

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Baxley

Mailed: April 1, 2010

Opposition No. 91178747

Mine Design a d.b.a. of Amal
Flores

v.

Votivo, Ltd. and Votivo, LLC

Before Holtzman, Cataldo and Ritchie,
Administrative Trademark Judges.

By the Board:

On September 19, 2008, the Board issued an order wherein, among other things, we: (1) denied opposer's motion for summary judgment on its pleaded genericness claim; 2) denied applicants' cross-motion for summary judgment on the ground that opposer lacks standing as a result of two civil actions in the United States District Court for the Central District of California in which the parties have been involved;¹ and (3) *sua sponte* struck the *de jure* functionality claim set forth in paragraphs 29-32 of the notice of opposition.

¹ The civil actions at issue are: (1) Case No. CV 03-6017-DT, styled *Votivo, Ltd. v. Mine Design*, ("the 2003 case"); and (2) Case No. CV 05-2942-DT, *Votivo, Ltd. v. Amal Flores d/b/a Mine Design*, ("the 2005 case").

On October 9, 2008, applicants filed a motion for partial reconsideration of the September 19, 2008 order solely with regard to the denial of applicants' cross-motion for summary judgment. On October 24, 2008, opposer filed a motion for partial reconsideration of the September 19, 2008 order based on the Board's striking opposer's functionality claim. Applicant filed a brief in opposition to opposer's motion for partial reconsideration.

After briefing of the motions for reconsideration, the Board deferred a decision on those motions pending the United States District Court for the Central District of California's decision in the 2003 case on applicants' "application" for issuance of an order requiring opposer to (1) show cause why it should not be held in contempt based on opposer's use of the term MANDARIN in connection with candles in alleged contravention of the permanent injunction and (2) withdraw this opposition. After the district court, in a March 10, 2009 decision, denied applicants' application, the Board, in a December 10, 2009 order, denied opposer's request for partial reconsideration of the September 19, 2008 order and further deferred its decision on applicant's request for partial reconsideration of the September 19, 2008 order. In the interest of making a full and informed decision on applicants' motion for partial reconsideration, we requested further documentation from the

parties regarding applicants' application to the district court for issuance of an order to show cause.

On December 17, 2009, applicants filed requested documentation, including a copy of the district court's December 22, 2008 decision, in which the district court ordered supplemental briefing on the issue of enforcement of the permanent injunction. On January 21, 2010, opposer submitted additional documents in connection with the application for an order to show cause. On February 8, 2010, applicant submitted still more documents in connection with the order to show cause.

The plain language of the December 10, 2009 order states that all documentation filed in response thereto should have been filed by not later than January 9, 2010. Although opposer's January 21, 2010 submission and applicant's February 8, 2010 submission are both untimely, the Board, in order to come to a determination on the merits of the parties' motions, will exercise its discretion to consider those submissions and accord them appropriate probative weight.

The Board will now consider applicants' request for partial reconsideration of the denial of applicants' cross-motion for summary judgment on the ground of lack of standing as a result of prior litigation between the parties. In the September 19, 2008 order, we noted

initially that applicant did not plead as an affirmative defense that opposer was estopped from opposing registration of its involved mark MANDARINE in standard character form for "bath salts and hand lotion" in International Class 3 based on the permanent injunction and settlement agreement in prior litigation between the parties.² Because this defense was unpleaded, the Board determined that such defense could not serve as a basis for summary judgment. See *Greenhouse Systems Inc. v. Carson*, 37 USPQ2d 1748, 1750 n.5 (TTAB 1995); TBMP Section 528.07(a) (2d ed. rev. 2004).

Nonetheless, we further noted that, on May 5, 2006, while the 2005 case was in the discovery period and opposer's appeal of the district court's entry in the 2003 case of default judgment and permanent injunction against him to the United States Court of Appeals for the Ninth Circuit was pending in the first civil action, the parties entered into a settlement agreement, whereby the parties agreed to "dismiss their claims against [each] other" and that opposer would not use the MANDARINE mark so long as that mark remains registered. Settlement agreement at paragraphs 1 and 3. We noted in addition that the parties filed a stipulation with the district court to dismiss "all

² Applicants, in the answer, pleaded the following affirmative defenses: (1) that the 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;" and (2) the opposition is subject to the doctrines of "res judicata and claim preclusion" because the involved mark was previously registered in Registration No. 2728815.

claims and counterclaims" in the 2005 case "with prejudice" and that the stipulation that the parties filed with the court of appeals in the 2003 case sought dismissal of the appeal only and does not expressly ask that all claims in that case be dismissed. Because of the noted discrepancy between the actions that the parties appear to have agreed to take in the settlement agreement with regard to their district court litigation and the action that the parties took by way of the stipulation to dismiss the 2003 case that they filed with the court of appeals, we found that there are genuine issues of material fact regarding whether, under the doctrine of *res judicata* or claim preclusion, opposer lacks standing to pursue this opposition. In particular, we found that there are "genuine issues of material fact as to whether the settlement agreement is effective to dismiss the claims in the [2003 case]; and, if it is not, as to the effect of that agreement on the earlier permanent injunction." Accordingly, we denied applicant's cross-motion for summary judgment.

In support of its motion for partial reconsideration, applicant asserts that the permanent injunction was preserved in the settlement agreement and that applicant did not waive any rights to enforce that injunction. However, the district court stated in the March 10, 2009 decision, that the agreement "is unambiguous in its construction and

that [applicant] has waived any right to enforce the permanent injunction...." March 10, 2009 order at 3.

Moreover, although applicant requested in its application for an order to show cause that the district court order the Board to dismiss this opposition, the district court did not address this request in either the December 22, 2008 or the March 10, 2009 decisions.

To the extent that the 2003 case involves issues in common with those in a proceeding before the Board, the findings of the district court with regard to those issues are binding upon the Board. See, e.g., *Goya Foods Inc. v. Tropicana Products Inc.*, 846 F.2d 848, 6 USPQ2d 1950 (2d Cir. 1988). In view of the district court's determination that applicant has waived any right to enforce the permanent injunction, applicant has failed to persuade us that we erred in denying applicants' cross-motion for summary judgment on the ground that opposer lacks standing based on that permanent injunction.

In addition, though not raised in the September 9, 2008 order, we are not persuaded by applicants' assertion in support of their motion for summary judgment that opposer lacks standing to pursue this opposition based on opposer's release of claims and/or liabilities in the parties' agreement wherein they settled two trademark infringement actions that applicants brought against opposer. In that

agreement, the parties agreed to waive and release all claims and/or liabilities against each other through the May 5, 2006 execution date of the settlement agreement and agreed not to sue one another on any claim or liability that was released or discharged through the settlement agreement. Settlement agreement at paragraphs 6 and 10.

Notwithstanding that applicant filed its involved intent-to-use application on September 30, 2004, any claims against that application were not available until opposer could take action against that application, i.e., until that application was published for opposition on June 5, 2007. Cf. *Nat'l Cable Television Ass'n Inc. v. American Cinema Editors Inc.*, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991). As such, the waiver and release does not extend to claims, such as this opposition, which were not yet available when the settlement agreement was executed.

Further, waivers of the right to bring future claims must be clearly stated and are narrowly construed. See *Duramax Marine LLC v. R.W. Fernstrum & Co.*, 80 USPQ2d 1780, 1790 (TTAB 2006). The settlement agreement appears intended only to resolve "the dispute between" the parties, i.e., the 2003 and 2005 cases, and provides remedies in situations where applicants believe that opposer is infringing

applicants' registered marks. Settlement agreement at 2.³ Although the district court noted in the March 10, 2009 decision that "the goal of the settlement agreement [was] to provide a remedial procedure for the full range of future trademark disputes" between the parties, the settlement agreement is silent regarding situations where, as here, opposer believes that applicants are seeking to obtain registrations for allegedly generic terms. March 10, 2009 decision at 5. In view of such silence, we are unwilling to infer that the settlement agreement deprives opposer of any remedies in such situations.

In addition, notwithstanding opposer's agreement in paragraph 3 of the settlement agreement not to use the MANDARINE mark so long as that mark remains registered, opposer, as a competitor, has an interest in seeing that any other competitor in the field of aromatic products including bath salts does not register a generic term for those goods. See *Eastman Kodak Co. v. Bell & Howell Document Management Products Co.*, 23 USPQ2d 1878, 1879 (TTAB 1992) (where the ground is mere descriptiveness, "the plaintiff may establish its standing by ... proving that it is engaged in the manufacture or sale of the same or related products."), *aff'd* 994 F.2d 1569, 26 USPQ2d 1912 (Fed. Cir. 1993). In

³ The parties entered into their settlement agreement on May 5, 2006; however, the involved application was not published for opposition until June 5, 2007.

particular, the exclusive registration of assertedly generic matter by a competitor might provide that competitor with an advantage, for example, in marketing its products. See *Duramax Marine LLC v. R.W. Fernstrum & Co.*, *supra* at 1787. Moreover, paragraph 3 of the settlement agreement contemplates opposer's possible future right to use MANDARINE if applicants' Registration No. 2720908 for that mark as used on "candles and tapers" in International Class 4 and Registration No. 2728815 for that mark as used on "skin soap, scented room spray, and incense" in International Class 3 are cancelled. See *id.* at 1787-88. Based on the foregoing, applicants have failed to persuade the Board that it erred in denying applicants' cross-motion for summary judgment, and applicants' request for partial reconsideration of the September 19, 2008 order is hereby denied.⁴

The record herein indicates that the parties were scheduled for mediation at the United States Court of Appeals for the Ninth Circuit on February 24, 2010 in connection with the 2003 case. Because that mediation may have a bearing upon this proceeding, this proceeding is suspended pending final disposition, i.e., including any

⁴ The Board will not consider any further arguments regarding the motions for summary judgment that the Board denied in the September 19, 2008 order. See TBMP Section 518 (2d ed. rev. 2004).

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appeals or remands, of that case. See Trademark Rule 2.117(a).

Within twenty days after the final determination of the the 2003 case, the interested party should notify the Board so that this case may be called up for appropriate action. During the suspension period the Board should be notified of any address changes for the parties or their attorneys.