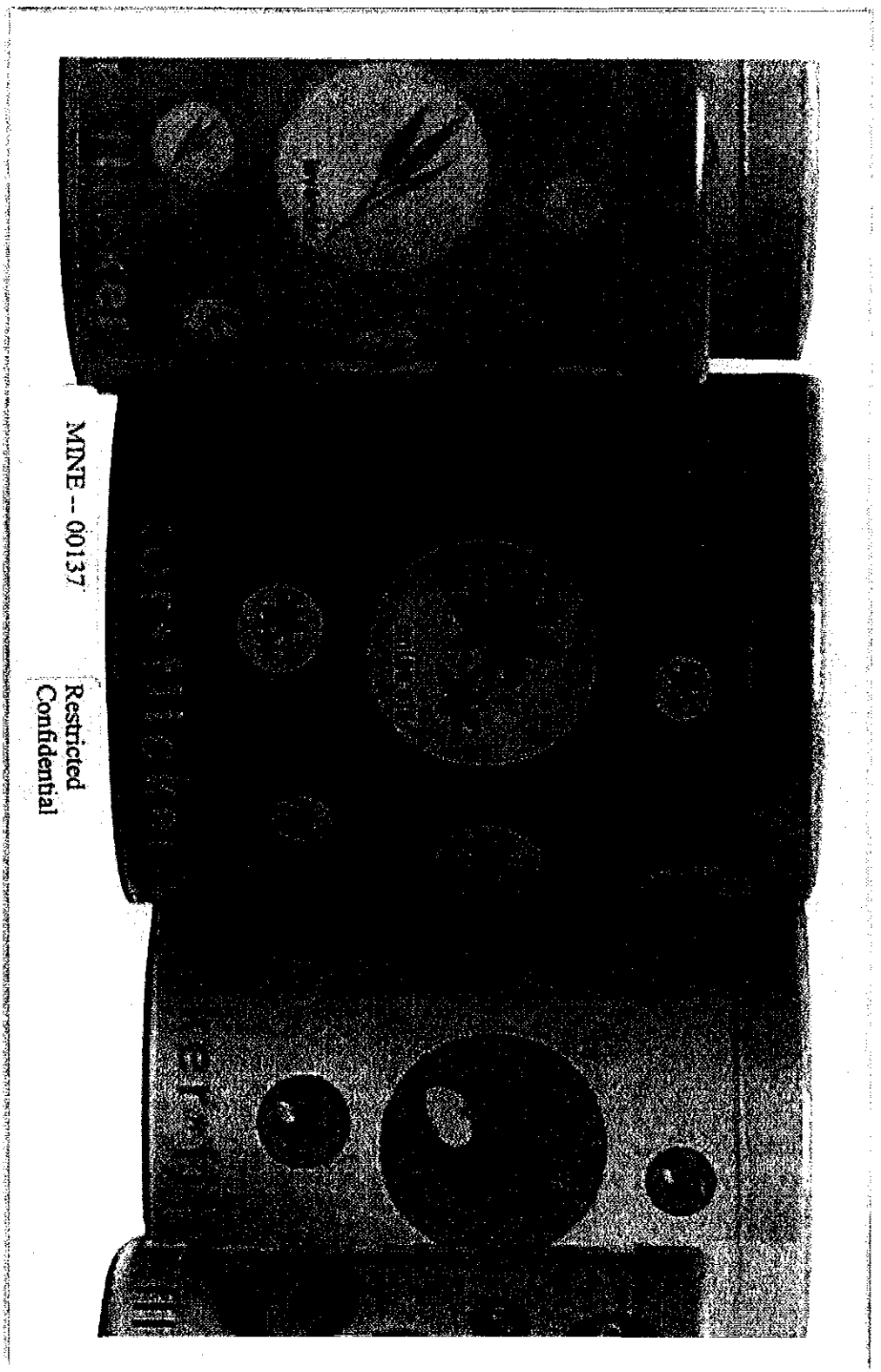


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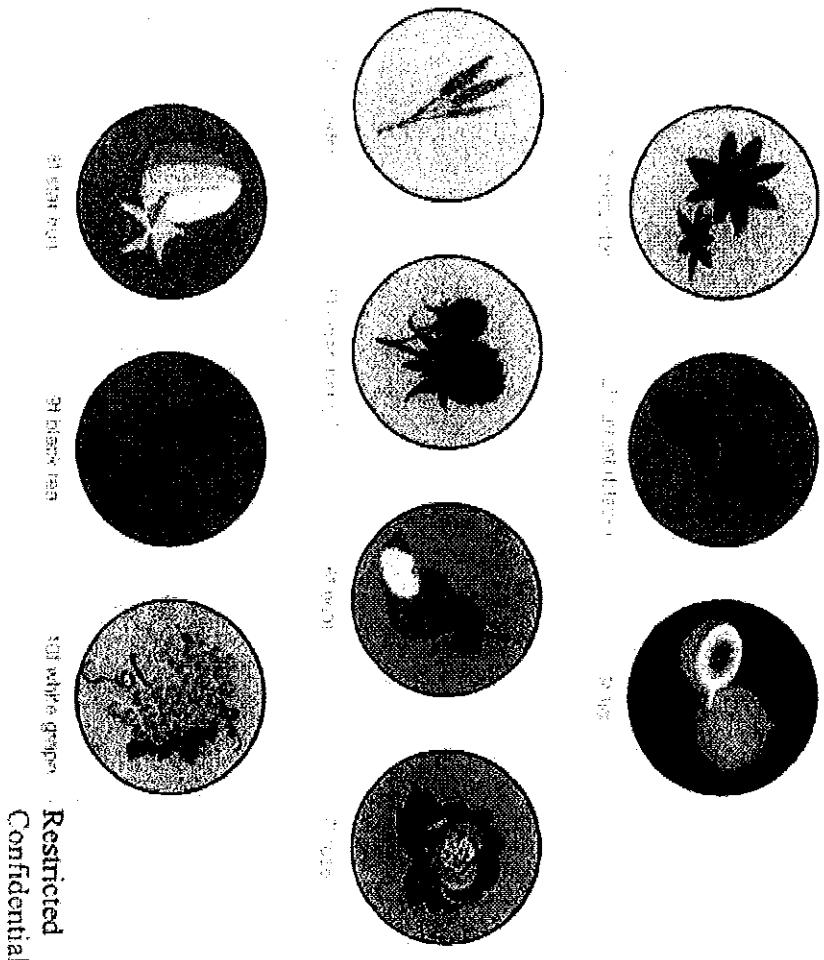


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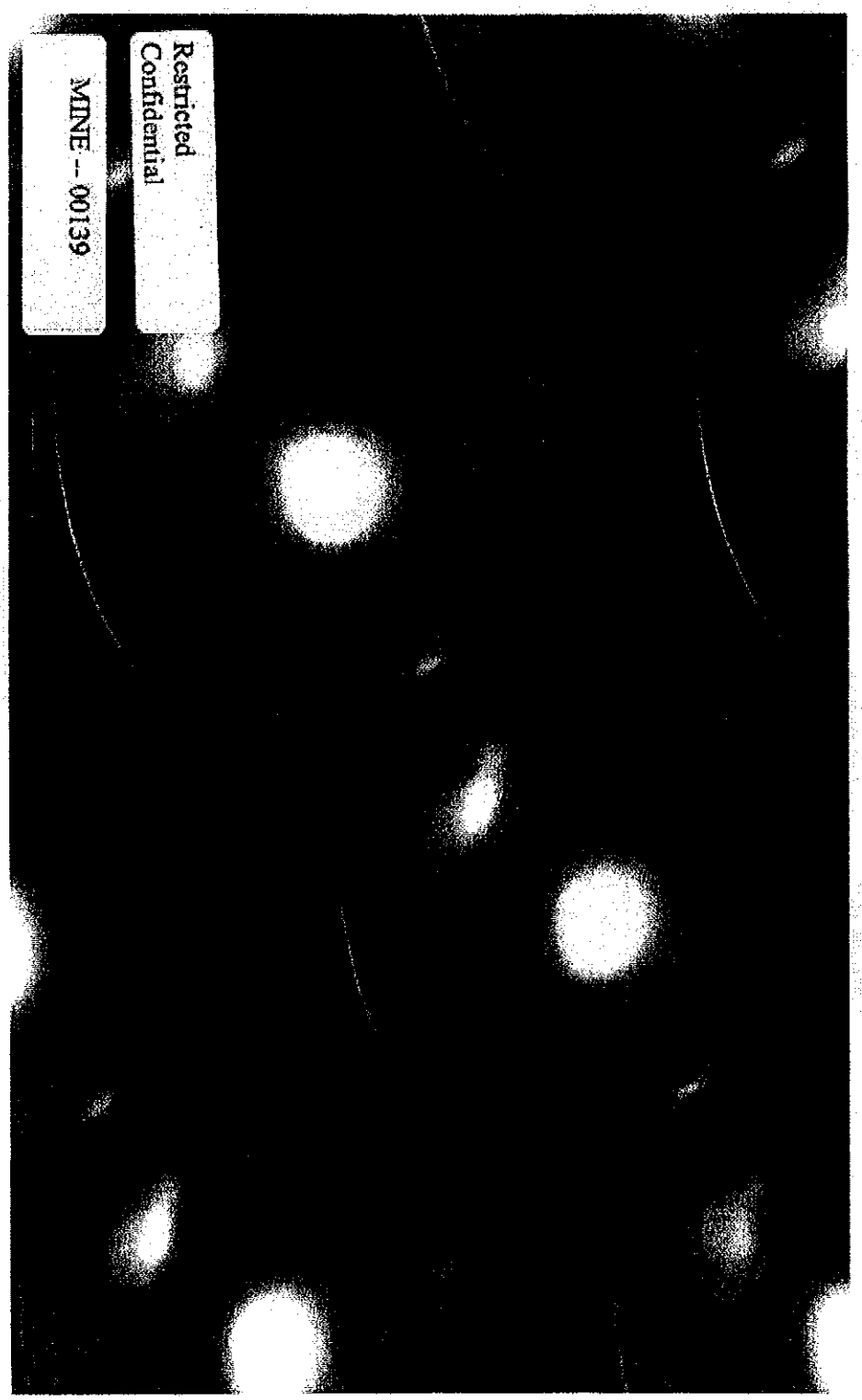


Exhibit 5

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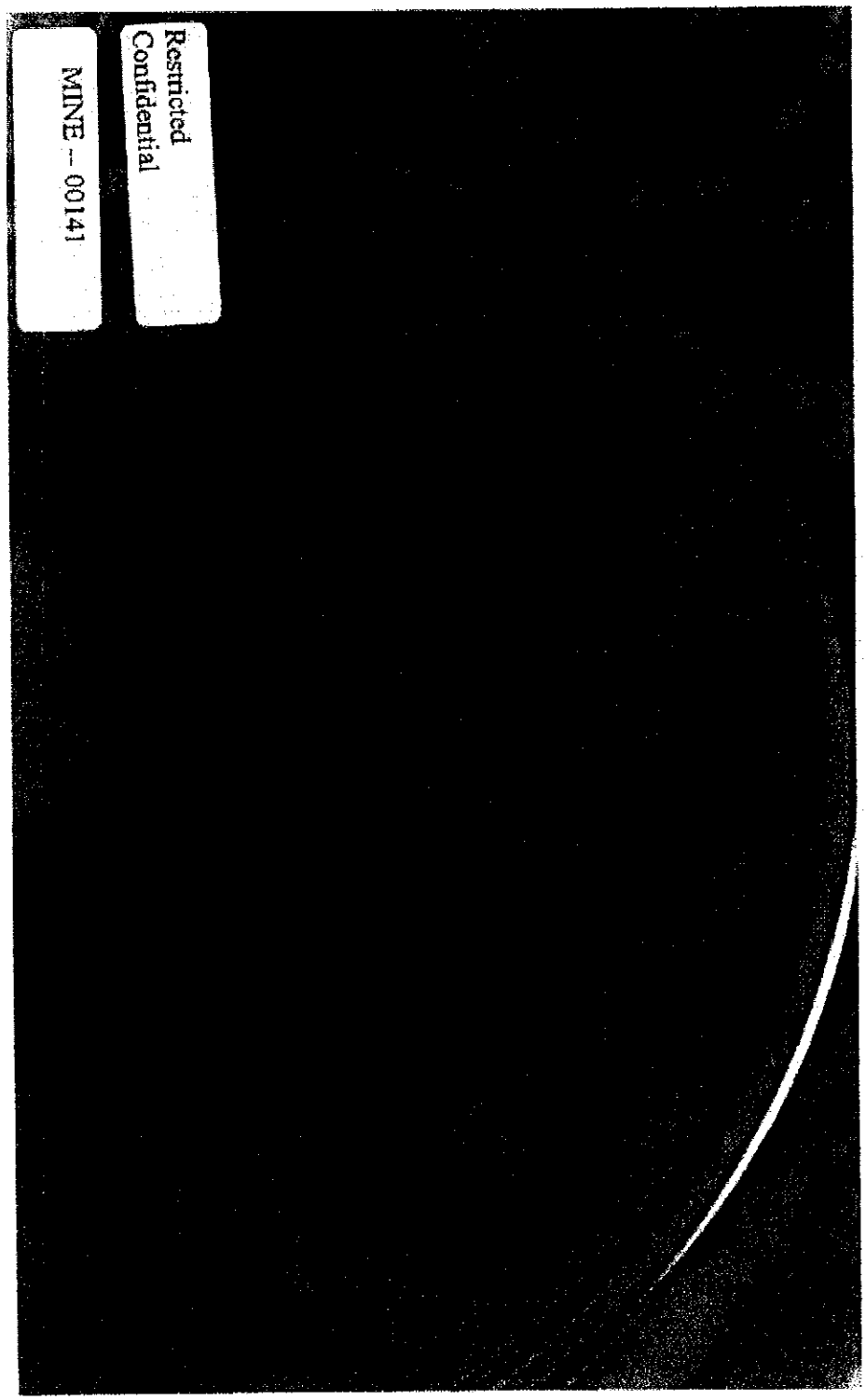


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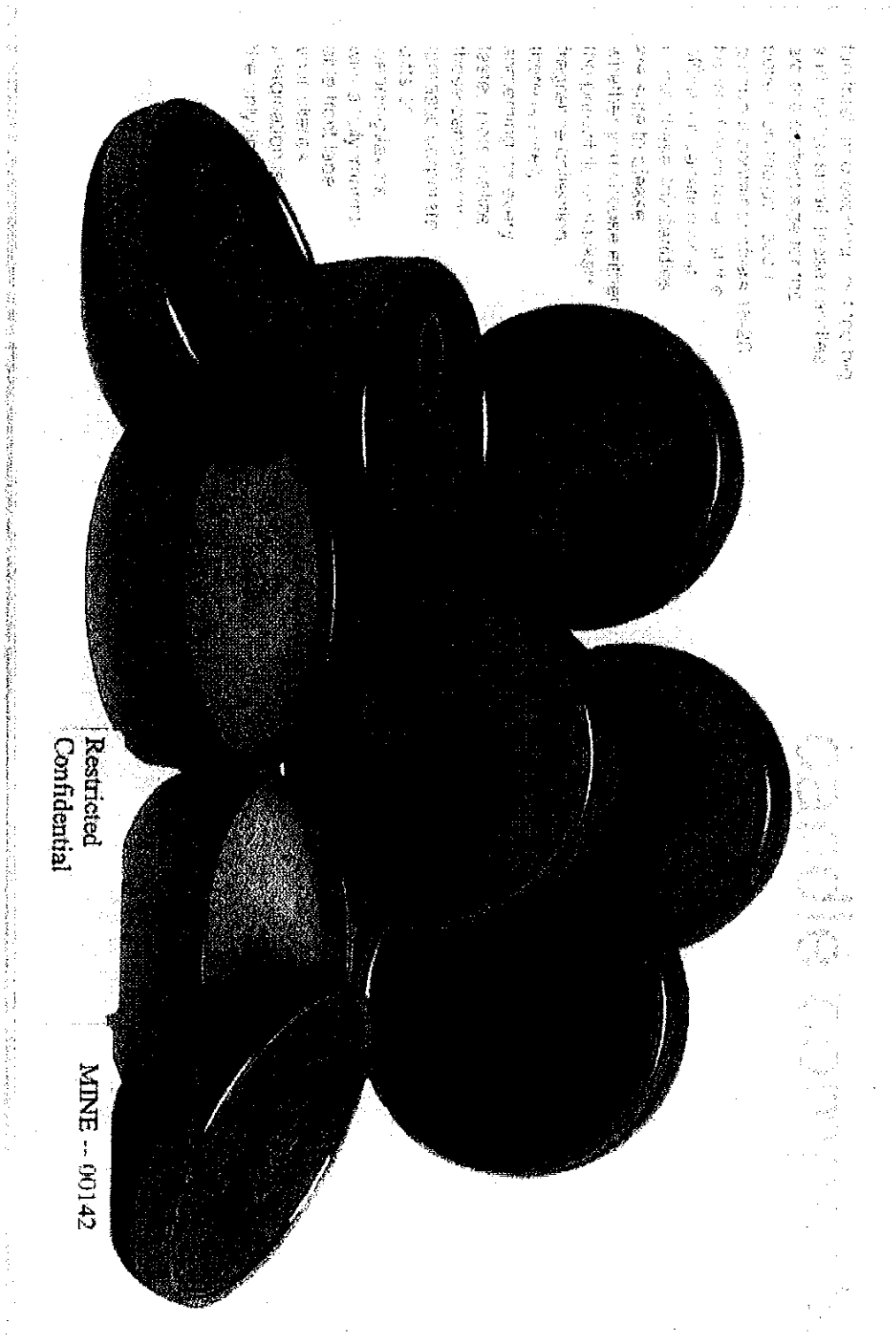


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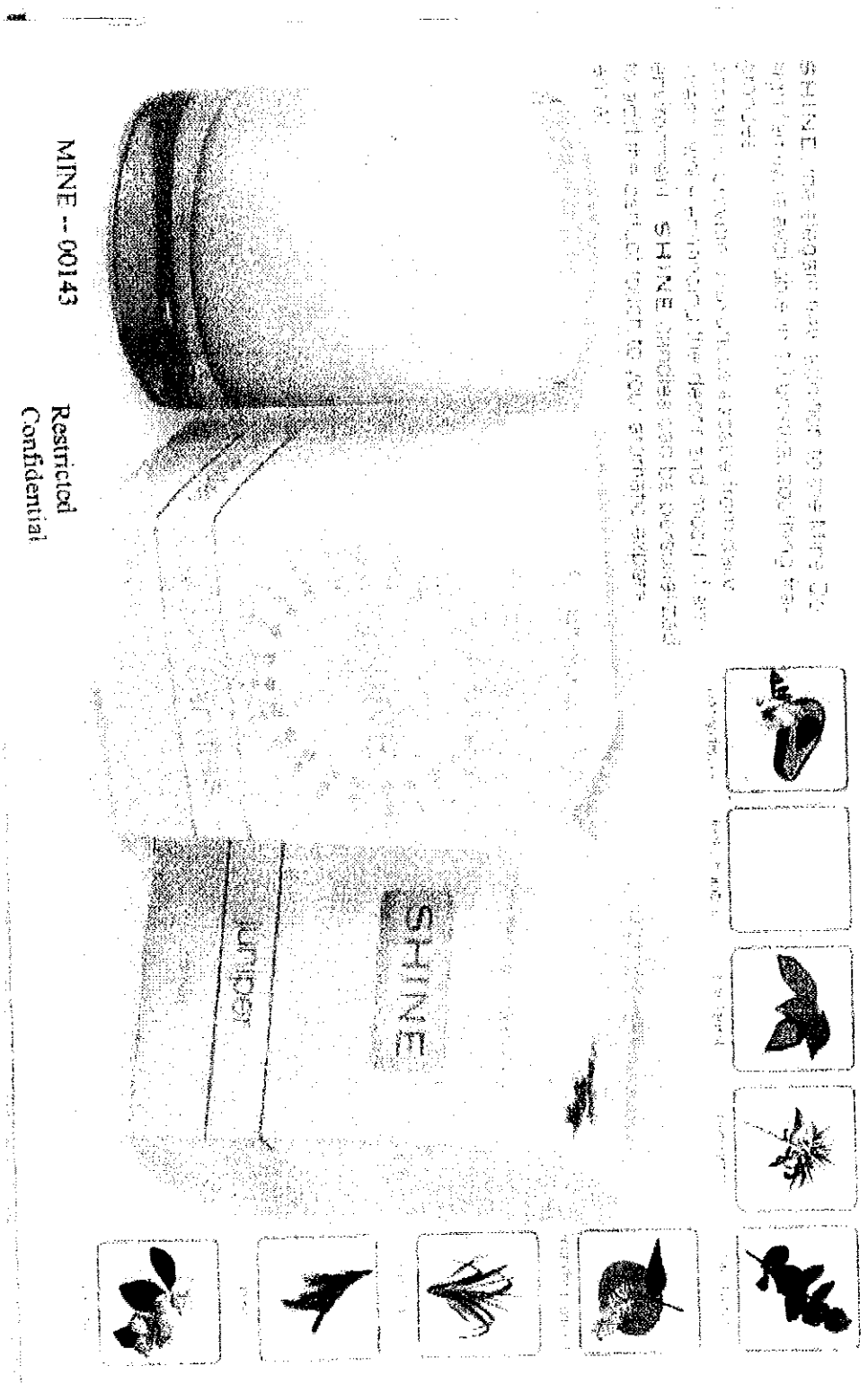


Exhibit 5

# minedesign candle pricing

purewhite and *flicker* candles are made from
100% soy wax and the finest fragrances.

| size (oz) | container | price | burn time (hours) |
|---|---|---|---|
| 10.5 | glass | 11.00 | 60-70 |
| 7.5 | glass | 9.00 | 40-50 |
| 6 | tin (sphere) | 6.00 | 30-35 |
| 4 | tin (slip lid) | 4.00 | 15-20 |
| 10 | shine | 13.00 | 60 |

opening packages
opening order purewhite 7.5oz: 50 candles (with 10 free testers) $450.00
opening order purewhite 10.5oz: 50 candles (with 10 free testers) $550.00

opening order *flicker* 7.5oz: 50 candles (with 10 free testers) $450.00
opening order *flicker* 10.5oz: 50 candles (with 10 free testers) $550.00

opening order fragrance sphere: 50 candles (with 10 free testers) $300.00

opening order candle compacts: 60 candles (with 10 free testers) $240.00

opening order travel tins: 100 assorted candles (one collection) $200.00

opening order, 2 sizes: 60 units 30 each size (with 10 free testers) $600.00
minimum reorder: 24 candles assorted
testers of each scent ordered provided with opening order
additional testers can be purchased for $5 each
all candles in glass are personalized with your store name [illegible] for $25

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MINE -- 00144

Exhibit 5

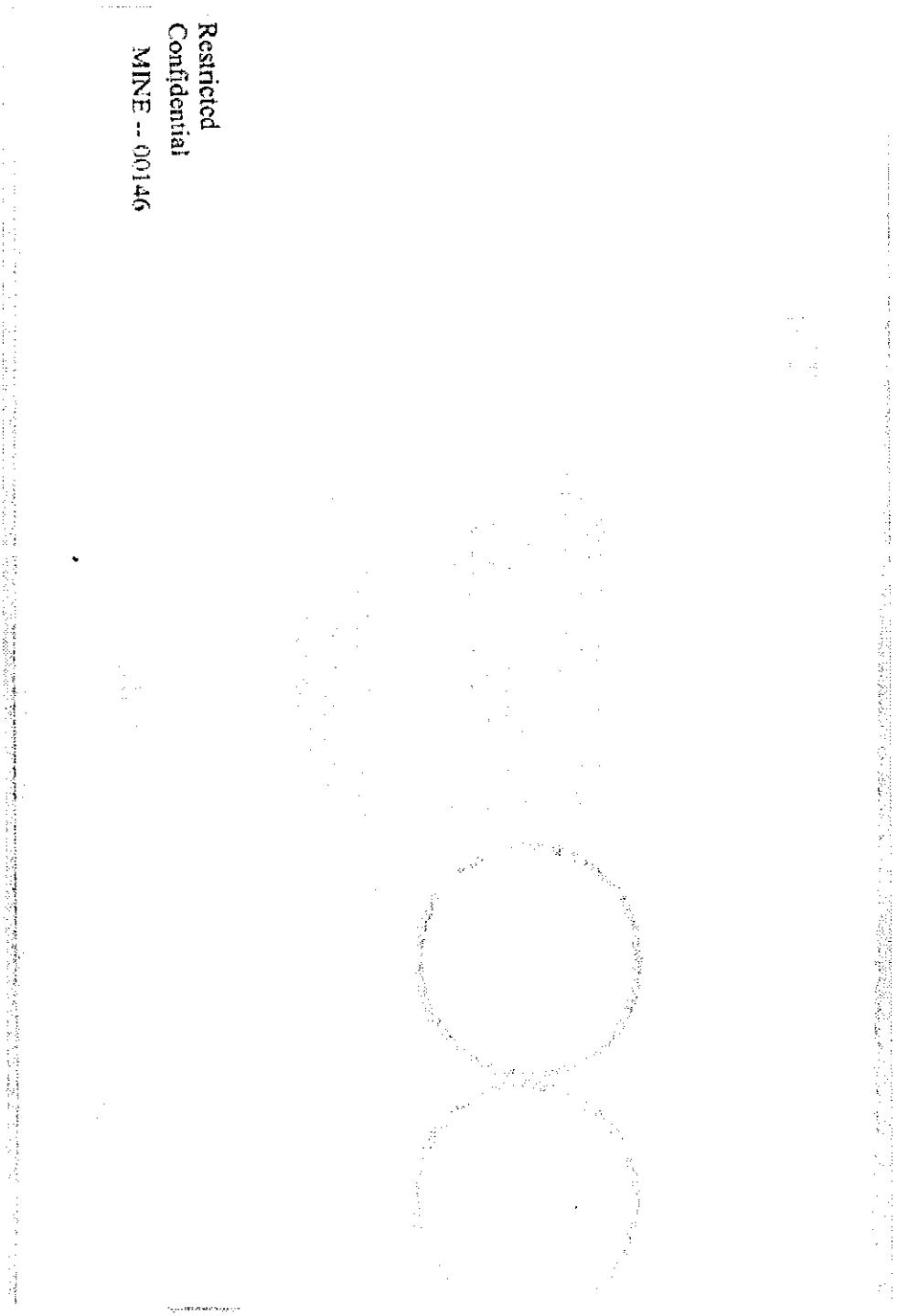
Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing

Case No.: CV 03-6017 DDP (Ex)

# Exhibit 5

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**




# Exhibit 5

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**

# Exhibit 6

minedesign

summer 2005

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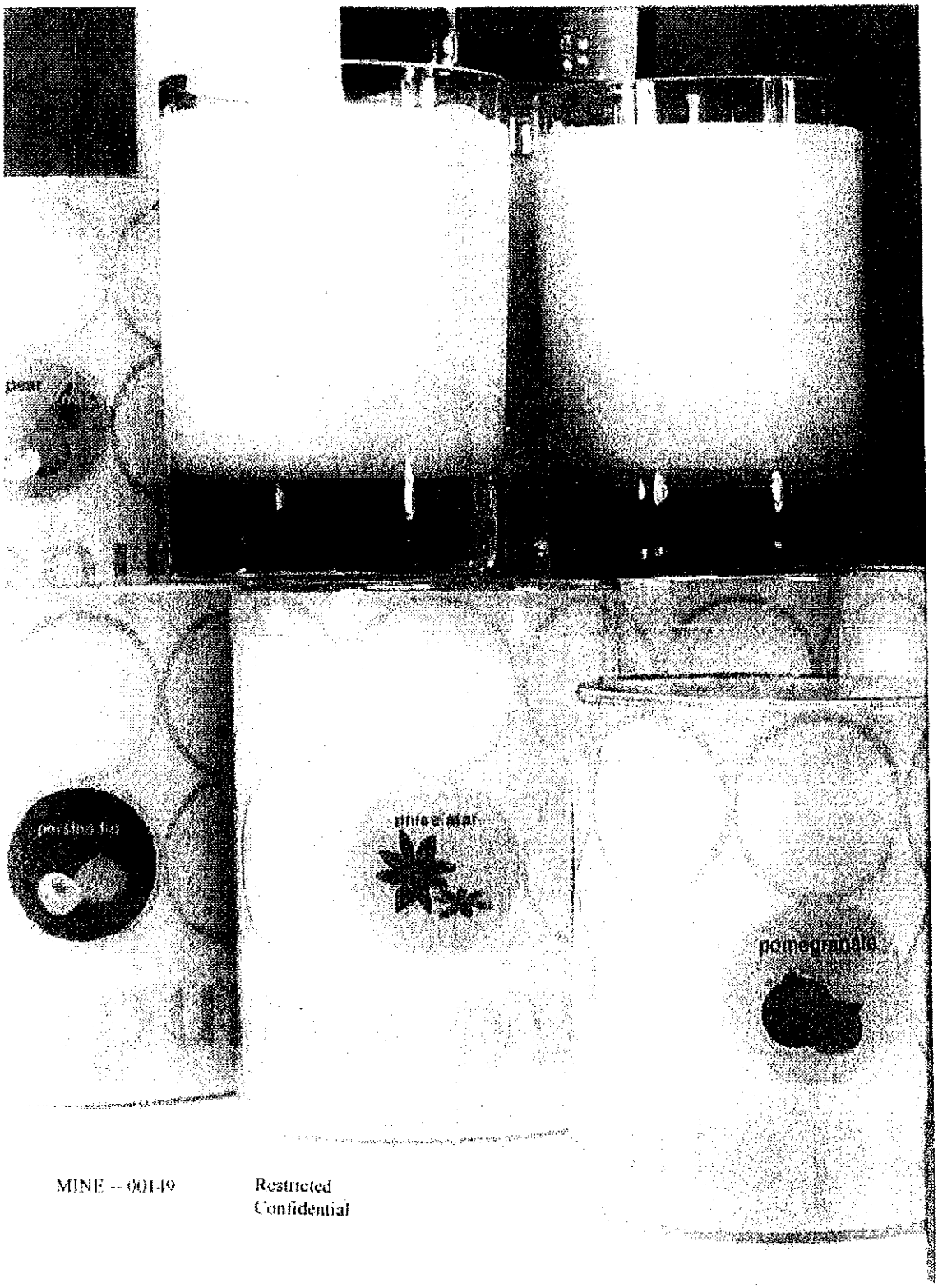
MINE -- 00147

# Exhibit 6

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**




MINE -- 00149 Restricted Confidential

# Exhibit 6

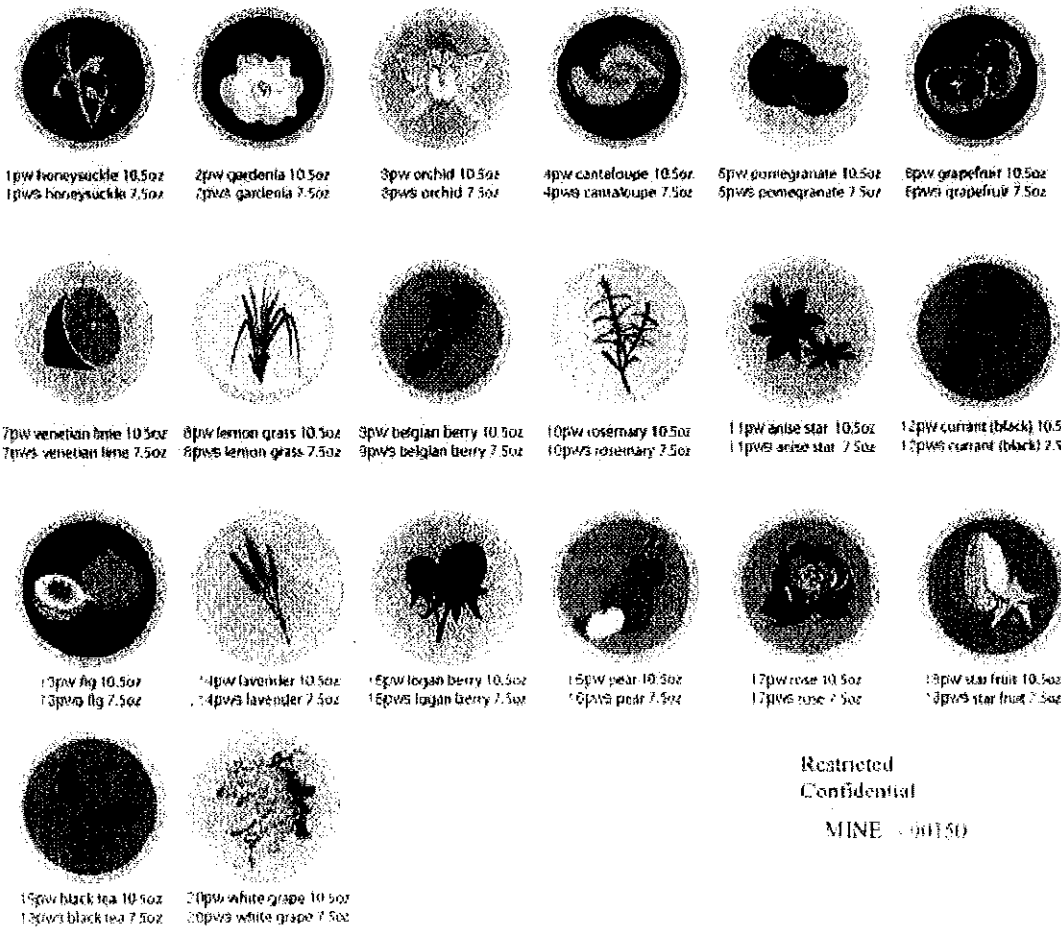
**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**

# pure white candles

## 100% SOY

10.0z...$11.00
7.5oz...$9.00

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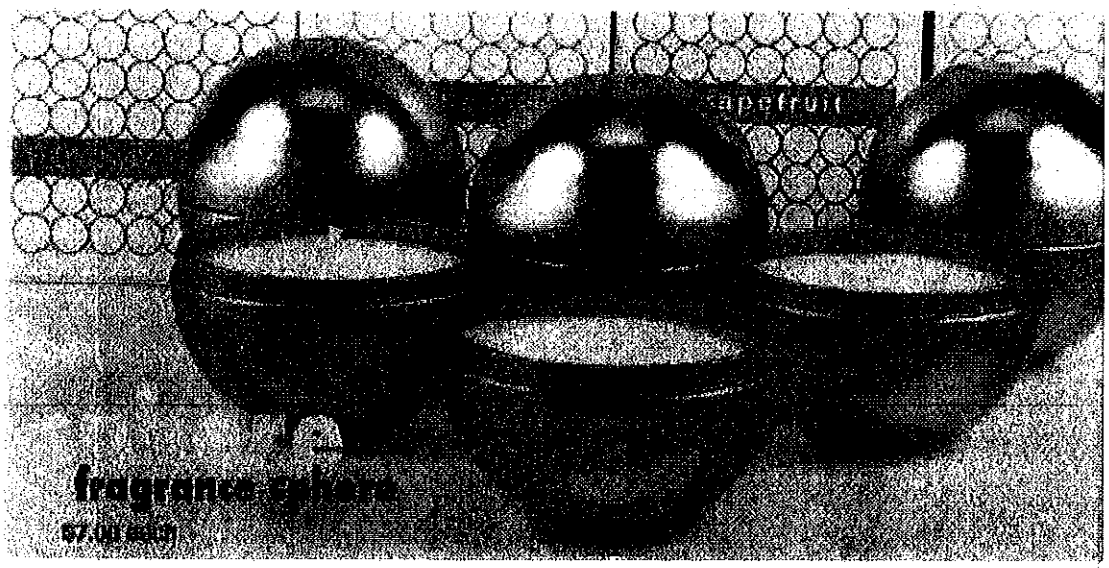
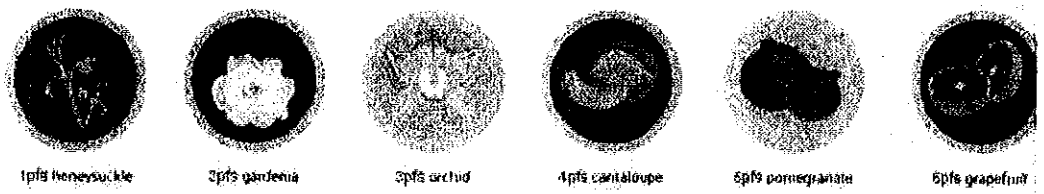
MINE 00150

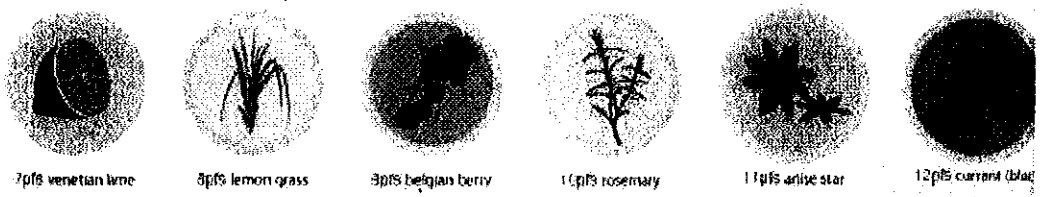
# Exhibit 6

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

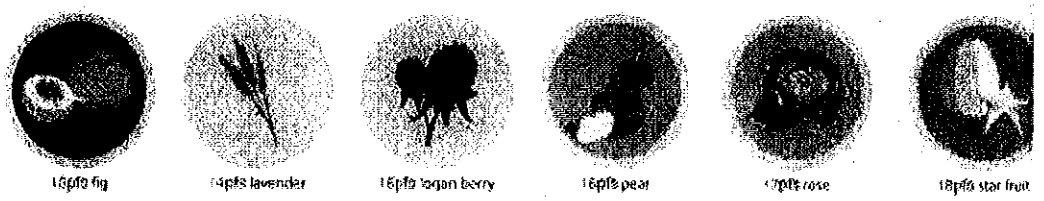
**Case No.: CV 03-6017 DDP (Ex)**

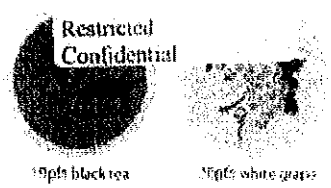



MINE -- 00151



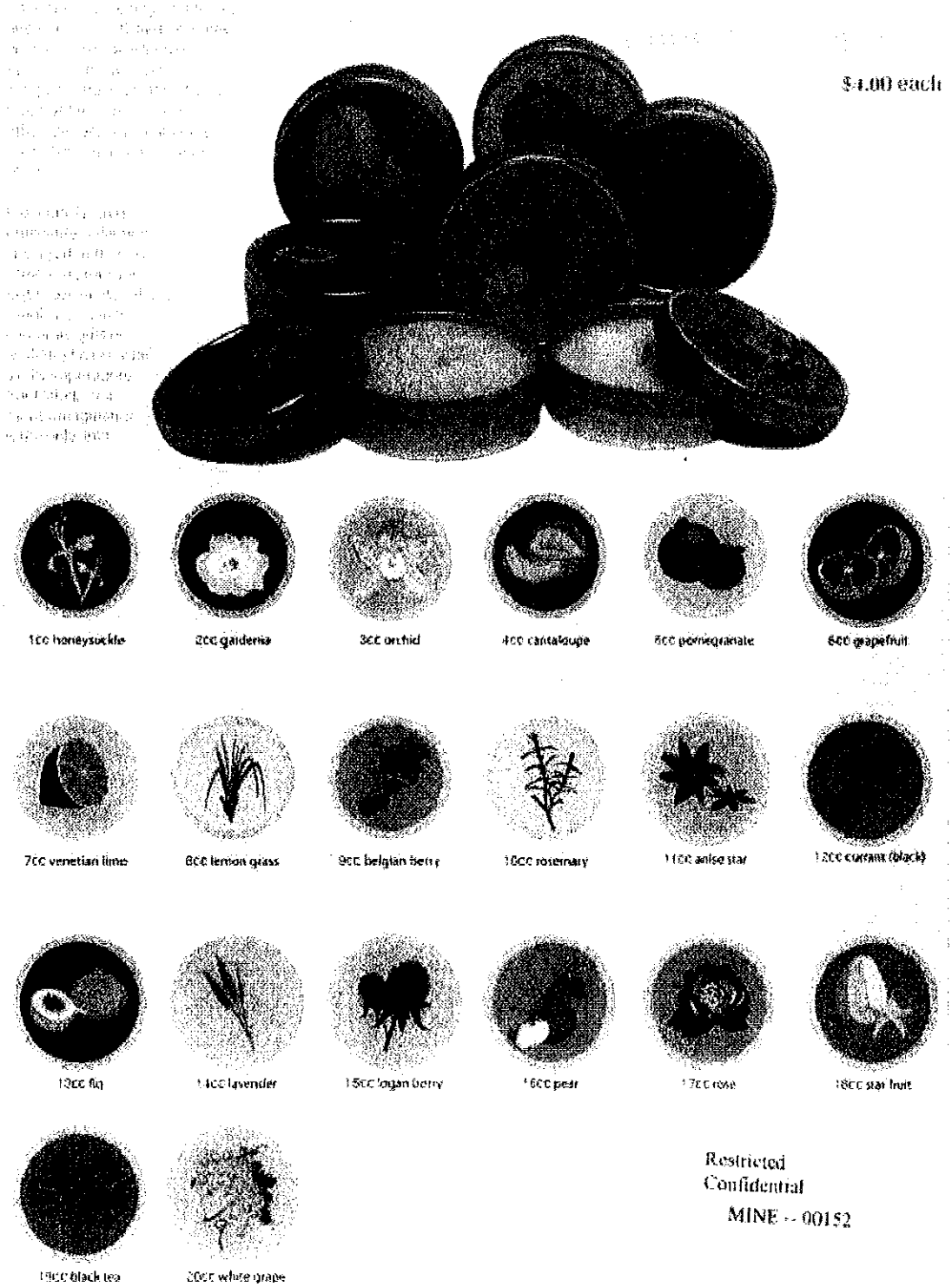




fragrance spheres. within each steely facade is a burst of alluring fragrance. clean and contemporary, these spheres w add the perfect sophisticated touch to any room. great for modern home stores, these spheres offer something truly dynamic in the marketplace. our unique spheres allow for 3 hours of burn time and are available in all pure fragrance

# Exhibit 6

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**



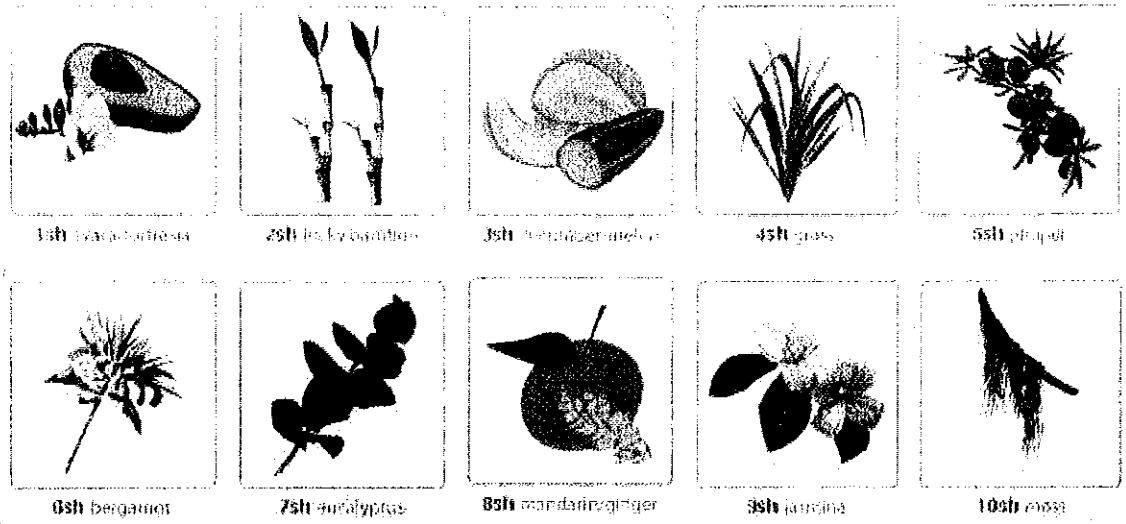

# Exhibit 6

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

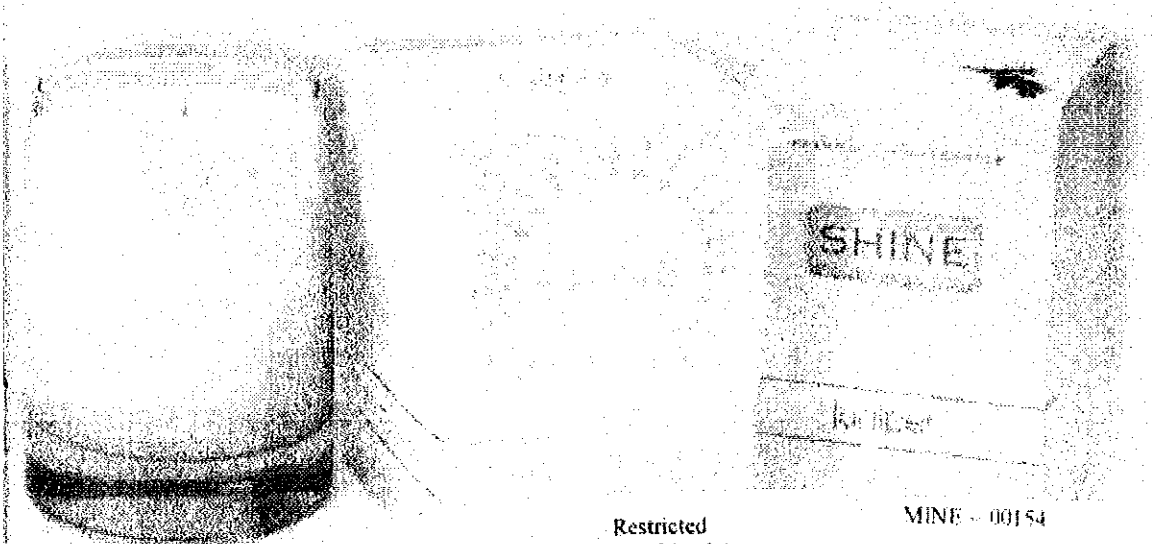
**Case No.: CV 03-6017 DDP (Ex)**

# SHINE CANDLES

**$13.00 each**




SHINE, the elegant new addition to the Mine Design family, is available in 10 unique, soothing fragrances certain to provide a luxurious escape from daily stress, while enhancing the decor and mood of any environment. SHINE candles can be personalized to add the perfect touch to your aromatic experience!

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MINE - 00154

# Exhibit 6

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**

# Exhibit 7

minedesign

fall 2005

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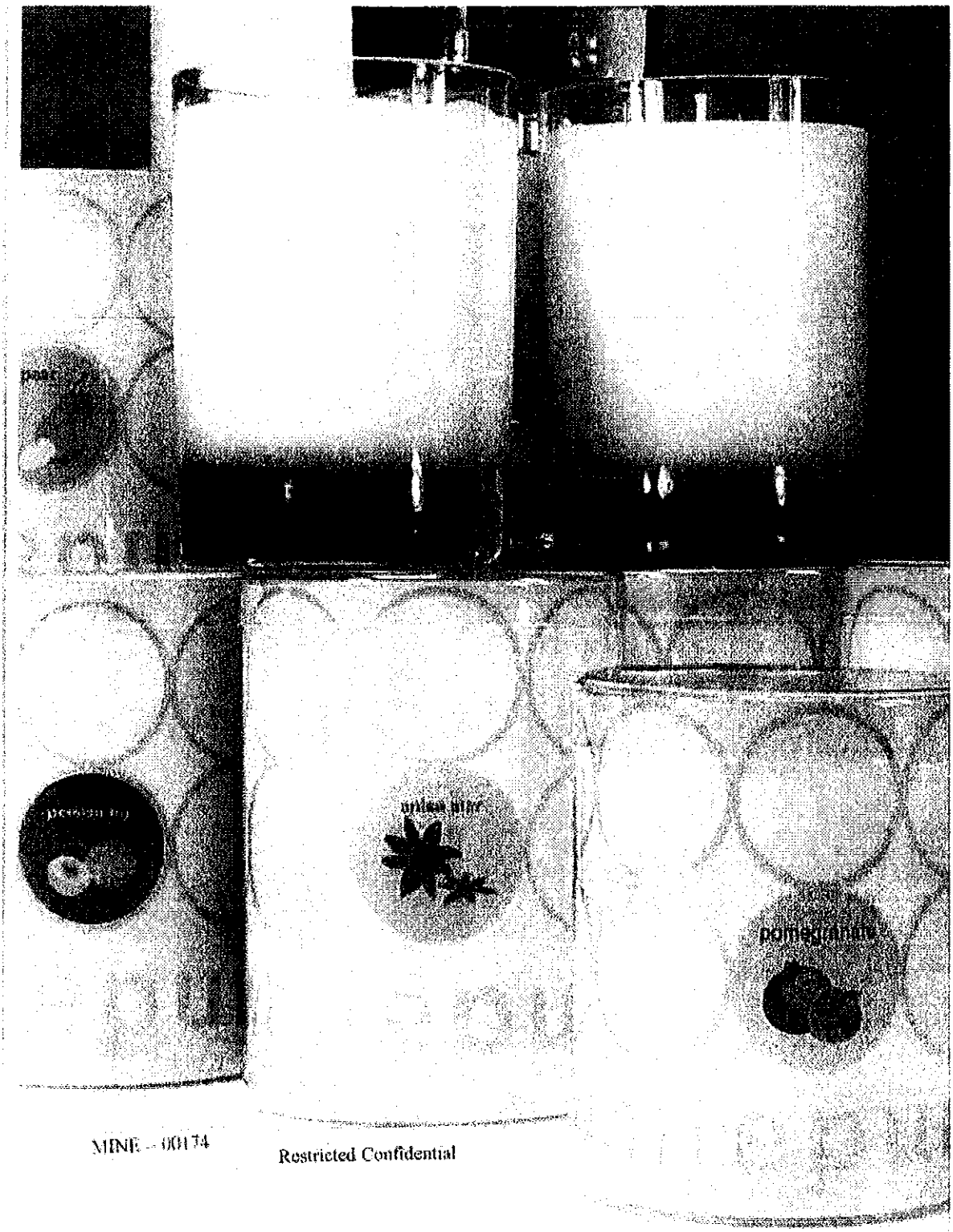
MINE [illegible]00173

# Exhibit 7

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**

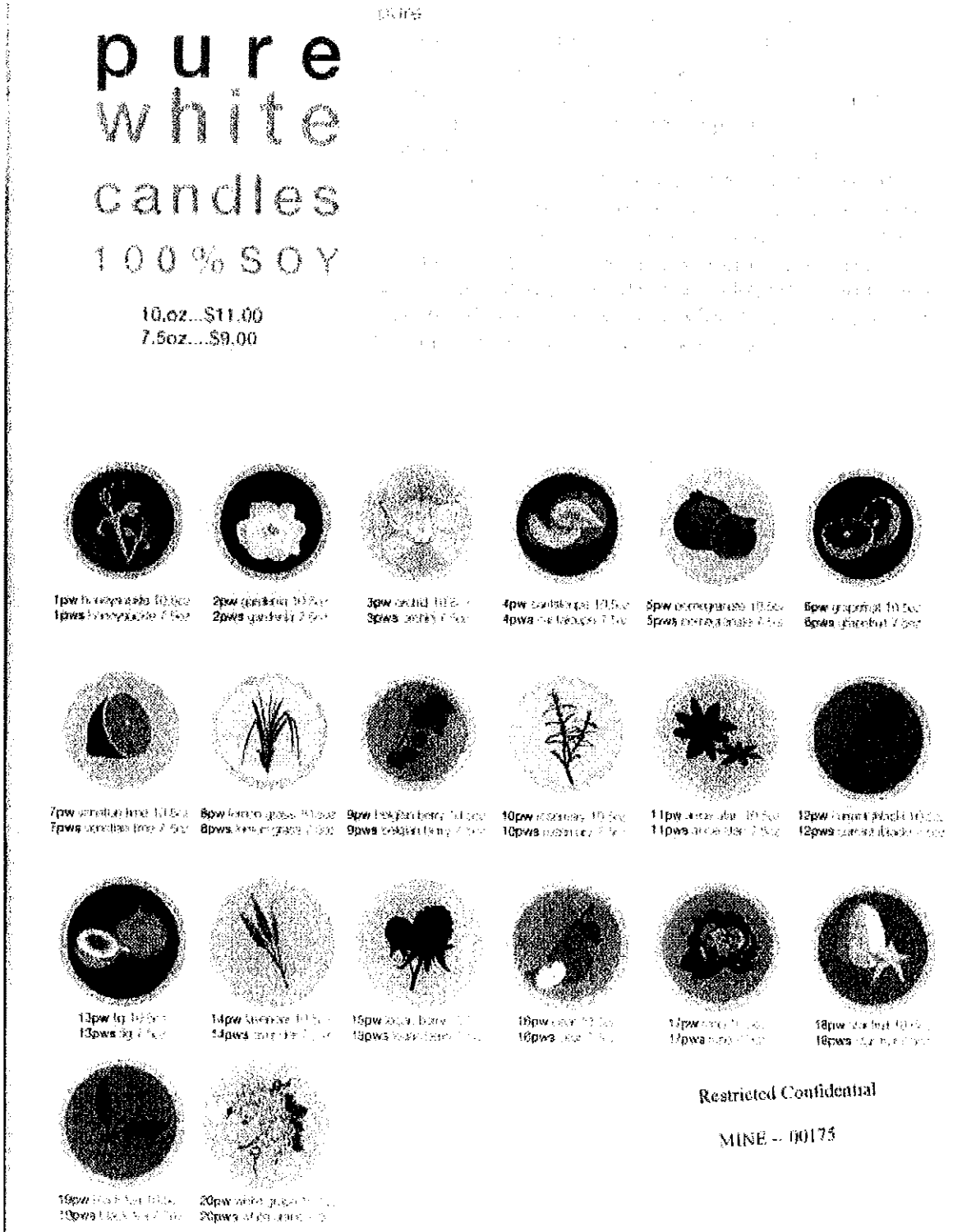



MINE - 00174 Restricted Confidential

# Exhibit 7

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

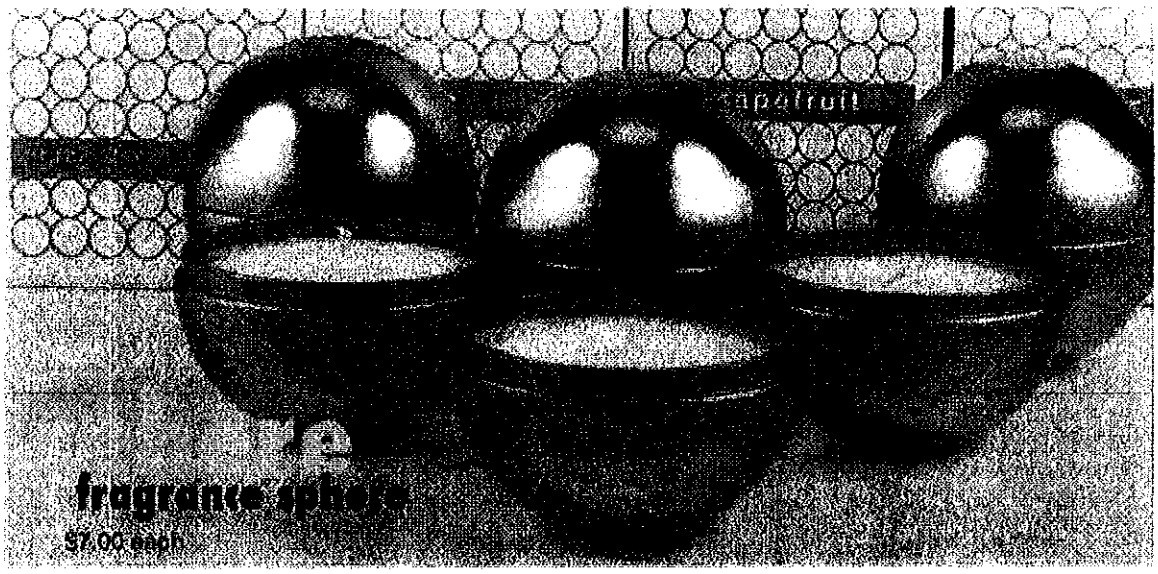
**Case No.: CV 03-6017 DDP (Ex)**

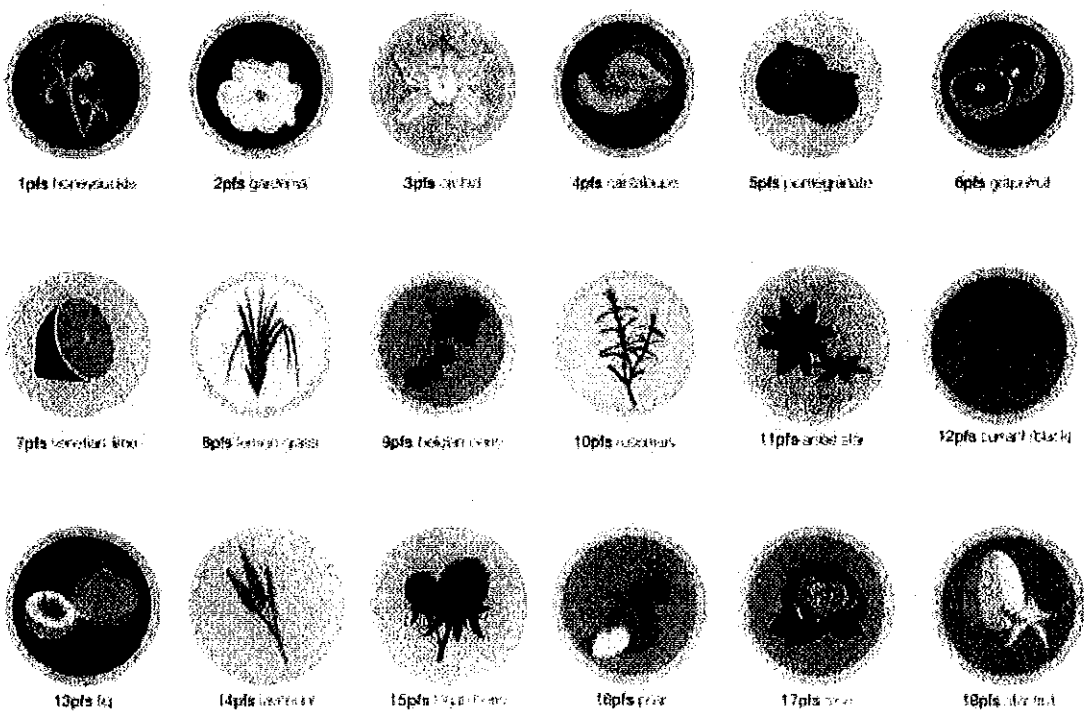



# Exhibit 7

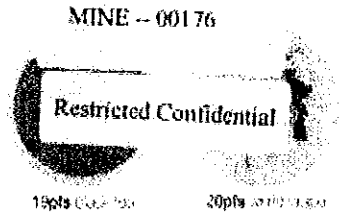
**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**



MINE -- 00176




fragrance spheres. within each steely facade is a burst of alluring fragrance. clean and contemporary, these spheres will add the perfect sophisticated touch to any room. great for modern home stores, these spheres offer something truly dynamic in the marketplace. our unique spheres allow for 30 hours of burn time and are available in all pure fragrances.

# Exhibit 7

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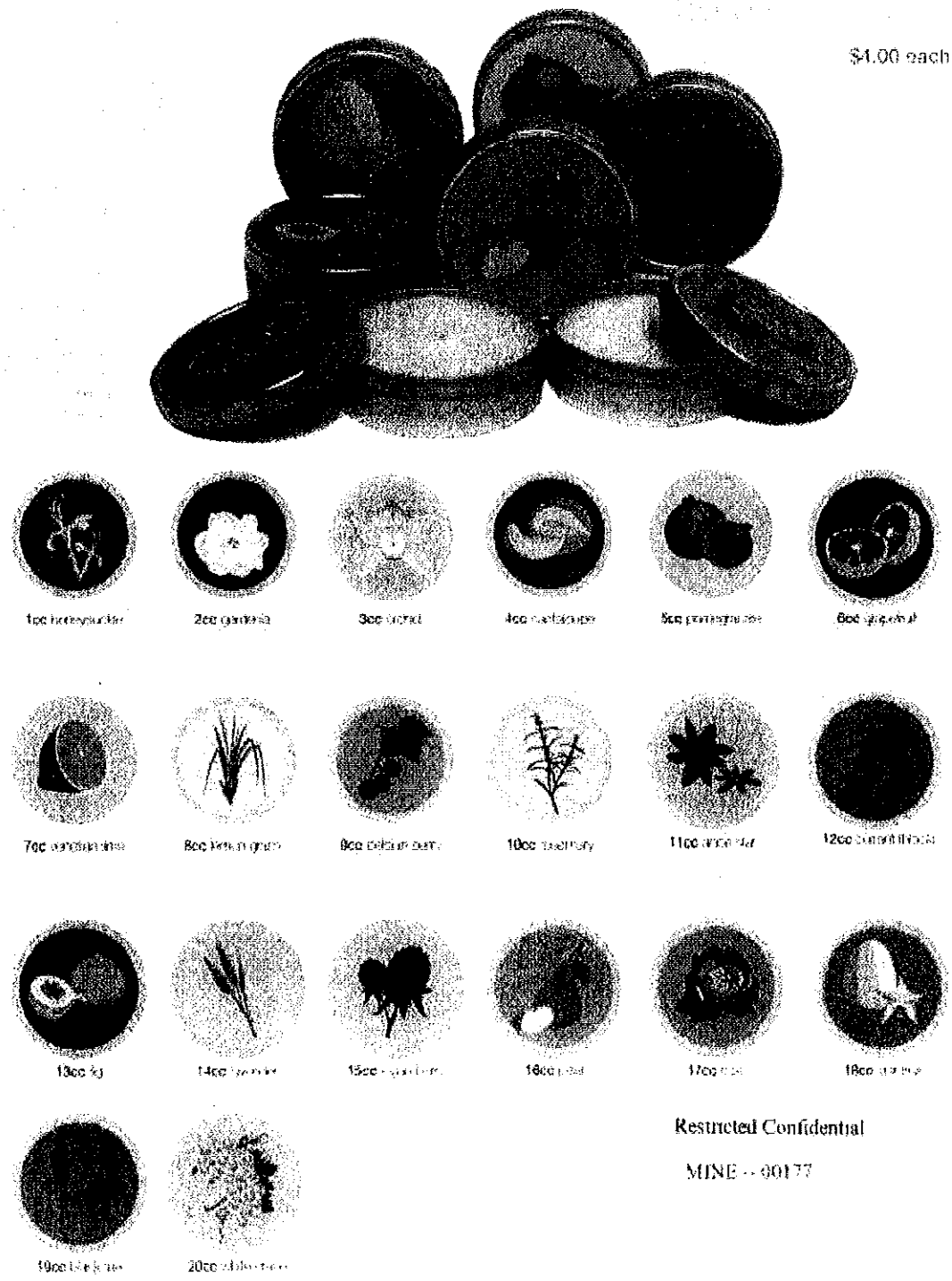


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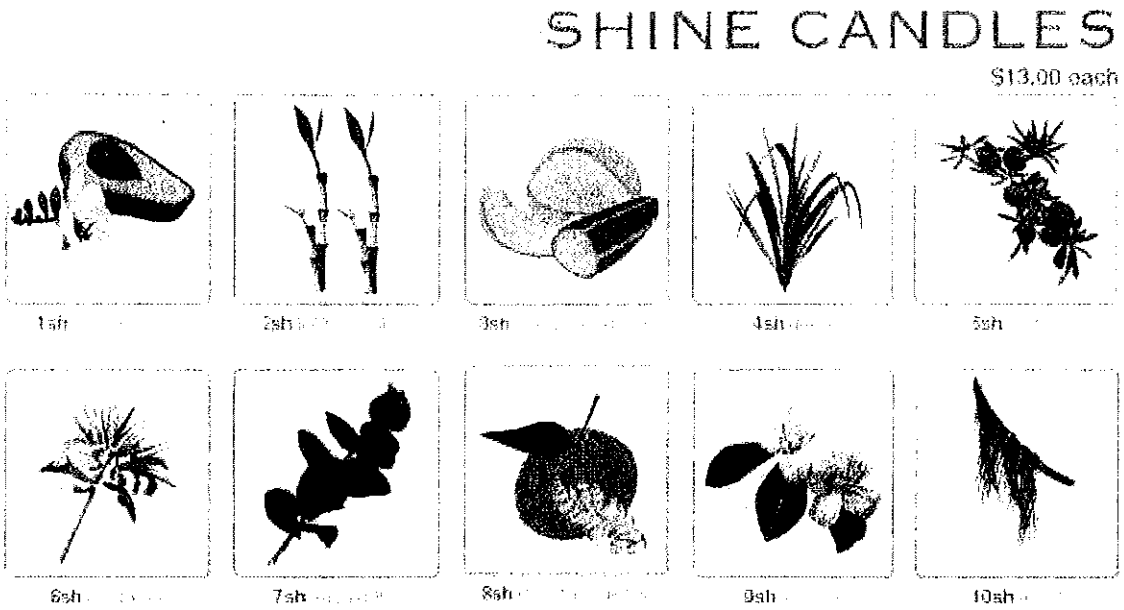


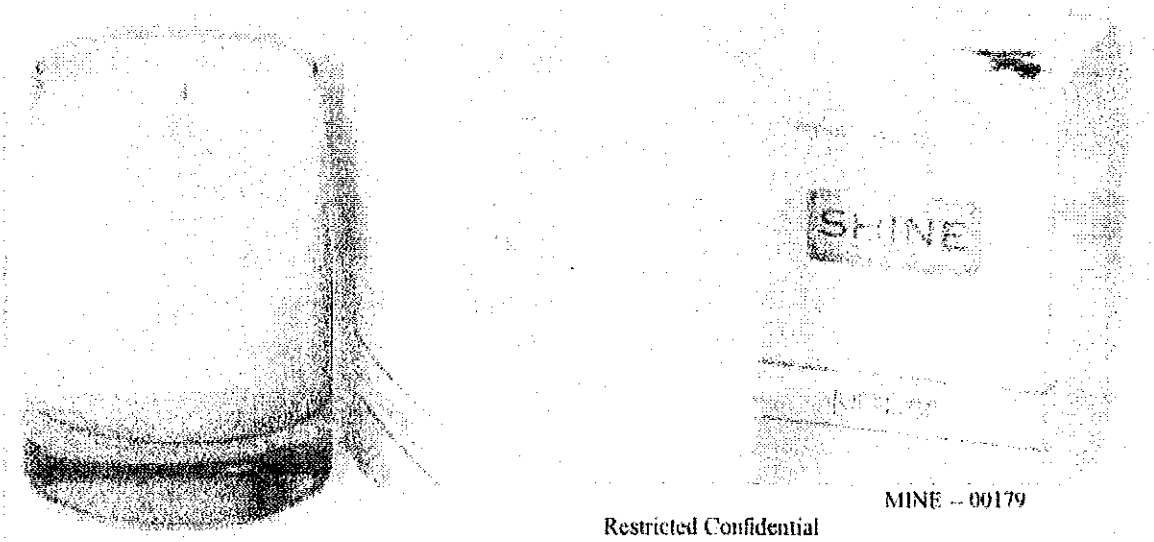


# Exhibit 7

**Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing**

**Case No.: CV 03-6017 DDP (Ex)**

**Proof of Service**

Votivo, Ltd. v. Mine Design, USDC Case No. CV 03-6017 DDP (Ex)

On January 26, 2009, I served the foregoing **Declaration of Amal Flores in Support of Mine Design's Supplemental Briefing** on all other parties and/or their attorney(s) of record to this action by filing and serving electronically in accordance with the electronic filing ("ECF") rules, with a courtesy copy via U.S. Mail on even date addressed to:

Mark D. Baute
Robert M. Gilchrest
Baute & Tidus LLP
777 S. Figueroa Street, Suite 4900
Los Angeles, CA 90017
(Attorneys for Votivo Ltd. and Votivo LLC)

Executed this January 26, 2009, at Los Angeles, California

/Carlos Candeloro/

Carlos Candeloro

# EXHIBIT H

Mark D. Baute, Esq. (SBN 127329)
mbaute@bautelaw.com
Robert M. Gilchrest, Esq. (SBN 134254)
rgilchrest@bautelaw.com
**BAUTE & TIDUS LLP**
777 S. Figueroa Street, Suite 4900
Los Angeles, California 94306
Telephone: (213) 630-5000
Facsimile: (213) 683-1225

Attorneys for Plaintiff VOTIVO, LLC

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VOTIVO, LLC, a South Carolina limited liability company,

Plaintiffs,

vs.

MINE DESIGN, a sole proprietorship,

Defendant.

**NO. CV 03-6017-DT**

**VOTIVO'S RESPONSE TO MINE DESIGN'S SUPPLEMENTAL BRIEFING RE: ENFORCEMENT OF PERMANENT INJUNCTION**

## I. INTRODUCTION

VOTIVO, LLC ("VOTIVO") has applied for an Order to Show Cause why defendant Mine Design, its sole proprietor Amal Flores, and its attorney Carlos Candeloro, should not be held in contempt for violating the terms of this Court's Permanent Injunction. The Court has requested supplemental briefing on a single, precise issue: whether VOTIVO has waived its right to enforce the Permanent Injunction under the Settlement Agreement between the parties. Inexplicably (but entirely consistent with Mine Design's cost-inducing litigation tactics), Mine Design has failed to substantively address this narrowly framed issue in its supplemental briefing. Instead, Mine Design addresses numerous issues that are not properly before the Court.[1]

With respect to the issue of ambiguity in the Settlement Agreement, VOTIVO requests that the Court consider a single, defined term contained within the Settlement Agreement between the parties: "Lawsuits." When applied to the entire Settlement Agreement, this defined term provides clarity: the parties did not intend to dismiss the pending federal district court action nor void the enforcement mechanism provided by the Permanent Injunction. The defined term "Lawsuits" not only clarifies the parties' intent to preserve the Permanent Injunction, but is also consistent with every remaining reference in the Settlement Agreement to the Permanent Injunction. While the Settlement Agreement appears to be unambiguous, Mine Design has also failed to present any extrinsic evidence that the Settlement Agreement should now be subject to any other reasonable interpretation.

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[1] The Court has asked for briefing on the single issue of whether Votivo waived its right to enforce the Permanent Injunction under the Settlement Agreement. Votivo will provide additional briefing at the Court's request on any of the other subjects addressed in Defendant's brief.

## II. FACTS

The Settlement Agreement between the parties was executed and effective May 5, 2006. As in both Mine Design I and II, Amal Flores, d.b.a. Mine Design, was represented in the negotiation of the Settlement Agreement by its present counsel, Carlos Candeloro. See Supplemental Declaration of Steven W. Edmiston In Support of Enforcement of Injunction ("Edmiston Decl."), ¶4.

Counsel for VOTIVO has reviewed its records of the period leading up to the execution of the Settlement Agreement and found no evidence supporting the contention that parties intended, believed, or understood that the Permanent Injunction was to be rendered void or otherwise unenforceable. Settlement discussions began at least as early as March 10, 2006. Id., ¶5. In an e-mail of that same date, in connection with possible settlement of only Mine II, counsel for VOTIVO references the need for *entry of a Permanent Injunction* in *that* case in connection with the trademark at issue. Id. Drafts of the Settlement Agreement circulated between counsel reflect a careful intent to utilize a defined term, "Lawsuits," in order to dismiss only Mine II and the Appeal, and to preserve the "live" status of Mine I. Id.

Thereafter, on May 20, 2006, the parties executed the Dismissal Agreement Pursuant to F.R.A.P. 42(b), dismissing Mine Design's Notice of Appeal in Mine Design I. See Edmiston Decl., Exh. 3. The parties also entered the Stipulation for Dismissal with Prejudice and Without Costs, entered in Mine Design II. Edmiston Decl., Exh. 4.

On August 3, 2007, Mine Design initiated new litigation against VOTIVO in Mine Design D/B/A/ of Amal Flores v. VOTIVO, Ltd. and VOTIVO, LLC, Trademark Trial and Appeal Board Opposition (TTAB) No. 91178747 (hereafter, the "TTAB Litigation"), relating expressly to VOTIVO's trademark application for "Mandarine" in connection with bath salts. Edmiston Decl., Exh 5. Under the terms of both the Permanent Injunction and the Settlement Agreement, Mine

Design's use of the term "Mandarin" was prohibited. Accordingly, VOTIVO has vigorously defended the action and asserted (among other things) in the TTAB Litigation that Mine Design lacks standing to attack VOTIVO's "Mandarine" trademark registration because Mine Design cannot, as a matter of law, possess a real commercial interest in the use of the mark. Edmiston Decl., ¶9. The TTAB Litigation has been protracted and expensive for VOTIVO, and VOTIVO has incurred legal fees in excess of $100,000 to date. Edmiston Decl, ¶ 10. Both parties moved for summary judgment, and following the initial rulings by the TTAB, both parties have pending motions for reconsideration with respect to aspects of the summary judgment rulings. Id. The matter is pending, and absent reconsideration of VOTIVO's cross-motion for summary judgment, heading for trial. Id.

## III. ARGUMENT

### A. The Settlement Agreement Is Unambiguous Because The Defined Term "Lawsuits" Evidences The Intent Of The Parties To Preserve The Permanent Injunction.

The determination of whether a contract is ambiguous is a question of law. Miller v. U.S., 363 F.3d 999, 1003-04 (9th Cir. 1992). A term is ambiguous if it has no definite significance or if it is capable of more than one sensible and reasonable interpretation. Local Motion v. Niescher, 105 F.3d 1278, 1280 (9th Cir. 1996); Oakridge Cablevision Inc. v. First Interstate Bank, 65 Or.App. 640, 673 P.2d 532, 536 (1983). However, a contract is not made ambiguous simply because the parties fail to agree on its interpretation. *See* Boudreau v. Borg-Warner Acceptance Corp., 616 F.2d 1077, 1079 (9th Cir.1980).

Under statutory rules of contract interpretation, the mutual intention of the parties at the time the contract is formed governs interpretation. Cal. Civ. Code, § 1636. Such intent is to be inferred, if possible, solely from the written provisions of the contract. Id., § 1639. The "clear and explicit" meaning of these provisions,

interpreted in their "ordinary and popular sense, unless "used by the parties in a technical sense or a special meaning is given to them by usage" controls judicial interpretation. Id., §§ 1638, 1644. Eott Energy Corp. v. Storebrand International Insurance Co., 45 Cal.App.4th 565, 574 52 Cal.Rptr.2d 894, 899 (1996).

VOTIVO respectfully contends that applying these rules, the Settlement Agreement between the parties is unambiguous. The defined term "Lawsuits" includes only: (1) a separate action also pending in California Federal District Court, VOTIVO, Ltd. v. Amal Flores, d/b/a Mine Design, case number CV-05-2942 (Mine Design II); and (2) the U.S Court of Appeals (9th Cir.) Docket No. 06-55147 (the appeal arising from the first federal litigation between the parties, (Mine Design I Appeal). In the *very next* paragraph, the Settlement Agreement *separately* addresses the entry of Judgment and the Permanent Injunction in VOTIVO, Ltd. v. Mine Design, Case No. CV 03-6017 (hereafter, "Mine Design I"). Id. Accordingly, ¶1 of the Settlement Agreement provides that Mine Design and VOTIVO agreed "respectively to dismiss their claims against the other in the "*Lawsuits.*" (emphasis added). Thus, the Mine I action (and specifically, the Permanent Injunction) was *not* included with the dismissal language.

Mine Design, in its supplemental brief, wholly ignores the defined term "Lawsuits" which has a precise, definite significance under the Settlement Agreement.[2] The vast majority of cases interpreting ambiguous contract language address the interpretation of *undefined* contract terms. *See, e.g.*, Wolf v. Superior Court, 114 Cal.App.4th 1343, 8 Cal.Rptr.3d 649 (2004) (term "gross receipts" was not defined in agreement, so court considered extrinsic evidence of the meaning of the term in the entertainment industry); Eott Energy Corp. v. Storebrand International Insurance Co., 45 Cal.App.4th 565, 52 Cal.Rptr.2d 894 (1996) (term "occurrence" was not defined in insurance contract, so the court considered both

[2] While Mine Design does not mention the defined term "Lawsuits," Mine Design is well aware that the term "Lawsuits" has been fully briefed in the TTAB Litigation.

Webster's and Black's Law dictionary definitions). Here, the term "Lawsuits" is clearly defined, and extrinsic evidence is simply unnecessary to determine the parties' intent regarding which "Lawsuits" were to be dismissed under the Settlement Agreement.

**B. Sections 6 And 10 Of The Settlement Agreement Do Not Extinguish VOTIVO's Right To Enforce The Permanent Injunction.**

There is nothing in §6 of the Settlement Agreement relating to Mutual Releases that evidences an intent to void the Permanent Injunction or to waive future claims. A plain reading of §6 makes it clear that the parties intended to *preserve* new claims arising *after* the effective date of the Settlement Agreement. Section 6 provides that the parties "mutually agree to waive and release all claims and/or liabilities... of whatever kind, nature or description, direct or indirect, in law or in equity, in contract or tort or otherwise *up until the EFFECTIVE DATE.*" (emphasis added). Thus, the parties did not waive *any* claims that *arise after* May of 2006. There is no language in the Settlement Agreement carving out claims under the Permanent Injunction.

Further, there is nothing in §10 of the Settlement Agreement (Covenants Not To Sue) that evidences an intent to void the Permanent Injunction. Section 10 provides that, "Each Party hereto...covenants and agrees that they will forever refrain and forebear from bringing, commencing or prosecuting any action, lawsuit, claim, or proceeding...of any kind *that is released or discharged herein.*" (emphasis added). Plainly, the federal district court action under which the Permanent Injunction was based was neither released or discharged, but was preserved in total, and does not affect VOTIVO's right to enforce the Permanent Injunction.

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**C. The Context Of The Settlement Agreement As A Whole Further Evidences The Parties' Intent To Allow VOTIVO To Enforce The Permanent Injunction.**

Language in a contract must be construed in the context of that instrument as a whole, and cannot be found to be ambiguous in the abstract. Foster-Gardner, Inc. v. National Union Fire Ins. Co. 18 Cal.4th 857, 868, 77 Cal.Rptr.2d 107, 959 P.2d 265 (1998) (internal citations omitted). When the defined term "Lawsuits" is considered in conjunction with the additional references to the Permanent Injunction in the Settlement Agreement, the only reasonable interpretation is that VOTIVO preserved the jurisdiction of the Court in Mine I to enforce the Permanent Injunction.

For example, §3 of the Settlement Agreement confirms the broad prohibition against Mine Design's use of all of VOTIVO's federally registered trademarks, including MANDARINE:

> 3. Use of VOTIVO Registrations. MINE agrees that it will not, directly or indirectly...use...(ii) any of the trademarks set forth in the Permanent Injunction provided such trademarks remain registered with the United States Patent and Trademark Office.

Similarly, in §5(b), Mine Design represents and warrants that it "has not used or infringed any of the trademarks set forth in Permanent Injunction up until the effective date." Perhaps most significantly, §11 of the Settlement Agreement provides the mechanism for ongoing enforcement of the Permanent Injunction against Mine Design by expressly providing for the retention of jurisdiction by the Federal Court. Id.

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**D. Mine Design Has Not Submitted Relevant Extrinsic Evidence To Support An Alternative Interpretation Of The Settlement Agreement.**

The interpretation of a contract involves a two-step process: First the court provisionally receives (without actually admitting) all credible evidence concerning the parties' intentions to determine "ambiguity," i.e., whether the language is "reasonably susceptible" to the interpretation urged by a party. Winet v. Price, 4 Cal.App.4th 1159, 1165, 6 Cal.Rptr.2d 554 (1992). If in light of the extrinsic evidence the court decides the language is "reasonably susceptible" to the interpretation urged, the extrinsic evidence is then admitted to aid in the second step-interpreting the contract. Id.

The test of admissibility of extrinsic evidence to explain the meaning of a written instrument is whether the offered evidence is relevant to prove a meaning to which the language of the instrument is reasonably susceptible." Pacific Gas & Elec. Co. v. G.W. Thomas Drayage & Rigging Co. 69 Cal.2d 33, 69 Cal.Rptr. 561, 442 P.2d 641 (1968); Wolf v. Superior Court, 114 Cal.App.4th 1343, 8 Cal.Rptr.3d 649 (2004). Extrinsic evidence of the parties' intent may include the surrounding circumstances under which the parties negotiated or entered into the contract; the object, nature and subject matter of the contract; and the subsequent conduct of the parties. Civ.Code, §§ 1635- 1656; Code Civ. Proc., §§ 1859- 1861, 1864; Hernandez v. Badger Construction Equipment Co. 28 Cal.App.4th 1791, 1814, 34 Cal.Rptr.2d 732 (1994); 1 Witkin, Summary of Cal. Law (9th ed. 1987) Contracts, §§ 688- 689, pp. 621-623.

Instead of relevant extrinsic evidence, Mine Design merely offers conjecture and speculation on subjects unrelated to the issue before the Court. For example, the only portions of the entire declaration of Amal Flores that arguably address the ambiguity issue merely provide subjective observations such as, "It was my understanding that the settlement agreement formed a détente... further

registrations VOTIVO may seek to obtain would be fair game to resolve the issue" (Declaration of Amal Flores in Support of Supplemental Briefing, ¶18) and "I believe I was justified in concluding that VOTIVO did not object to any of the other fragrance names Mine Design was using." (Id., ¶19). This evidence fails at every level: it is irrelevant, subjective, conclusory, and was not manifested to VOTIVO. *See* Oakland-Alameda County Coliseum v. Oakland Raiders, 197 Cal.App. 3d 1049, 1058 (1988) (statements of undisclosed intent cannot be used to interpret the contract); Blumenfield v. R.H. Macy & Co., 92 Cal.App. 3d 38, 46 (1979) (statements of undisclosed intent cannot be used to interpret the contract). Similarly, the supplemental declaration of Carlos Candeloro does not substantively address the issue of the parties' intent under the Settlement Agreement. Id. Mr. Candeloro's supplemental declaration (like the bulk of Mr. Flores' supplemental declaration) is designed only to re-argue the long resolved "merits" of the underlying contentions giving rise to the trademark disputes between the parties. These arguments, and the evidence supporting the same, are simply not relevant to the issue of ambiguity in the Settlement Agreement. Mr. Candeloro's supplemental declaration provides no evidence remotely relevant to the issue of determining the parties' actual intent regarding the Permanent Injunction under the Settlement Agreement.

With no supporting extrinsic evidence, Mine Design's interpretation only makes the parties' actions and agreements meaningless – it requires the conclusion that although the parties made the intentional choice to preserve the federal district court action in which the Permanent Injunction was entered, they did this *for no reason at all.*

**E. Mine Design's Arguments Regarding The Validity Of The Permanent Injunction Are Not Properly Before The Court.**

Finally, Mine Design's bizarre assertions that the Judgment and Permanent Injunction "possibly suffered from irregularities and/or defects;" "possibly ran

afoul of Fed.R.Civ.P. 54(c);" and "possibly also extended relief beyond that complained of" are entirely irrelevant to the issue before the Court: whether the Settlement Agreement preserved VOTIVO's right to enforce the Permanent Injunction. Mine Design also fails to disclose or recall that it previously attacked the Final Judgment and Permanent Injunction, and failed. *See* Order and Opinion Denying Mine Design's F.R.C.P. 59(e) Motion to Alter or Amend Final Judgment (entered December 27, 2005), Exh. 1 to Edmiston Decl. VOTIVO will provide additional supplemental briefing on any of the collateral subjects raised by Mine Design at the Court's request. Otherwise, Mine Design's arguments should be disregarded because the issues addressed are not before the Court.

## IV. CONCLUSION

For the reasons detailed above, VOTIVO requests that the Court should issue an order to show cause why Mine Design, Amal Flores, and Attorney Carlos Candeloro should not be held in contempt, and award VOTIVO reasonable attorney's fees and costs arising from the violation of the Permanent Injunction.

DATED: February 9, 2009

Respectfully Submitted,

**BAUTE & TIDUS LLP**

BY _____

Mark D. Baute, Esq.
Robert M. Gilchrest, Esq.
Attorneys for Plaintiff
VOTIVO, LLC

**PROOF OF SERVICE**

VOTIVO, LTD. vs. MINE DESIGN, et al.
USDC Case No. CV 03-6017 DDP (Ex) [2030.1]

I am employed in the County of Los Angeles, State of California, I am over the age of 18 and not a party to the within action; my business address is 777 South Figueroa Street, Suite 4900, Los Angeles, California 90017.

On **February 9, 2009**, I served the foregoing document(s) described as: **VOTIVO'S RESPONSE TO MINE DESIGN'S SUPPLEMENTAL BRIEFING RE: ENFORCEMENT OF PERMANENT INJUNCTION** on all other parties and/or their attorney(s) of record to this action by placing a true copy thereof in a sealed envelope, as follows:

**(***SEE ATTACHED SERVICE LIST***)**

[X] **By Mail:** By placing a true copy thereof in a sealed envelope and addressed to the parties listed below. I placed such envelope(s) for deposit in the U.S. Mail for service by the United States Postal Service, with postage thereon fully prepaid.

I am "readily familiar" with this firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California, in the ordinary course of business. I am aware that, on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in affidavit.

[X] **By ECF:** Filed and served electronically in accordance with the Court's electronic filing ("ECF") rules, pursuant to which registered ECF users receive service copies by e-mail delivery. A courtesy copy will follow by U.S. Mail.

[X] **FEDERAL:** I hereby certify that I am employed in the office of a member of the Bar of this Court at whose direction the service was made, and I certify under penalty of perjury that the foregoing is true and correct.

Executed this 9th day of **February, 2009**, at Los Angeles, California.

Julie Q. Diep

**SERVICE LIST**

VOTIVO, LTD. vs. MINE DESIGN, et al.
USDC Case No. CV 03-6017 DDP (Ex) [2030.1]

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Manhattan Beach, CA 90266
Tel: (858) 354-9331
**Attorney for Defendant MINE DESIGN**

# EXHIBIT I

Mark D. Baute, Esq. (SBN 127329)
mbaute@bautelaw.com
Robert M. Gilchrest, Esq. (SBN 134254)
rgilchrest@bautelaw.com
**BAUTE & TIDUS LLP**
777 S. Figueroa Street, Suite 4900
Los Angeles, California 94306
Telephone: (213) 630-5000
Facsimile: (213) 683-1225

Attorneys for Plaintiff VOTIVO, LLC

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VOTIVO, LLC, a South Carolina limited liability company,

Plaintiffs,

vs.

MINE DESIGN, a sole proprietorship,

Defendant.

**NO. CV 03-6017-DT**

**DECLARATION OF STEVEN W. EDMISTON IN SUPPORT OF RESPONSE TO MINE DESIGN'S SUPPLEMENTAL BRIEFING RE: ENFORCEMENT OF THE INJUNCTION**

Steven W. Edmiston, declares and states as follows:

1. I am legal counsel for VOTIVO, LLC, ("VOTIVO") and counsel of record for VOTIVO in the pending litigation filed by Mine Design August 3, 2007, in the pending federal Trademark Trial and Appeal Board litigation Mine Design D/B/A/ of Amal Flores v. VOTIVO, Ltd. and VOTIVO, LLC, Trademark Trial and Appeal Board Opposition (TTAB) No. 91178747. I have personal knowledge of the following facts and am competent to testify thereto.

2. I make this declaration in support of VOTIVO, LLC's Response to Mine Design's Supplemental Briefing Re: Enforcement of the Injunction.

3. The Court has requested supplemental briefing on the narrow issue of ambiguity with respect to the Settlement Agreement. Mine Design instead spends the bulk of its brief, and the totality of its evidence, addressing collateral issues, including the original, underlying merits of the dispute. For example, Mine Design asserts in its supplemental brief numerous arguments that are directed to attacking the validity of the Permanent Injunction. Mine Design fails to disclose that it previously attempted to attack the Final Judgment and Permanent Injunction and failed. Attached as Exhibit No. 1 is a true and correct copy of the Order and opinion Denying Mine Design's F.R.C.P. 59(e) Motion to Alter or Amend Final Judgment, entered December 27, 2005, in Mine Design I. While each of the collateral issues addressed by Mine Design can be rebutted, VOTIVO has not addressed these unrelated arguments, and will do so should the Court request briefing on any of these collateral issues.

4. In both Mine Design I and II, Amal Flores, d.b.a. Mine Design, Carlos Candeloro represented Mine Design and Mr. Flores. Mr. Candeloro also represented Mine Design and Mr. Flores through the negotiation of the Settlement Agreement between the parties.

5. I have reviewed available correspondence exchanged between the legal counsel for the parties leading up to the execution of the Settlement Agreement. Based upon this review, there is no evidence supporting the contention that either party intended, believed, or understood that the Permanent Injunction was rendered void or otherwise unenforceable by VOTIVO. Attached as Exhibit 2 are true and correct copies of e-mails between counsel, beginning March 10, 2006, on the subject of the terms of

settlement. Also included in Exhibit 2 are the two final, redlined drafts of the Settlement Agreement, reflecting multiple changes, exchanged between the parties. The very first e-mail references an ongoing Permanent Injunction. In total, these communications reflect the specific, negotiated inclusion of limitations on the extent of the dismissals, and inclusion of the defined term, "Lawsuits." The draft agreements reflect a careful intent to dismiss only Mine II and the Appeal, and to preserve the "live" status of Mine I. Similarly, the parties were careful to add, during the drafting process, a defined term, "Lawsuits," to limit the dismissals to Mine I and the Appeal.

6. Attached as Exhibit No. 3 is a true and correct copy of the Dismissal Agreement Pursuant to F.R.A.P. 42(b), dismissing Mine Design's Notice of Appeal in Mine Design I.

7. Attached as Exhibit No. 4 is a true and correct copy of the Stipulation for Prejudice and Without Costs, entered in Mine Design II.

8. On August 3, 2007, Mine Design initiated new litigation against VOTIVO in Mine Design D/B/A/ of Amal Flores v. VOTIVO, Ltd. and VOTIVO, LLC, Trademark Trial and Appeal Board Opposition (TTAB) No. 91178747 (hereafter, the "TTAB Litigation"), relating expressly to VOTIVO's application for a Trademark for "Mandarine" in connection with bath salts. A true and correct copy is attached as Exhibit 5.

9. Under the terms of both Permanent Injunction and the Settlement Agreement, "Mandarin" is a term that Mine Design is not permitted to use. Accordingly, VOTIVO has asserted (among other things) in the TTAB Litigation that Mine Design lacks standing to attack the "Mandarine" trademark registration because it cannot, as a matter of law, possess a real interest in the commercial pursuit of mark.

10. The TTAB Litigation has been complicated, protracted and expensive for VOTIVO, and VOTIVO has now incurred legal fees in excess of

$100,000 to date. Both parties moved for summary judgment, and following the initial rulings by the TTAB, both parties have pending motions for reconsideration with respect to varying aspects of the summary judgment rulings. Resolution of the Motions for Reconsideration is pending.

11. Attached as Exhibit 5 is a true and correct copy of Mine Design's Notice of Opposition, filed August 3, 2007, in Mine Design D/B/A/ of Amal Flores v. VOTIVO, Ltd. and VOTIVO, LLC, Trademark Trial and Appeal Board Opposition (TTAB) No. 91178747.

I declare under penalty of perjury under the laws of the United States of America and California that the foregoing is true and correct to the best of my knowledge and belief.

EXECUTED at Seattle, Washington this 9th day of February 2009.

Steven W. Edmiston

**PROOF OF SERVICE**

VOTIVO, LTD. vs. MINE DESIGN, et al.
USDC Case No. CV 03-6017 DDP (Ex) [2030.1]

I am employed in the County of Los Angeles, State of California, I am over the age of 18 and not a party to the within action; my business address is 777 South Figueroa Street, Suite 4900, Los Angeles, California 90017.

On **February 9, 2009**, I served the foregoing document(s) described as: **DECLARATION OF STEVEN W. EDMISTON IN SUPPORT OF RESPONSE TO MINE DESIGN'S SUPPLEMENTAL BRIEFING RE: ENFORCEMENT OF THE INJUNCTION** on all other parties and/or their attorney(s) of record to this action by placing a true copy thereof in a sealed envelope, as follows:

**(***SEE ATTACHED SERVICE LIST***)**

[X] **By Mail:** By placing a true copy thereof in a sealed envelope and addressed to the parties listed below. I placed such envelope(s) for deposit in the U.S. Mail for service by the United States Postal Service, with postage thereon fully prepaid.

I am "readily familiar" with this firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California, in the ordinary course of business. I am aware that, on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in affidavit.

[X] **By ECF:** Filed and served electronically in accordance with the Court's electronic filing ("ECF") rules, pursuant to which registered ECF users receive service copies by e-mail delivery. A courtesy copy will follow by U.S. Mail.

[X] **FEDERAL:** I hereby certify that I am employed in the office of a member of the Bar of this Court at whose direction the service was made, and I certify under penalty of perjury that the foregoing is true and correct.

Executed this 9th day of **February, 2009**, at Los Angeles, California.

Julie Q. Diep

**SERVICE LIST**

VOTIVO, LTD. vs. MINE DESIGN, et al.
USDC Case No. CV 03-6017 DDP (Ex) [2030.1]

Carlos M. Candeloro, Esq.
LAW OFFICE OF CARLOS M. CANDELORO
1601 N. Sepulveda Blvd., Suite 239
Manhattan Beach, CA 90266
Tel: (858) 354-9331
**Attorney for Defendant MINE DESIGN**

# Exhibit 1

ENTERED
CLERK, U.S. DISTRICT COURT
DEC 27 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

FILED
CLERK, U.S. DISTRICT COURT
DEC 27 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

JS-6

Priority
Send
Enter
Closed
JS-5/JS-6
JS-2/JS-3
Scan Only

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

Votivo, Ltd, a Washington corporation

Plaintiff,

vs.

Mine Design, a business entity of unknown form,

Defendant.

CASE NO. CV 03-6017 DT (Ex)

ORDER AND OPINION DENYING DEFENDANT MINE DESIGN'S F.R.C.P. 59(e) MOTION TO ALTER OR AMEND FINAL JUDGMENT

## I. Background

On November 7, 2005, this Court entered Final Judgment in favor of Plaintiff Votivo, Ltd. ("Plaintiff") on all of its causes of action against Defendant Mine Design ("Defendant"). Final Judgment was entered after Defendant (1) failed to appear at a November 22, 2004 Scheduling Conference, (2) failed to appear at a scheduled hearing on its own Motion to Set Aside Default, and (3) failed to offer a reasonable explanation for its nonappearance at the two mandatory hearings.

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During this litigation, Defendant claimed that, on advice of its legal adviser, it believed it was not required to attend the November 22, 2004 Scheduling Conference without receiving court documentation. (Defendant's May 2, 2005 Motion to Set Aside Default ("Motion to Set Aside Default"), lines 2-3). Due to Defendant's failure to attend or otherwise have representation present at the Scheduling Conference, this Court struck Defendant's Answer and entered default against Defendant.

On May 31, 2005, the following motions were set for hearing: (1) Defendant's Motion to Set Aside Default, and (2) Plaintiff's Motion for Default Judgment ("May 31, 2005 Hearing"). At the May 31, 2005 Hearing, Defendant again failed to make an appearance or otherwise have representation present. As such, this Court denied Defendant's Motion to Set Aside Default, and stated that it would grant Plaintiff's Motion for Default Judgment upon the submission of additional evidence to support Plaintiff's request for attorneys' fees and punitive damages.

On June 20, 2005, Plaintiff renewed its motion for default judgment. Then, two days before the scheduled hearing date for the renewed motion for default judgment, Defendant filed a second Motion to Set Aside Default. Defendant's second Motion to Set Aside Default failed to provide any explanation for Defendant's failure to appear at the prior May 31, 2005 Hearing. "Thus, after consideration of Defendant's disregard for procedure and scarce judicial resources, this Court [found] that Defendant ha[d] failed to meet its burden of good cause, and accordingly denie[d] Defendant's [second] Motion to Set Aside Default." (July 15, 2005 Order Granting Plaintiff's Continued Motion for Entry



SCANNED

of Default and Denying Defendant's Cross-Motion to Set Aside Default, at 5:19-22 ("July 15, 2005 Order"))[1].

SCANNED

On July 15, 2005, this Court granted Plaintiff's renewed motion for default judgment and ordered, in relevant part, as follows:

> (1) Defendant, its respective agents, representatives, and employees, are permanently enjoined from infringing Votivo's "Red Currant" and "Soku Lime" trademarks, and any and all other trademarks owned by Votivo;
>
> (2) Defendant is to pay Plaintiff attorney's fees in the amount of $19,800; and
>
> (3) Plaintiff is awarded costs.

(July 15, 2005 Order, at 13:11-20). Final Judgment was then entered on November 7, 2005.

Presently before the Court is Defendant's FRCP 59(e) Motion to modify or amend the Final Judgment ("Motion"). For the reasons discussed below, Defendant's Motion is denied.

A. **Factual Summary**

Plaintiff initiated the instant action against Defendant for: (1) Trademark Infringement; (2) Violation of Lanham Act Section 43(a); (3) Violation of California Business and Professions Code Section 17200 et seq.; (4) Common Law Unfair Competition; and (5) Common Law Trademark Infringement.

The following facts are alleged in the Complaint:

---

[1]This Court's July 15, 2005 Order was filed on July 15, 2005 and entered on July 21, 2005.

SCANNED

On May 20, 2003, Plaintiff obtained United States Trademark Registration No. 2,717,256, and No. 2,717,257 to protect its "Soku Lime" mark for use with skin soap, scented body spray, scented room spray, incense, candles, and tapers. (Complaint, ¶¶ 16-17).

On June 3, 2003, Plaintiff obtained United States Trademark Registration No. 2,720,906 and 2,720,907 to protect its "Red Currant" mark for use with skin soap, scented body spray, scented room spray, incense, candles, and tapers. (Id. at ¶18-19). The "Soku Lime" and "Red Currant" marks are hereinafter collectively called, the "Trademarks."

From August 10, 2003 through August 14, 2003, representatives of Plaintiff attended the New York International Gift Show in New York City ("Show"). (Id. at ¶ 20). While attending the Show, Plaintiff's representatives discovered that Defendant was infringing upon the above referenced Trademarks by selling scented candles and other products using the Trademarks. (Id. at ¶ 20).

On August 11, 2003, Plaintiff's counsel sent a cease and desist letter to Defendant, explaining that Defendant was infringing upon the above-referenced Trademarks, and demanding that Defendant immediately cease and desist from the further marketing or sale of products using the Trademarks. (Id. at ¶ 21). Defendant never responded to Plaintiff's August 11, 2003 letter, and Defendant continues to infringe the Votivo Trademarks. (Id. at ¶ 21-24).

**B. Procedural Summary**

On August 22, 2003, Plaintiff filed the Complaint.

On January 29, 2004, this Court ordered Plaintiff to show cause in writing why this action should not be dismissed for lack of prosecution (the "OSC"). The OSC was withdrawn by this court on March 15, 2004.

On July 14, 2004, Defendant filed its Answer to the Complaint.

On November 22, 2004, this Court held a Rule 16(b) Scheduling Conference. Counsel for Plaintiff made an appearance, but no appearance was made on behalf of Defendant. The Court therefore struck Defendant's Answer and entered default for failure to appear at a regularly scheduled hearing.

On May 2, 2005, Defendant filed a Motion to Set Aside Default, which was scheduled to be heard on May 31, 2005.

On May 9, 2005, Plaintiff filed a Motion for Entry of Default Judgment, which was also scheduled for hearing on March 31, 2005.

On May 31, 2005, Defendant again failed appear at a scheduled hearing, and this Court denied Defendant's Motion to Set Aside Default. Additionally, the Court denied without prejudice Plaintiff's Motion for Entry of Default Judgment, which requested an injunction. The Court stated that it would enter the permanent injunctive relief sought by Plaintiff, but requested that Plaintiff submit additional briefing to support its requests for an award of attorney's fees and for an award of punitive damages.

On June 20, 2005, Plaintiff filed a Continued Motion for Entry of Default Judgment, which was granted.

On July, 7 2005, Defendant filed a Notice of Cross-Motion and Motion to Set Aside Default, which was denied.

On November 7, 2005, this Court issued an order permanently enjoining and restraining Defendants from using the term "Red Currant" or any other term, symbol name that is confusingly similar to the term "Red Currant."

Also on this date, this Court entered Final Judgment in favor of Plaintiff and against Defendant. This Court awarded Plaintiff attorneys' fees in favor in of Plaintiff the amount of $19,800.00.

SCANNED

On November 22, 2005, Defendant filed a FRCP 59(e) Motion to modify or amend Final Judgment, which is before the Court.

SCANNED

## II. Discussion

### A. Standard For Rule 59(e) Motion To Alter Or Amend Final Judgement

District courts have power to alter or amend a final judgment by motion under Rule 59(e). Fed. R. Civ. P. 59(e). The rule also has been interpreted as permitting a motion to vacate a judgment rather than merely amend it. Foman v. Davis, 371 U.S. 178 (1962). The motion must be filed no later than 10 days after entry of the judgment, and seek a substantive change that would result in a substantive alteration of the judgment rather than just a clerical correction or change in a purely procedural matter. Fed. R. Civ. P. 59(e); Britton v. Swift Transp. Co., Inc., 127 F.3d 616, 618 (7th Cir. 1997); United States v. 47 West 644 Route 38, Maple Park, Ill., 190 F.3d 781, 782 (7th Cir. 1999). Rule 59(e) is an "extraordinary remedy, to be used sparingly in the interests of finality and conservation of judicial resources." Kona Enters., Inc. v. Estate of Bishop, 229 F.3d 877, 890 (9th Cir. 2000).

Rule 59(e) does not set forth any specific grounds for relief, but generally, a motion will lie where: 1) there is newly discovered evidence; 2) the district court committed clear error or its initial decision was manifestly unjust; or 3) there is an intervening change in the controlling law. School Dist. No. 1J, Multnomah County v. AC and S, Inc., 5 F.3d 1255, 1262 (9th Cir. 1993). This showing is a "high hurdle." Weeks v. Bayer, 246 F.3d 1231, 1236 (9th Cir. 2001). A judgment is not properly reopened "absent highly unusual circumstances." Id. A motion to alter or amend a judgment may not be used merely to reconsider factual or legal arguments that were or could have been raised prior to entry of

judgment. Zimmerman v. City of Oakland, 255 F.3d 734 (9th Cir. 2001) (motion to alter or amend judgment properly denied because it repeated legal arguments that had been made before and sought to introduce previously available facts).

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**B. Analysis[2]**

**1. Defendant's Motion Is Properly Before This Court**

As a preliminary matter, this Court addresses whether the present Motion is procedurally proper. According to Plaintiff, Defendant's Motion is improperly brought under Rule 59(e) because the only remedy available to a defendant who has a default judgment entered against it is a motion to set aside default judgment under Rule 60(b). However, this Court disagrees with Plaintiff.

"'[A]ny motion to amend a judgment served within ten days after the entry of judgment, except for a proper Rule 60(a) motion to correct purely clerical errors, is to be considered a Rule 59(e) motion.'" U.S. v. One 1988 Dodge Pickup, 959 F.2d 37, 40 (5th Cir. 1992) (quoting Willie v. Continental, 784 F.2d 706, 707 (5th Cir. 1986) (en banc). "No exception is made or suggested for default judgments. To countenance such an exception would undermine the

---

[2]Defendant requests judicial notice of fifty (50) documents in support of its Motion. For the reasons discussed below, Defendants's request is denied.

A court must take judicial notice if a party requests it and supplies the court with the requisite information. Fed. R. Evid. 201(d). "A judicially noticed fact must be one not subject to reasonable dispute in that it is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned." Fed. R. Evid. 201(b).

Defendant fails to provide the requisite information for this Court to take judicial notice of the fifty documents submitted in support of Defendant's Motion. This Court is not required to sift though Plaintiff's documents to determine which documents, if any, satisfy the standard for judicial notice. The burden is appropriately placed on the party requesting judicial notice. Fed. R. Evid. 201(d). Therefore, this Court denies Defendant's request for judicial notice.

central rationale . . . to create a uniform 'brightline rule.'" Id. (quoting Harcon Barge Co. v. D & G Boat Rentals, Inc., 784 F.2d 665, 670 (5th Cir.) (en banc), cert. denied, 479 U.S. 930 (1986).

SCANNED

Defendant filed its Motion within 10 court days of the entry of Final Judgment.[3] As such, Defendant's Motion is properly before this Court.

**2. Considering The Totality Of The Circumstances, Altering Or Amending Final Judgment In This Matter Is Not Warranted Under Rule 59(e)**

Defendant argues that its Motion to alter or amend Final Judgment pursuant to Rule 59(e) should be granted because this Court committed clear error by: (1) Entering default judgment where Plaintiff's allegations, even if taken as true, failed to state a valid claim for trademark infringement; (2) Finding that Plaintiff's liability was established by its default; and (3) Awarding attorney's fees where this action is not an "exceptional case" under 17 U.S.C. § 1117. Defendant's arguments are unpersuasive.

Defendant's first contention that the allegations in Plaintiff's Complaint are inadequate to plead a cause of action for trademark infringement is unconvincing. A claim for trademark infringement requires a plaintiff to plead only the following: (1) the existence of protectable trademark rights; (2) conduct by a defendant that causes a likelihood of confusion; and (3) resulting harm. See 15 U.S.C. § 114. Plaintiff's Complaint appropriately pleads such elements (see

---

[3]Rule 59(e) provides that "[a]ny motion to alter or amend a judgment shall be filed no later than 10 days after entry of the judgment." Computation of the 10 day period excludes "intermediate Saturdays, Sundays and legal holidays." Fed. R. Civ. P. 6. Final Judgment was entered on November 7, 2005, and thus, the filing deadline for a Rule 59(e) motion was November 22, 2005, the date Defendant filed the instant Motion.

Complaint, ¶¶ 27-33), and thus, vacating Final Judgment is not warranted on this ground.

SCANNED

Defendant's second argument that its liability is not established by default is equally unpersuasive.[4] As noted in this Court's July 15, 2005 Order granting default judgment, if the court determines that a defendant is in default, the defendant's liability is collectively established and the factual allegations in the complaint, except those relating to damages, are accepted as true. See Geddes v. United Financial Group, 559 F.2d 557, 560 (9th Cir. 1977). Since this Court found that Defendant was in default, the factual allegations in Plaintiff's Complaint were deemed admitted, and as such, this Court appropriately determined that the facts as set forth in the Complaint established Defendant's liability to Plaintiff for 1) federal trademark infringement, 2) violation of Lanham Act Section 43(a), 3) violation of California Business and Professions Code § 17200 et seq., 4) common law trademark infringement, and 5) common law unfair competition. Contrary to Defendant's contentions, Defendant's liability is established by its default.

This Court also rejects Defendant's final contention that the fee award should be reconsidered. Defendant fails to address how this Court's award of attorney's fees is manifestly unjust or made in clear error. Defendant appears to

---

[4]Defendant attempts to belatedly litigate the merits of this case by arguing that Red Currant is "merely descriptive," and therefore cannot have trademark protection. To consider Defendant's argument at this late stage of litigation, after Final Judgment has been entered, and after Defendant has had a full and fair opportunity to timely bring its contentions during the pendency of this action, would needlessly waste valuable judicial resources and encourage parties to unreasonably delay and neglect their obligations to this Court to adjudicate matters pursuant to well established Court rules. Under the facts of this case, allowing Defendant to argue issues after the close of litigation is unjustified and inappropriate.

argue that Plaintiff initiated this litigation in bad faith, and as such, it is Defendant who should be awarded attorneys' fees. (See Mennen Co. v. Gillette Co., 565 F. Supp. 648 (S.D.N.Y. 1983), aff'd, 742 F. 2d 1437 (2d Cir. 1984) (awarding the defendant attorney's fees because the plaintiff's claims had no real substance and suit was initiated as a competitive ploy); Universal City Studios, Inc. v. Nintendo Co. Ltd., 615 F. Supp. 838, 864 (D.C.N.Y. 1985) (awarding attorney's fees pursuant to 17 U.S.C. § 1117 because the suit was initiated in bad faith and designed to serve ulterior business motives). Defendant, however, does not demonstrate that Plaintiff initiated this action in bad faith or to serve an improper motive. Moreover, Defendant fails to articulate why this case cannot be considered "exceptional" for purposes of awarding attorneys' fees under 17 U.S.C. § 1117. Under such facts, revisiting the issue of attorneys' fees is not warranted.

As the Ninth Circuit has held, a judgment is not properly reopened "absent highly unusual circumstances." Weeks v. Bayer, 246 F.3d 1231, 1236 (9th Cir. 2001). This case presents no such unusual circumstances. Defendant's Motion is essentially a third motion to set aside default to "rescue [itself] from the consequences of [its] own choices" in unreasonably failing to timely defend this action. Zarcone v. United States, 2004 WL 2196560, at *1, *2 (N.D. Cal. 2004). The record reflects that Defendant had ample opportunity to litigate or otherwise defend this action, yet it failed to do so. As such, Defendant's attempt to litigate the merits of this case now is not well taken. There are no appropriate grounds to alter, amend or vacate Final Judgment, and thus, Defendant's Motion is accordingly denied.

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## III. Conclusion

Based on the foregoing discussion, this Court **DENIES** Defendant's F.R.C.P. 59(e) Motion to alter or amend Final Judgment in this matter.

IT IS SO ORDERED.

DATED: DEC 27 2005

DICKRAN TEVRIZIAN

Dickran Tevrizian, Judge
United States District Court

SCANNED

# Exhibit 2

## PracticeMaster Journal File

Date 03/10/2006 Fri
Time 02:05 PM
User MVJ
E-mail

| | |
|---|---|
| Client | 1930.723 VOTIVO, Ltd.<br>Mine Design (II) |
| To | carlos@candeloro.net |
| From | steve@stephenpappas.com |
| CC | steve@stephenpappas.com, mjordan@invictalaw.com |
| Subject | Votivo v. Mine Design II: Settlement demand |

Dear Mr. Candeloro,

In response to your request for a settlement demand, please be advised that Votivo now has a little over $27,600 in fees and costs into this case. Votivo is currently willing to settle this case for the following: (1) Payment of $22,000 plus the outstanding balance from the prior judgment Votivo holds against Mine Design; (2) Mine Design's agreement to a permanent injunction in this case prohibiting its use of "Tall Grass"; and (3) Mine Design's dismissal of its appeal in the first case.

Since Votivo continues to accrue attorneys' fees in both this case and in defense of the appeal in the first case, this demand can only remain open for a period of 96 hours. Please advise.

| | |
|---|---|
| Record Type | Email |
| Date | 03/10/2006 Fri |
| Time | 02:05 PM |
| Client ID | 1930.723 |
| User ID | MVJ Mark V. Jordan |
| Subject | Votivo v. Mine Design II: Settlement demand |
| To | carlos@candeloro.net |
| From | steve@stephenpappas.com |
| CC | steve@stephenpappas.com, mjordan@invictalaw.com |

Invicta Law Group, PLLC

Printed by: Sara J Zimmerman

Friday, 02/06/2009 11:54 am

## PracticeMaster Journal File

Date 04/04/2006 Tue
User MVJ
E-mail

Time 09:58 AM

| | |
|---|---|
| Client | 1930.723 VOTIVO, Ltd.<br>Mine Design (II) |
| To | carlos@candeloro.net |
| From | Mark V. Jordan <mjordan@invictalaw.com> |
| Subject | RE: Settlement -- First Draft of Agreement |

Out sick yesterday. I am working on it now. You will have our comments and changes before noon today.

From: carlos@candeloro.net [mailto:carlos@candeloro.net]
Sent: Monday, April 03, 2006 4:02 PM
To: Mark V. Jordan
Cc: steve@stephenpappas.com
Subject: Re: Settlement -- First Draft of Agreement

Dear Mark:
Should we still expect it today?
BR,
Carlos
-----Original Message-----
From: Mark V. Jordan [mailto:mjordan@invictalaw.com]
Sent: Friday, March 31, 2006 06:01 PM
To: carlos@candeloro.net
Cc: steve@stephenpappas.com
Subject: RE: Settlement -- First Draft of Agreement

Dear Carlos:

I have now received VOTIVO and Steve's comments. I plan to have our suggested changes to you later today or first thing Monday.

Mark

From: carlos@candeloro.net [mailto:carlos@candeloro.net]
Sent: Thursday, March 30, 2006 1:18 PM
To: Mark V. Jordan; steve@stephenpappas.com
Subject: Re: Settlement -- First Draft of Agreement

Dear Mark, Steve,
How is it looking?
VTY,
Carlos
-----Original Message-----
From: Mark V. Jordan [mailto:mjordan@invictalaw.com]
Sent: Wednesday, March 29, 2006 12:44 PM
To: carlos@candeloro.net, steve@stephenpappas.com
Subject: RE: Settlement -- First Draft of Agreement

Dear Carlos:

Thank you for the draft. I have been out of the office for the last couple of days and have not reviewed this yet. I will do so this afternoon and talk with VOTIVO tomorrow. Look for our comments, if any, Thursday. Thank you.

Mark V. Jordan
Invicta Law Group, PLLC
1000 Second Avenue, Suite 3310

Seattle, WA 98104-1019
Tele: (206) 903-6364
Fax: (206) 903-6365
Email: mjordan@invictalaw.com
Web site: www.invictalaw.com

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----- Original Message -----
From: carlos@candeloro.net
Received: 03/27/2006 02:45 PM
To: steve@stephenpappas.com, Mark V. Jordan
Subject: Settlement -- First Draft of Agreement

Hi Mark, Steve,
Enclosed for VOTIVO's review please find an MS WORD document with a first draft for the settlement agreement.
I look forward to your comments.
Sincerely,
Carlos
-----Original Message-----
From: steve@stephenpappas.com [mailto:steve@stephenpappas.com]
Sent: Friday, March 24, 2006 05:13 PM
To: carlos@candeloro.net
Cc: steve@stephenpappas.com, 'Mark V. Jordan'
Subject: Votivo Settlement/

Hi, Carlos,
Thank you for your telephone call just now. This confirms our mutual understanding that the second Votivo v. Mine Design case has settled in principle. You have indicated that the amount to be paid is $3,000. You anticipate getting Mark and I a "term sheet" by Monday so we can ensure agreement upon the key terms of the settlement. Once it becomes clear that we indeed have agreement on these key terms, you will prepare the first draft of a proposed settlement agreement. You have requested that Mark forward you one of his standard settlement agreements for this type of matter to assist you in drafting. [Mark, can you please do so?]
As to the outstanding requests for production of documents, you have agreed that, if in your mind the settlement has "broken down" you will give me notice and Votivo will have until three days after the date of such notice to make serve its responses.
You will notify the mediator in the other case that the matter has settled in principle.
Please let me know immediately if I have misunderstood anything we

discussed.
Steve
Stephen R. Pappas

| | |
|---|---|
| Record Type | Email |
| Date | 04/04/2006 Tue |
| Time | 09:58 AM |
| Client ID | 1930.723 |
| User ID | MVJ Mark V. Jordan |
| Subject | RE: Settlement -- First Draft of Agreement |
| To | carlos@candeloro.net |
| From | Mark V. Jordan <mjordan@invictalaw.com> |

Invicta Law Group, PLLC

Printed by: Sara J Zimmerman Friday, 02/06/2009 11:56 am

## PracticeMaster Journal File

Date 04/05/2006 Wed
User MVJ
E-mail

Time 03:22 PM

| | |
|---|---|
| Client | 1930.723 VOTIVO, Ltd.<br>Mine Design (II) |
| To | mjordan@invictalaw.com |
| From | carlos@candelpro.net |
| CC | steve@stephenpappas.com |
| Subject | Re: VOTIVO v. MINE - Settlement Agreement |

Mark and Steve:

Thank you for your drafts. The comments that follow are based on the document settlementagr2.
Mr. Flores and I had an opportunity to review the agreement, and are generally OK with it. Some typographical errors aside, we would prefer if three changes were made to the agreement.

1. MINE would like the first and second sentences of section 3 of the agreement to be tied to existing, live, federal registrations. While as a matter of practical reality it is highly unlikely (issue preclusion, etc.) that VOTIVO would initiate a lawsuit against MINE on an alleged mark that has been adjudicated invalid and the federal registration thereon canceled, MINE would nevertheless like that spelled out in the agreement.

2. Section 5.b, last line, is grammatically incorrect. MINE would also like to include that "it believes" it has not used the trademarks. We suggest the line read as follows: "MINE further represents that, except for the terms that were at issue in the Lawsuits, MINE believes MINE has not used any of the trademarks set forth in the Permanent Injunction up until the EFFECTIVE DATE."

3. I prefer the notice provision you added in section 23. For consistency, I suggest we change the definition of NOTICE DATE in section 8 so it refers to section 23.

Other issues may come to light, but for now, that is it.

Thank you again, and we look forward to hearing back from you.

VTY,
Carlos

-----Original Message-----
From: Mark V. Jordan [mailto:mjordan@invictalaw.com]
Sent: Tuesday, April 4, 2006 03:06 PM
To: carlos@candelpro.net
Cc: steve@stephenpappas.com
Subject: VOTIVO v. MINE - Settlement Agreement

Carlos:

Attached are our changes to the Agreement in clean and redline versions. Neither VOTIVO nor Steve Pappas have seen these changes so they may have additional comments. Let's talk before any further changes are made to the Agreement. I am around all day. Thank you.

Mark V. Jordan
Invicta Law Group, PLLC
1000 Second Avenue, Suite 3310
Seattle, WA 98104-1019

Tele: (206) 903-6364
Fax: (206) 903-6365
Email: mjordan@invictalaw.com
Web site: www.invictalaw.com

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| | |
|---|---|
| Record Type | Email |
| Date | 04/05/2006 Wed |
| Time | 03:22 PM |
| Client ID | 1930.723 |
| User ID | MVJ Mark V. Jordan |
| Subject | Re: VOTIVO v. MINE - Settlement Agreement |
| To | mjordan@invictalaw.com |
| From | carlos@candeloro.net |
| CC | steve@stephenpappas.com |

Invicta Law Group, PLLC

Printed by: Sara J Zimmerman Friday, 02/06/2009 11:56 am

## PracticeMaster Journal File

Date 04/07/2006 Fri
User MVJ
E-mail

Time 01:58 PM

| | |
|---|---|
| Client | 1930.723 VOTIVO, Ltd.<br>Mine Design (II) |
| To | mjordan@invictalaw.com |
| From | carlos@candeloro.net |
| CC | steve@stephenpappas.com |
| Subject | Re: VOTIVO v. MINE - Settlement Agreement |

Dear Mark:

Thank you for the productive telephone conference yesterday. We are still awaiting the latest draft with the modifications we discussed.

Regarding the notice addresses for MINE:

c/o Amal Flores
MINE Design
11151 Mississippi Ave.
Los Angeles, CA 90025

and

carlos@candeloro.net
or
Carlos Candeloro
1601 N. Sepulveda Blvd. 239
Manhattan Beach, CA 90266

Thank you again. We look forward to the latest draft.

VTY,
Carlos
-----Original Message-----
From: Mark V. Jordan [mailto:mjordan@invictalaw.com]
Sent: Tuesday, April 4, 2006 03:06 PM
To: carlos@candeloro.net
Cc: steve@stephenpappas.com
Subject: VOTIVO v. MINE - Settlement Agreement

Carlos:

Attached are our changes to the Agreement in clean and redline versions. Neither VOTIVO nor Steve Pappas have seen these changes so they may have additional comments. Let's talk before any further changes are made to the Agreement. I am around all day. Thank you.

Mark V. Jordan
Invicta Law Group, PLLC
1000 Second Avenue, Suite 3310
Seattle, WA 98104-1019
Tele: (206) 903-6364
Fax: (206) 903-6365
Email: mjordan@invictalaw.com
Web site: www.invictalaw.com

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| | |
|---|---|
| **Record Type** | Email |
| **Date** | 04/07/2006 Fri |
| **Time** | 01:58 PM |
| **Client ID** | 1930.723 |
| **User ID** | MVJ Mark V. Jordan |
| **Subject** | Re: VOTIVO v. MINE - Settlement Agreement |
| **To** | mjordan@invictalaw.com |
| **From** | carlos@candeloro.net |
| **CC** | steve@stephenpappas.com |

**PracticeMaster Journal File**

Date 04/13/2006 Thu
Time 11:25 AM
User MVJ
E-mail

Client 1930.723 VOTIVO, Ltd.
Mine Design (II)

To mjordan@invictalaw.com
From carlos@candeloro.net
CC steve@stephenpappas.com, david.friesen@votivo.com
Subject Re: Settlement Agreement

Thank you Mark.
We will review it and get back to you later today or Fri.
BR,
Carlos
-----Original Message-----
From: Mark V. Jordan [mailto:mjordan@invictalaw.com]
Sent: Thursday, April 13, 2006 01:35 PM
To: carlos@candeloro.net
Cc: steve@stephenpappas.com, david.friesen@votivo.com
Subject: Settlement Agreement

Carlos:

Attached are clean and redline versions of the Settlement Agreement. Please review and then let me know if the changes are acceptable. Although neither Steve Pappas nor VOTIVO have reviewed this version, I hope to have their comments (if any) shortly.

Mark V. Jordan
Invicta Law Group, PLLC
1000 Second Avenue, Suite 3310
Seattle, WA 98104-1019
Tele: (206) 903-6364
Fax: (206) 903-6365
Email: mjordan@invictalaw.com
Web site: www.invictalaw.com

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Internal Revenue Code.

| | |
|---|---|
| Record Type | Email |
| Date | 04/13/2006 Thu |
| Time | 11:25 AM |
| Client ID | 1930.723 |
| User ID | MVJ Mark V. Jordan |
| Subject | Re: Settlement Agreement |
| To | mjordan@invictalaw.com |
| From | carlos@candeloro.net |
| CC | steve@stephenpappas.com, david.friesen@votivo.com |

Invicta Law Group, PLLC

Printed by: Sara J Zimmerman

Friday, 02/06/2009 11:57 am

## PracticeMaster Journal File

Date 04/17/2006 Mon
User MVJ
E-mail

Time 05:17 PM

| | |
|---|---|
| Client | 1930.723 VOTIVO, Ltd.<br>Mine Design (II) |
| To | mjordan@invictalaw.com |
| From | carlos@candeloro.net |
| CC | steve@stephenpappas.com, david.friesen@votivo.com |
| Subject | Re: Settlement Agreement |
| Attachments | Agreev4(0).doc |

Dear Mark:
Enclosed please find a further redline version of the latest "clean" version of the Agreement you sent on Thu. April 13, 2006.
As you will notice, MINE accepts all the changes made in VOTIVO's latest version, with a few clarifying additions.
There are also some additions to the "whereas" clauses.
Please let me know your thoughts, and if these changes will be acceptable to VOTIVO.
VTY,
Carlos

-----Original Message-----
From: Mark V. Jordan [mailto:mjordan@invictalaw.com]
Sent: Thursday, April 13, 2006 01:35 PM
To: carlos@candeloro.net
Cc: steve@stephenpappas.com, david.friesen@votivo.com
Subject: Settlement Agreement

Carlos:

Attached are clean and redline versions of the Settlement Agreement. Please review and then let me know if the changes are acceptable. Although neither Steve Pappas nor VOTIVO have reviewed this version, I hope to have their comments (if any) shortly.

Mark V. Jordan
Invicta Law Group, PLLC
1000 Second Avenue, Suite 3310
Seattle, WA 98104-1019
Tele: (206) 903-6364
Fax: (206) 903-6365
Email: mjordan@invictalaw.com
Web site: www.invictalaw.com

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| | |
|---|---|
| Record Type | Email |
| Date | 04/17/2006 Mon |
| Time | 05:17 PM |
| Client ID | 1930.723 |
| User ID | MVJ Mark V. Jordan |
| Subject | Re: Settlement Agreement |
| To | mjordan@invictalaw.com |
| From | carlos@candeloro.net |
| CC | steve@stephenpappas.com, david.friesen@votivo.com |
| E-mail Attachments | Agreev4(0).doc |

Invicta Law Group, PLLC

Printed by: Sara J Zimmerman Friday, 02/06/2009 11:57 am

## PracticeMaster Journal File

Date 04/21/2006 Fri
User MVJ
E-mail

Time 04:36 PM

| | |
|---|---|
| Client | 1930.723 VOTIVO, Ltd.<br>Mine Design (II) |
| To | mjordan@invictalaw.com |
| From | carlos@candeloro.net |
| CC | steve@stephenpappas.com, david.friesen@votivo.com |
| Subject | Re: Settlement Agreement |

Dear Mark:

Now that I've had more time to consider the version of the Settlement Agreement you sent to me on April 13, I believe Section 3 as you had it is actually quite acceptable without the changes I suggested (maybe leave in the knowingly?). I apologize for any inconvenience my proposing changes to it may have created.

The rest of the agreement as you originally had it is also acceptable to MINE. If you find any of the other changes I suggested useful, feel free to accept them. Otherwise feel free to X them.

I look forward to hearing back from you that we have an agreement.

Please feel free to contact me if you have any questions or comments.

Have a great weekend.

VTY,
Carlos
-----Original Message-----
From: Mark V. Jordan [mailto:mjordan@invictalaw.com]
Sent: Thursday, April 13, 2006 01:35 PM
To: carlos@candeloro.net
Cc: steve@stephenpappas.com, david.friesen@votivo.com
Subject: Settlement Agreement

Carlos:

Attached are clean and redline versions of the Settlement Agreement. Please review and then let me know if the changes are acceptable. Although neither Steve Pappas nor VOTIVO have reviewed this version, I hope to have their comments (if any) shortly.

Mark V. Jordan
Invicta Law Group, PLLC
1000 Second Avenue, Suite 3310
Seattle, WA 98104-1019
Tele: (206) 903-6364
Fax: (206) 903-6365
Email: mjordan@invictalaw.com
Web site: www.invictalaw.com

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In accordance with applicable professional regulations, please understand that, unless expressly stated otherwise, any written advice contained in, forwarded with, or attached to this e-mail is not intended or written by Invicta Law Group, PLLC to be used, and cannot be used, by any person for the purpose of avoiding any penalties that may be imposed under the Internal Revenue Code.

| | |
|---|---|
| Record Type | Email |
| Date | 04/21/2006 Fri |
| Time | 04:36 PM |
| Client ID | 1930.723 |
| User ID | MVJ Mark V. Jordan |
| Subject | Re: Settlement Agreement |
| To | mjordan@invictalaw.com |
| From | carlos@candeloro.net |
| CC | steve@stephenpappas.com, david.friesen@votivo.com |

Invicta Law Group, PLLC

Printed by: Sara J Zimmerman Friday, 02/06/2009 11:57 am

**SETTLEMENT AGREEMENT**

This Settlement Agreement (the "Agreement") is made by and between ~~Votive~~VOTIVO, Ltd., a Washington ~~State~~ corporation ("VOTIVO") on the one hand, and Amal Flores d.b.a. MINE Design, a sole proprietorship ("MINE") on the other hand, and shall be deemed entered into on the ~~"~~"EFFECTIVE DATE,~~"~~" defined as the date upon which this Agreement is fully signed by, between and among VOTIVO and MINE ("the Parties~~"~~").

**RECITALS**

~~**WHEREAS, VOTIVO is a Washington State Corporation, with its principal place of business at 3450 4th Avenue South, Seattle, WA 98134;**~~

WHEREAS, VOTIVO is also the owner of the following trademarks each of which are registered with the United States Patent and Trademark Office: Reg. Nos. 2,720,906 and 2,720,907 for RED CURRANT and Reg. Nos. 2,717,259 and 2,717,258 for TALL GRASS (collectively, the "VOTIVO Registrations");

WHEREAS, ~~MINE is a sole proprietorship, with its principal place of business at;~~ ~~**WHEREAS, there are**~~the following two litigations pending between the Parties in federal court~~, namely~~:

~~1.~~ (i) U.S. Court of Appeals (9th Cir.), Docket No. 06-55147 ~~an appeal from~~; and (ii) District Court (C.D. Cal)~~,~~, Case No. CV ~~03-6017; and~~

~~2. District Court (C.D. Cal) Case No. CV 05-294~~205-2942 (the "Lawsuits");

WHEREAS, a Default Judgment and Permanent Injunction were entered in favor of VOTIVO and against MINE in ~~case~~the District Court (C.D. Cal.), Case No. CV 03-6017 (Exhibit A hereto);

WHEREAS, MINE has paid VOTIVO in full for the judgment entered in Case No. CV 03-6017, while reserving its rights on appeal, to collaterally attack the judgment and any other rights MINE may have against VOTIVO regarding said judgment (Exhibit B hereto);

WHEREAS, MINE has appealed the judgment in ~~case~~ Case No. CV 03-6017 (U.S. Court of Appeals (9th Cir.) Docket No. 06-55147);

WHEREAS, Case No. CV 05-2942 is still in the discovery phase;

WHEREAS, both Parties desire to fully, completely and finally settle and compromise, in accordance with the terms set forth below, without the further cost, expense or continued litigation, the Lawsuit and the dispute between them;

NOW, THEREFORE, in mutual consideration for the promises, payments and other consideration in the Agreement it is hereby stipulated and agreed by the undersigned parties as follows:

~~Dismissal of Pending Suits.~~

AGREEMENT

1. Dismissal of Pending Suits. Upon execution of this Agreement by both Parties ~~the Parties agree to dismiss~~ and payment as set forth in Section 2 below, MINE and VOTIVO, each agree, respectively to dismiss their claims against the other in the Lawsuits, without attorneys' fees or costs, by executing and filing the Stipulation of Dismissal in the form attached hereto as Exhibit C.

~~a) U.S. Court of Appeals (9th Cir.) Docket No. 06-55147, each party bearing its own attorneys' fees and other costs associated therewith;~~

~~b) Case No. CV-05-2942, each party bearing its own attorneys' fees and other costs associated therewith.~~

2. Payments. VOTIVO acknowledges receipt from MINE of $20,166.00 remitted March 23, 2006, ~~by MINE,~~ and accepts such payment in full satisfaction of the judgment entered Nov. 7, 2005 in Case No. CV 03-6017 and any other and all fees~~,~~ and costs~~, and the like,~~ associated therewith. MINE agrees to pay VOTIVO an additional $3,000.00 within 15 days of the EFFECTIVE DATE.

3. Use of VOTIVO Registrations. MINE agrees that it will not use the words "RED CURRANT" or "TALL GRASS" in connection with any of its products. MINE further agrees it will not use any of the trademarks set forth in Permanent Injunction. Finally, prior to introducing any new product names, MINE agrees to perform a search of the records of the United States Patent and Trademark Office for any other registered or pending VOTIVO trademarks.

4. No Challenge to VOTIVO Registrations. MINE will not initiate any proceeding challenging the protectability or validity of the VOTIVO Registrations.

5. Representations and Warranties.

a. VOTIVO represents and warrants that it fully and exclusively owns every cause of action, claim, demand, right or other matter that VOTIVO asserted in the Lawsuits; and that no other person or entity has or claims any interest in any such trademark, cause of action, claim, demand or right. VOTIVO further represents that it is under no obligation or legal disability that would prevent it from releasing said actions, claims, demands and rights, or from entering into this Agreement.

b. MINE represents and warrants that it fully and exclusively owns every cause of action, claim, demand, right or other matter that MINE asserted in the Lawsuits; and

that no other person or entity has or claims any interest in any such trademark, cause of action, claim, demand or right. MINE further represents that it is under no obligation or legal disability that would prevent it from releasing said actions, claims, demands and rights, or from entering into this Agreement. MINE further represents that, except as set forth in the Lawsuits, it has not use any not use any of the trademarks set forth in Permanent Injunction up until the EFFECTIVE DATE.

6. Mutual Releases. In exchange for good and valuable consideration, including the promises and commitments set forth in this Agreement, both Parties mutually agree to waive and release any and all claims and/or liabilities the Parties may have against each other and their respective owners, officers, employees, directors, shareholders, agents, representatives, parent corporations, affiliates and subsidiaries, and the successors and assigns of any of them, including any and all demands, claims, rights, obligations, liabilities, causes of action, duties, debts, sums of money, promises, and accounts, of whatever kind, nature or description, direct or indirect, in law or in equity, in contract or tort or otherwise up until the EFFECTIVE DATE.

7. Release of Unknown Claims. The Parties understand that this agreement includes the release of certain types of unknown claims. The Parties acknowledge that they have had the opportunity to obtain advice of legal counsel and are familiar with California Civil Code Section 1542, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Having been fully informed of the provisions of California Civil Code Section 1542, the Parties nevertheless hereby waive and release any rights that the Parties may otherwise have to dispute the scope of this agreement on the ground of said code section.

8. Notice of Trademark Rights.

a. After the EFFECTIVE DATE, in each instance VOTIVO or any of its successors in interest in good faith believes MINE or any of its successors in interest is using a term in connection with the sale of goods for which VOTIVO has a valid and subsisting federal trademark registration ("the OFFENDING TERM"), VOTIVO shall inform MINE in writing of such claim ("WRITTEN NOTICE"). The NOTICE DATE shall be considered (a) the date MINE received said WRITTEN NOTICE or (b) three days after the mailing of said notice, provided said notice is sent via registered first class mail with sufficient postage. MINE shall have 30 days from the NOTICE DATE ("the GRACE PERIOD") to respond to said WRITTEN NOTICE. Provided MINE complied with its obligations as set forth in Section 3 above, VOTIVO shall not bring suit, and shall recover no damages, attorneys' fees or any other costs for activity that occurred up until the date by which MINE's response was due if MINE during said GRACE PERIOD (a) changes the OFFENDING TERM on its products, catalogs, etc., with an acceptable substitute term ("SUBSTITUTE TERM") or (b) provides VOTIVO with reasonable assurances that MINE has otherwise discontinued its use of the OFFENDING TERM.

~~The Parties shall engage in good faith discussions when considering the acceptability of a SUBSTITUTE TERM. In considering the acceptability of a SUBSTITUTE TERM the Parties shall reasonably take into consideration (a) the use of the OFFENDING TERM and/or the SUBSTITUTE TERM by others in the industry; (b) the need of the Parties to use the OFFENDING TERM and/or the SUBSTITUTE TERM; (c) the similarities and differences in spelling, sound and meaning, etc., between the OFFENDING TERM and the SUBSTITUTE TERM; and (d) any other factors that may be relevant in the context of the dispute.~~

~~For purposes of all written communications and notices between the Parties, their addresses shall be:~~

~~Votivo, Ltd.~~
~~3450 4th Avenue South~~
~~Seattle, WA 98134~~

~~Mine Design~~

~~Initiation of Court Action.~~

b. VOTIVO shall have the right to bring a trademark infringement suit against MINE only if, after 30 days have elapsed from the NOTICE DATE:

(ai) the Parties cannot reasonably agree on a SUBSTITUTE TERM;

(bii) MINE has not provided VOTIVO with reasonable assurance that MINE has otherwise discontinued its use of the OFFENDING TERM; or

(ciii) MINE does not respond to the WRITTEN NOTICE within the GRACE PERIOD.

~~Fees and Costs.~~

~~Except as otherwise provided herein, each party hereto will bear its own fees and costs.~~

9. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties respecting the settlement of all demands, claims, rights, obligations, liabilities, causes of action, duties, debts, sums of money, promises, or accounts between the Parties up until the EFFECTIVE DATE, and supersedes all other agreements, express or implied, between the Parties respecting its subject matter. This Agreement may not be changed or modified, except by a writing signed by the parties hereto.

10. Covenant Not To Sue. Each Party hereto and their respective representatives covenants and agrees that they will forever refrain and forebear from bringing, commencing or prosecuting any action, lawsuit, claim, or proceeding against the other Party hereto based on any claim, debt or obligation of any kind that is released or discharged herein.

11. Consent to Jurisdiction. This Agreement will be governed by and construed under the laws of the State of California. The Central District of California will retain jurisdiction for the purpose of enforcing this Agreement.

12. Consultation with Counsel. The Parties acknowledge that each of them has consulted with, or had the opportunity to consult with, legal counsel of their own selection about this Agreement and the releases contained herein, including California Civil Code Section 1542. The Parties each understand that this Agreement will affect their legal rights, and voluntarily enter into this Agreement with such knowledge and understanding. Each of the Parties warrants and represents that the person signing the Agreement on behalf of that party has full authority to do so.

13. Severability. The Parties agree that if any part, term, or provision of this Agreement shall be found illegal or in conflict with any valid controlling law, the validity of the remaining provisions shall not be affected thereby.

~~Termination.~~

~~This Agreement shall be in effect for ten years from the EFFECTIVE DATE.~~

14. Headings, Exhibits and Pronouns. ~~Paragraph~~ Section headings and pronouns contained in this Agreement are for convenience only and shall not be considered for any purpose in construing the Agreement. The exhibits hereto shall be construed with and as an

integral part of this Agreement to the same effect as if the contents thereof had been set forth verbatim herein.

~~Other.~~

15. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assigns.

16. No Waiver. Any waiver by a Party of any term of this Agreement shall not be deemed a waiver of any other term. No term of this Agreement may be waived except by a written waiver signed by the waiving Party.

17. Integration. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and fully supersedes any and all prior understandings, representations, warranties and agreements between the Parties pertaining to the subject matter hereof. This Agreement may not be explained or supplemented by evidence of consistent additional terms or contradicted by evidence of any prior or contemporaneous agreement. The recitals set forth above are incorporated in this Agreement as if fully set forth herein.

18. Mutual Drafting. The Parties agree that this Agreement has been drafted by and is the product of both Parties and that it is the intention of the Parties that this Agreement shall not be construed against either Party based on the assumption or premise that one Party or the other was the drafter of the Agreement.

19. Modification. The Parties agree that any amendments or modifications to this Agreement shall be deemed null and void unless such amendments and modifications are in writing, specifically refer to this Agreement, and are signed by authorized representatives of all Parties.

20. Costs. Each Party will bear its own costs, expenses and attorneys' fees.

21. Authority to Sign. Each signatory to the Agreement represents and warrants that s/he has the necessary authority to bind such Party to the terms contained herein.

22. ~~This Agreement shall inure to the benefit of the parties hereto, and their respective heirs, successors and assigns~~Counterparts. This Agreement may be executed in ~~multiple~~ counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute ~~an enforceable original~~one and the same instrument.

~~REMAINDER OF PAGE INTENTIONALLY LEFT BLANK~~

23. Notice. Any written notice required or permitted to be given under this Agreement shall be sufficient if sent by facsimile or overnight mail to the other party's counsel at the address shown below for that party's counsel, and shall be deemed given as of the day after the date so sent. Although notice is to be given in writing, the parties agree to make a good-faith effort to telephone applicable counsel when notice is being given.

For Votivo: Mark V. Jordan
INVICTA LAW GROUP PLLC
1000 Second Avenue, Suite 3310
Seattle, Washington 98104-1019

For MINE: _____

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the date written below and on behalf of the parties listed with their respective signatures.

VOTIVO, LTD.

Date:_____ By:_____

~~Title:~~_____
Edgar F. Lee, President

Date:_____ By:_____

Title:_____

~~**Approved as to form and content:**~~

~~Date:~~_____ ~~By: Carlos Candeloro~~

~~Attorneys for~~
~~Amal Flores d.b.a. Mino Design~~

~~**INVICTA LAW GROUP**~~

~~Date:~~_____ ~~By: Mark Jordan~~

~~Attorneys for~~
~~Votivo, Ltd.~~

Document comparison done by DeltaView on Tuesday, April 04, 2006 11:56:45 AM

| **Input:** | |
|---|---|
| Document 1 | file://I:/Doc/VOTIVO, Ltd. ('1930.')/v. Mine Design ('74')/settlement agr ('fd040301').doc |
| Document 2 | file://I:/Doc/VOTIVO, Ltd. ('1930.')/v. Mine Design ('74')/settlement agr2 ('fd040302').doc |
| Rendering set | Standard |

| **Legend:** | |
|---|---|
| Insertion | |
| ~~Deletion~~ | |
| ~~Moved from~~ | |
| Moved to | |
| Style change | |
| Format change | |
| ~~Moved deletion~~ | |
| Inserted cell | |
| Deleted cell | |
| Moved cell | |
| Split/Merged cell | |
| Padding cell | |

| **Statistics:** | |
|---|---|
| | Count |
| Insertions | 71 |
| Deletions | 58 |
| Moved from | 2 |
| Moved to | 2 |
| Style change | 0 |
| Format changed | 0 |
| Total changes | 133 |

**SETTLEMENT AGREEMENT**

This Settlement Agreement (the "Agreement") is made by and between VOTIVO, Ltd., a Washington corporation ("VOTIVO") on the one hand, and Amal Flores d.b.a. Mine Design, a sole proprietorship ("MINE") on the other hand, and shall be deemed entered into on the "EFFECTIVE DATE," defined as the date upon which this Agreement is fully signed by, between and among VOTIVO and MINE ("the Parties").

Deleted: MINE

**RECITALS**

WHEREAS, VOTIVO is also the owner of the following trademarks each of which are registered with the United States Patent and Trademark Office: Reg. Nos. 2,720,906 and 2,720,907 for RED CURRANT, Reg. Nos. 2,717,257 and 2,717,256 for SOKU LIME, and Reg. Nos. 2,717,259 and 2,717,258 for TALL GRASS (collectively, the "VOTIVO Registrations");

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WHEREAS, the following two litigations pending between the Parties in federal court: (i) U.S. Court of Appeals (9th Cir.), Docket No. 06-55147; and (ii) District Court (C.D. Cal.), Case No. CV 05-2942 (the "Lawsuits");

WHEREAS, a Default Judgment and Permanent Injunction were entered in favor of VOTIVO and against MINE in the District Court (C.D. Cal.), Case No. CV 03-6017 (Exhibit A hereto) (the "Permanent Injunction");

WHEREAS, MINE has paid VOTIVO in full for the judgment entered in Case No. CV 03-6017, while reserving his rights on appeal, to collaterally attack the judgment and any other rights MINE may have against VOTIVO regarding said judgment (Exhibit B hereto);

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WHEREAS, MINE has appealed the judgment in Case No. CV 03-6017 (U.S. Court of Appeals (9th Cir.) Docket No. 06-55147);

WHEREAS, Case No. CV 05-2942 is still in the discovery phase;

WHEREAS, both Parties desire to fully, completely and finally settle and compromise, in accordance with the terms set forth below, without the further cost, expense or continued litigation, the Lawsuit and the dispute between them;

NOW, THEREFORE, in mutual consideration for the promises, payments and other consideration in the Agreement it is hereby stipulated and agreed by the undersigned parties as follows:

AGREEMENT

1. Dismissal of Pending Suits. Upon execution of this Agreement by both Parties and payment as set forth in Section 2 below, MINE and VOTIVO, each agree, respectively to dismiss their claims against the other in the Lawsuits, without attorneys' fees or costs, by executing and filing the Stipulation of Dismissal in the form attached hereto as Exhibit C.

2. Payments. VOTIVO acknowledges receipt from MINE of $20,166.00 remitted March 23, 2006, and accepts such payment in full satisfaction of the judgment entered Nov. 7, 2005 in Case No. CV 03-6017 and any other and all fees and costs associated therewith. MINE agrees to pay VOTIVO an additional $3,000.00 within 15 days of the EFFECTIVE DATE.

3. Use of VOTIVO Registrations. MINE agrees that he will not, directly or indirectly, alone or in association with others, either as a principal agent, director, indirect owner, shareholder, partner, joint venturer or member, officer, director, employee, investor, consultant, manager or in any other capacity use (i) the VOTIVO Registrations or any confusingly similar words, terms, trademarks or trade names in connection with any of his products or services, or (ii) any of the trademarks set forth in the Permanent Injunction provided such trademarks remain registered with the United States Patent and Trademark Office. Finally, prior to introducing any

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Deleted: use the words "RED CURRANT"

Deleted: "TALL GRASS"

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new product names, MINE agrees to perform a search of the records of the United States Patent and Trademark Office for any other registered or pending VOTIVO trademarks.

4. No Challenge to VOTIVO Registrations. MINE will not, directly or indirectly, alone or in association with others, initiate any proceeding challenging the protectability or validity of the VOTIVO Registrations.

5. Representations and Warranties.

a. VOTIVO represents and warrants that it fully and exclusively owns every cause of action, claim, demand, right or other matter that VOTIVO asserted in the Lawsuits; and that no other person or entity has or claims any interest in any such trademark, cause of action, claim, demand or right. VOTIVO further represents that it is under no obligation or legal disability that would prevent it from releasing said actions, claims, demands and rights, or from entering into this Agreement.

b. MINE represents and warrants that he fully and exclusively owns every cause of action, claim, demand, right or other matter that MINE asserted in the Lawsuits; and that no other person or entity has or claims any interest in any such trademark, cause of action, claim, demand or right. MINE further represents that he is under no obligation or legal disability that would prevent him from releasing said actions, claims, demands and rights, or from entering into this Agreement. MINE further represents that to his knowledge, except as set forth in the Lawsuits, he has not used or infringed any of the trademarks set forth in Permanent Injunction up until the EFFECTIVE DATE. For purposes of this Agreement, "knowledge" means such knowledge after due inquiry and reasonable investigation.

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6. Mutual Releases. In exchange for good and valuable consideration, including the promises and commitments set forth in this Agreement, both Parties mutually agree to waive and

release any and all claims and/or liabilities the Parties may have against each other and their respective owners, officers, employees, directors, shareholders, agents, representatives, parent corporations, affiliates and subsidiaries, and the successors and assigns of any of them, including any and all demands, claims, rights, obligations, liabilities, causes of action, duties, debts, sums of money, promises, and accounts, of whatever kind, nature or description, direct or indirect, in law or in equity, in contract or tort or otherwise up until the EFFECTIVE DATE.

7. Release of Unknown Claims. The Parties understand that this agreement includes the release of certain types of unknown claims. The Parties acknowledge that they have had the opportunity to obtain advice of legal counsel and are familiar with California Civil Code Section 1542, which provides as follows:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Having been fully informed of the provisions of California Civil Code Section 1542, the Parties nevertheless hereby waive and release any rights that the Parties may otherwise have to dispute the scope of this agreement on the ground of said code section.

8. Notice of Trademark Rights.

a. After the EFFECTIVE DATE, in each instance VOTIVO or any of its successors in interest in good faith believes MINE or any of its successors in interest is using a term in connection with the sale of goods for which VOTIVO has a valid and subsisting federal trademark registration ("the OFFENDING TERM"), VOTIVO shall inform MINE in writing as set forth in Section 23 below of such claim ("WRITTEN NOTICE"). MINE shall have 30 days from the NOTICE DATE ("the GRACE PERIOD") to respond to said WRITTEN NOTICE. Provided MINE complied with its obligations as set forth in Section 3 above, VOTIVO shall not

**Deleted:** The NOTICE DATE shall be considered (a) the date MINE received said WRITTEN NOTICE or (b) three days after the mailing of said notice, provided said notice is sent via registered first class mail with sufficient postage.

bring suit, and shall recover no damages, attorneys' fees or any other costs for activity that occurred up until the date by which MINE's response was due if MINE during said GRACE PERIOD (a) changes the OFFENDING TERM on its products, catalogs, etc., with an acceptable substitute term ("SUBSTITUTE TERM") or (b) provides VOTIVO with reasonable assurances that MINE has otherwise discontinued its use of the OFFENDING TERM.

b. VOTIVO shall have the right to bring a trademark infringement suit against MINE only if, after 30 days have elapsed from the NOTICE DATE,:

(i) the Parties cannot reasonably agree on a SUBSTITUTE TERM;

(ii) MINE has not provided VOTIVO with reasonable assurance that MINE has otherwise discontinued its use of the OFFENDING TERM; or

(iii) MINE does not respond to the WRITTEN NOTICE within the GRACE PERIOD.

9. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties respecting the settlement of all demands, claims, rights, obligations, liabilities, causes of action, duties, debts, sums of money, promises, or accounts between the Parties up until the EFFECTIVE DATE, and supersedes all other agreements, express or implied, between the Parties respecting its subject matter. This Agreement may not be changed or modified, except by a writing signed by the parties hereto.

10. Covenant Not To Sue. Each Party hereto and their respective representatives covenants and agrees that they will forever refrain and forebear from bringing, commencing or prosecuting any action, lawsuit, claim, or proceeding against the other Party hereto based on any claim, debt or obligation of any kind that is released or discharged herein.

11. Consent to Jurisdiction. This Agreement will be governed by and construed under the laws of the State of California. The Central District of California will retain jurisdiction for the purpose of enforcing this Agreement.

12. Consultation with Counsel. The Parties acknowledge that each of them has consulted with, or had the opportunity to consult with, legal counsel of their own selection about this Agreement and the releases contained herein, including California Civil Code Section 1542. The Parties each understand that this Agreement will affect their legal rights, and voluntarily enter into this Agreement with such knowledge and understanding. Each of the Parties warrants and represents that the person signing the Agreement on behalf of that party has full authority to do so.

13. Severability. The Parties agree that if any part, term, or provision of this Agreement shall be found illegal or in conflict with any valid controlling law, the validity of the remaining provisions shall not be affected thereby.

14. Headings, Exhibits and Pronouns. Section headings and pronouns contained in this Agreement are for convenience only and shall not be considered for any purpose in construing the Agreement. The exhibits hereto shall be construed with and as an integral part of this Agreement to the same effect as if the contents thereof had been set forth verbatim herein.

15. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assigns.

16. No Waiver. Any waiver by a Party of any term of this Agreement shall not be deemed a waiver of any other term. No term of this Agreement may be waived except by a written waiver signed by the waiving Party.

17. Integration. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and fully supersedes any and all prior understandings, representations, warranties and agreements between the Parties pertaining to the subject matter hereof. This Agreement may not be explained or supplemented by evidence of consistent additional terms or contradicted by evidence of any prior or contemporaneous agreement. The recitals set forth above are incorporated in this Agreement as if fully set forth herein.

18. Mutual Drafting. The Parties agree that this Agreement has been drafted by and is the product of both Parties and that it is the intention of the Parties that this Agreement shall not be construed against either Party based on the assumption or premise that one Party or the other was the drafter of the Agreement.

19. Modification. The Parties agree that any amendments or modifications to this Agreement shall be deemed null and void unless such amendments and modifications are in writing, specifically refer to this Agreement, and are signed by authorized representatives of all Parties.

20. Costs. Each Party will bear its own costs, expenses and attorneys' fees.

21. Authority to Sign. Each signatory to the Agreement represents and warrants that s/he has the necessary authority to bind such Party to the terms contained herein.

22. Counterparts. This Agreement may be executed in counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. Notice. Any written notice required or permitted to be given under this Agreement shall be sufficient if sent by facsimile or overnight mail to the other party, at the addresses shown below, and shall be deemed given as of the day after the date so sent. Although

Deleted: 's counsel

Deleted: address

Deleted: for that party's counsel

notice is to be given in writing, the parties agree to make a good-faith effort to telephone applicable counsel when notice is being given.

For VOTIVO: VOTIVO, LTD.
3450 4th Avenue S.
Seattle, WA 98134
Attn.: Mr. Edgar F. Lee

With a copy to: INVICTA LAW GROUP, PLLC
1000 Second Avenue, Suite 3310
Seattle, Washington 98104-1019
Attn.: Mr. Mark V. Jordan

Deleted: Por Votivo: Mark V. Jordan¶ INVICTA LAW GROUP PLLC¶

For MINE: MINE Design
11151 Mississippi Ave.
Los Angeles, CA 90025
Attn.: Amal Flores

Deleted: ____
Deleted: ____¶ ____¶ ____¶

With a copy to: Carlos Candeloro
1601 N. Sepulveda Blvd. 239
Manhattan Beach, CA 90266
or
carlos@candeloro.net

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the date written below and on behalf of the parties listed with their respective signatures.

**VOTIVO, LTD.**

Date:_____ By:_____
Edgar F. Lee, President

Date:_____ Amal Flores d.b.a. Mine Design

Deleted: By:
Deleted: ¶ Title:_¶ ¶ ¶ ¶

# Exhibit 3

Carlos Candeloro
4724 Kester Ave. #205
Sherman Oaks, CA 91403
Tel: (818) 995-6766

Attorney for Defendant/Appellant
Mine Design

**UNITED STATES COURT OF APPEALS**
**FOR THE NINTH CIRCUIT**

Votivo Ltd.,

Plaintiff/Appellee,

v.

Mine Design,

Defendant/Appellant.

**No. 06-55147**

**D.C. No. CV- 03-6017-DT**
**(C.D. Cal. Los Angeles)**

**DISMISSAL AGREEMENT PURSUANT TO F.R.A.P. 42(b)**

IT IS HEREBY STIPULATED and agreed by and between the parties to this appeal through their designated counsel that the above-captioned appeal be and hereby is dismissed pursuant to Fed. R. App. P. 42(b), each party to pay its own costs. While it is believed no court fees are due, to the extent any court fees remain, these shall be charged to Appellant Mine Design.

Dated: 5/30, 2006.

INVICTA LAW GROUP PLLC

By _____
Mark Jordan
Attorneys for Plaintiff/Appellee

Dated: May 30, 2006.

TALMADGE LAW GROUP PLLC

By Philip A. Talmadge
Philip A. Talmadge
Attorneys for Plaintiff/Appellee

Dated: Jun 2, 2006.

By
Carlos Candeloro
Attorney for Defendant/Appellant

DECLARATION OF SERVICE

On said day below I deposited in the U.S. Postal Service a true and correct copy of the following documents: Dismissal Agreement Pursuant To F.R.A.P. 42(b), United States Court of Appeals for the Ninth Circuit No. 06-55147, to the following:

Mark Jordan, Esq.
Invicta Law Group PLLC
1000 Second Avenue, Suite 3310
Seattle, WA 98104-1019

Philip A. Talmadge, Esq.
Talmadge Law Group PLLC
18010 Southcenter Parkway
Tukwila, WA 98188

Peter W. Sherwood, Circuit Mediator
Circuit Mediation Office
U.S. Court of Appeals
P.O. Box 193939
San Francisco, CA 94119-3939

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct.

DATED: Jan 2, 2006, at Los Angeles, California

Carlos Candeloro
Attorney at Law

# Exhibit 4

Stephen R. Pappas, Esq.
550 South California Avenue, Suite 320
Palo Alto, California 94306-1441
650/858-8400 - Telephone
650/858-8508 - Facsimile
California State Bar No. 158560

Attorney for Plaintiff
Votivo, Ltd.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VOTIVO, LTD., a Washington corporation,

Plaintiff,

vs.

AMAL FLORES D.B.A. MINE DESIGN, a sole proprietorship and DOES 1 through 20,

Defendants.

Case No. CV05 2942 DT (EX)

STIPULATION FOR DISMISSAL WITH PREJUDICE AND WITHOUT COSTS

COME NOW the parties hereto, by and through their respective counsel of record herein, and hereby stipulate that the above-entitled action, including all claims and counterclaims, may and shall be dismissed with prejudice, and that judgment of dismissal may be entered accordingly, without costs to either party. It is further stipulated by and between the parties, that an Order pursuant to the foregoing may be entered of record by judge, magistrate or clerk, without notice to either party, upon

///

///

///

///

presentation of this Stipulation,

Dated: 5/30/06

By: _____
Stephen R. Pappas, Esq.
Attorney For Plaintiff
Votivo, Ltd.

Dated: May 22 2006

By: _____
Carlos Candeloro, Esq.
Attorney For Defendant
Amal Flores d/b/a Mine
Design

**PROOF OF SERVICE**

I am employed in the County of Santa Clara, State of California. I am over the age of eighteen years and not a party to the within action; my business address is 550 South California Avenue, Suite 320, Palo Alto, California 94306-1441. On May 30, 2006, I served the foregoing documents described as

**STIPULATION FOR DISMISSAL WITH PREJUDICE AND WITHOUT COSTS**

on the following interested party(s) in said cause:

Carlos Candeloro, Esq.
4724 Kester Avenue, #205
Sherman Oaks, California 91403

[X] **VIA MAIL -- CCP §§1013(a), 2015.5:**
By placing a true copy thereof enclosed in a sealed envelope(s), addressed as above, and placing each for collection and mailing on that date following ordinary business practices. I am readily familiar with my firm's business practice of collection and processing of correspondence for mailing with the United States Postal Service and correspondence placed for collection and mailing would be deposited with the United States Postal Service at Palo Alto, California, with postage thereon fully prepaid, that same day in the ordinary course of business.

[ ] **VIA OVERNIGHT MAIL/COURIER -- CCP §§1013(c), 2015.5:**
By placing a true copy thereof enclosed in a sealed envelope(s), addressed as above, and placing each for collection by overnight mail service or overnight courier service. I am readily familiar with my firm's business practice of collection and processing of correspondence for overnight mail or overnight courier service, and any correspondence placed for collection for overnight delivery would, in the ordinary course of business, be delivered to an authorized courier or driver authorized by the overnight mail carrier to receive documents, with delivery fees paid or provided for, that same day, for delivery on the following business day.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on May 30, 2006, at Palo Alto, California.

Stephen R. Pappas

# Exhibit 5

*Trademark Trial and Appeal Board Electronic Filing System. http://estta.uspto.gov*
ESTTA Tracking number: **ESTTA154880**
Filing date: **08/03/2007**

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

# Notice of Opposition

Notice is hereby given that the following party opposes registration of the indicated application.

## Opposer Information

| | |
|---|---|
| Name | Mine Design a d.b.a. of Amal Flores (U.S.) |
| Granted to Date of previous extension | 08/04/2007 |
| Address | 11151 Mississippi Ave.<br>Los Angeles, CA 90025<br>UNITED STATES |

| | |
|---|---|
| Attorney information | Carlos Candeloro<br>1601 N. Sepulveda Blvd. 239<br>Manhattan Beach, CA 90266<br>UNITED STATES<br>carlos@candeloro.net Phone:310 498 4249 |

## Applicant Information

| | | | |
|---|---|---|---|
| Application No | 76613881 | Publication date | 06/05/2007 |
| Opposition Filing Date | 08/03/2007 | Opposition Period Ends | 08/04/2007 |
| Applicant | VOTIVO, LTD.<br>3450 4th Avenue S.<br>Seattle, WA 98134<br>UNITED STATES | | |

## Goods/Services Affected by Opposition

| |
|---|
| Class 003.<br>All goods and services in the class are opposed, namely: Bath salts and hand lotion |

## Grounds for Opposition

| | |
|---|---|
| The mark comprises matter that, as a whole, is functional | Trademark Act section 2(e)(5) |
| Genericness | Trademark Act section 23 |

| | |
|---|---|
| Attachments | NoticeOpp.pdf ( 7 pages )(85349 bytes ) |

| | |
|---|---|
| Signature | /c/ |
| Name | Carlos Candeloro |
| Date | 08/03/2007 |

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

Serial No. 76/613881

mine design, a d.b.a. of Amal Flores
v.
Votivo, Ltd.

Opposition No. _____

Notice Of Opposition

Defendant information:

Votivo, Ltd., a corporation of the State of Washington

with a principal place of business at:

3450 4th Avenue S.
Seattle, WA 98134

Represented by:
Mr. Mark V. Jordan
Invicta Law Group, Pllc
1000 Second Avenue, Suite 3310
Seattle, Washington 98104-1019

Plaintiff information:

Mine Design, a d.b.a. of Arnal Flores, an individual

with a principal place of business at:

11151 Mississippi Ave.
Los Angeles, CA 90025

Represented by:
Carlos Candeloro
1601 N. Sepulveda Blvd. 239
Manhattan Beach, CA 90266
Tel: (310) 489-4249
carlos@candeloro.net

**COMPLAINT**

Plaintiff Mine Design alleges as follows for its complaint:

Introduction

Plaintiff Mine Design, a d.b.a. of Amal Flores, an individual, engaged in the manufacture and wholesale of aromatic products, including aromatic candles, aromatic room sprays, reed diffusers, aromatic bath salts, soaps, and other similar items, pursuant to 15 U.S.C. § 1063 opposes Votivo, Ltd.'s Application Serial No. 76/613881 for the term "mandarine" in connection with aromatic bath salts and hand lotion products.

Plaintiff respectfully submits that the term "mandarine" in connection with aromatic bath salts and hand lotion products is generic and functional. Accordingly, pursuant to the Lanham Act, as amended, registration of the term as requested in the application should be refused.

Material Facts

1. Votivo, Ltd. a corporation of the State of Washington, with a principal place of business at 3450 4th Avenue S., Seattle, WA 98134, has filed an application, assigned Serial No. 76/613881 ("the '881 application"), to register the term "mandarine" in connection with aromatic bath salts and hand lotion pursuant to 15 U.S.C. § 1052(f).

2. The '881 application published for opposition on June 5, 1997.

3. Mine Design ("m. design"), a d.b.a. of Amal Flores, an individual, doing business at 11151 Mississippi Ave., Los Angeles, CA, obtained a 30 day extension to file the present opposition.

4. m. design designs, manufactures and wholesales aromatic candles, aromatic room sprays, reed diffusers, aromatic bath salts, soaps, and other similar items.

5. m. design has an interest that common scent descriptors, including the term "mandarin," be freely available to describe his aromatic products, including bath salts products.

6. m. design believes that it is being and will be damaged if the term "mandarine" is registered in connection with aromatic articles, and in particular aromatic bath salts and hand lotion products.

7. The term "mandarine" is incapable of serving a source-indicating function and thus is not capable of functioning as a mark in connection with the goods for which registration is sought. Accordingly, the term "mandarine" cannot be registered by applicant under the Lanham Act, as amended, in connection with aromatic bath salts and hand lotion products.

8. Mandarine is the French spelling, or an incorrect English spelling *a la* tangerine, of "mandarin."

9. In English, the term "mandarin" has several meanings, including a type of citrus plant and its fruits.

10. The "e" at the end of the term as sought to be registered by applicant disambiguates the correct interpretation of the term, as it only refers to the citrus plant and its fruits in French, and not to the other meanings attributed to the term "mandarin" in English.

11. The citrus family includes lemons, limes, grapefruits and oranges of several types, including navel, valencia, and mandarins, to name a few.

12. Fruits in the citrus family are, and for a long time have been, used, and their taste and smell imitated for use, in the food and perfume industries.

13. The primary significance of the term "mandarine" or "mandarin" to the relevant public when the term is used in connection with aromatic bath salts and hand lotion products is that the products either include a product derived from the mandarin plant or that the products are intend to have an impact on at least one of the senses similar to that of a mandarin plant product.

14. The term "mandarin" is necessary in the aromatic goods industry, which includes aromatic bath salts and hand lotion products, to label products having a mandarin plant product as an ingredient, or an imitation intended to have an impact on at least one of the senses (e.g., a smell), similar to that of a mandarin plant product.

15. Mandarin scented bath salt and hand lotion products differ from other aromatic bath salt and hand lotion products in a significant, functional characteristic, namely their scent.

16. The term "mandarin" is the common descriptive term for a mandarin plant product's scent, and more particularly the fruit.

17. No commonly used alternative that effectively communicates the same functional information, namely, the scent of a mandarin, is available to competitors.

Standing

18. m. design has a real interest in the proceeding and a reasonable basis for its belief of damage.

19. m. design has a direct and personal stake in the outcome of the proceeding, inter alia, because m. design is a manufacturer and wholesaler of aromatic candles, aromatic room sprays, reed diffusers, aromatic bath salts, soaps, and other similar items. As such, m. design has an interest that common scent descriptors, including the term "mandarin," be freely available to describe m. design's aromatic products, including bath salts. Accordingly, m. design will be damaged if the term "mandarine" is registered in connection with aromatic articles, and in particular aromatic bath salts and hand lotion products.

Statutory Grounds for Opposition to Registration

## Registration Should Be Refused Because The Term "Mandarine" Is Generic In Connection With The Goods Cited In The '881 Application (15 U.S.C. § 1052)

20. m. design realleges and incorporates by this reference each and every allegation contained in paragraphs 1-19 of this Complaint as though set forth in full herein.

21. The term "mandarine" is generic in connection with the class of goods at issue herein, namely aromatic products, particularly aromatic bath salts and lotion products, and even more particularly mandarin scented bath salts and lotion products.

22. Additionally or in the alternative, the term "mandarine" is not a term by which the goods of the applicant may be distinguished from the goods of others.

23. Additionally or in the alternative, the term "mandarine" in connection with aromatic bath salts and lotion products is incapable of serving as a means by which applicant's products may be distinguished from mandarin scented bath salts and lotion products of others.

24. Additionally or in the alternative, the term "mandarine" is generic in connection with bath salts and lotion products because it is not being used as a mark.

25. Additionally or in the alternative, the term "mandarine" in connection with bath salts and hand lotion products cannot be used in a manner calculated to project to purchasers or potential purchasers a single source or origin for bath salts and hand lotion products, including mandarin scented bath salts and hand lotion products.

26. Additionally or in the alternative, the term "mandarine" in connection with aromatic bath salts and hand lotion products identifies the function or purpose of the products, namely, that the products provide the user with one or more sensations associated with one or more mandarin plant products.

27. Additionally or in the alternative, the relevant public understands the designation "mandarine" in connection with bath salts and hand lotion products primarily to refer to a class of products, namely, mandarin containing, or mandarin scented bath salts and hand lotion products.

28. Accordingly, the term "mandarine" in connection with bath salts and hand lotion products is not a trademark and can not be registered under the Lanham Act, as amended.

## Registration Should Be Refused Because The Term "Mandarine" Is Functional In Connection With The Goods Named In The '881 Application (15 U.S.C. §§ 1052, 1052(e)(5))

29. m. design realleges and incorporates by this reference each and every allegation contained in paragraphs 1-28 of this Complaint as though set forth in full herein.

30. The term "mandarine" is *de jure* functional in connection with bath salts and hand lotion products.

31. Additionally or in the alternative, the term "mandarine" is *de jure* functional in connection with bath salts and hand lotion products because the term serves the utilitarian purpose of informing the public of the qualities, ingredients and characteristics of the product.

32. Additionally or in the alternative, the term "mandarine" is *de jure* functional in connection with bath salts and hand lotion products because the term is necessary for competitors to effectively compete in the market for bath salts and hand lotion products having a mandarin scent, or bath salts and hand lotion products that include one or more mandarin plant products as an ingredient.

33. Accordingly, registration should be refused pursuant to 15 U.S.C. §§ 1052, 1052(e)(5).

Prayer for Relief

WHEREFORE, m. design respectfully requests the Director, pursuant to the authority delegated in 15 U.S.C. § 1068, refuse to register the opposed mark "mandarine" in connection with aromatic bath salts and hand lotion products.

The $300 fee has been submitted electronically.

Dated: August 3, 2007

Respectfully submitted,

/c/
Carlos Candeloro
Reg. No. 52,691
Cal. Bar No. 194716

Attorney For Plaintiff
mine design

Correspondence Address:
Carlos Candeloro
1601 N. Sepulveda Blvd. 239
Manhattan Beach, CA 90266
Phone: (310) 498-4249
carlos@candeloro.net