

ESTTA Tracking number: **ESTTA422653**

Filing date: **08/01/2011**

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

Proceeding	91190736
Party	Plaintiff K-Swiss Inc.
Correspondence Address	Neil D. Greenstein TechMark 1917 Palomar Oaks Way, Suite 300 Carlsbad, CA 92008 UNITED STATES ndg@techmark.com, cmp@techmark.com, dla@techmark.com
Submission	Motion for Summary Judgment
Filer's Name	Neil D. Greenstein
Filer's e-mail	ndg@techmark.com, cmp@techmark.com
Signature	/ndg-pto/
Date	08/01/2011
Attachments	2011-08-01-NDG-Opp 91190736 MSJ-Res Judicata.pdf (12 pages)(117793 bytes)

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

K-Swiss Inc.,

Opposer/Plaintiff,

v.

CFRI-NCA Palladium Venture LLC,

Applicant/Defendant.

Opposition No. 91190736

MOTION FOR SUMMARY JUDGMENT;
REQUEST FOR SUSPENSION PENDING
DECISION ON MOTION PURSUANT TO
TRADEMARK RULE 2.127(d)

United States Patent and Trademark Office
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

In the matter of the Opposition to registration of:

Applicant's Mark: HOLLYWOOD PALLADIUM
Applicant's Goods: Sweat shirts; T-shirts; Shirts; Jackets; Hats; Caps.
Serial No.: 77366912
Filed: January 8, 2008
Class: 25

MOTION FOR SUMMARY JUDGMENT

Pursuant to Rule 56 of the Federal Rules of Civil Procedure (“FRCP”), Opposer, K-Swiss Inc. (“K-Swiss”) moves for summary judgment sustaining this opposition to registration of U.S. Trademark Application Serial No. 77366912 (the “Application”) for the mark HOLLYWOOD PALLADIUM. Applicant CFRI-NCA Palladium Venture, L.L.C. (“CFRI-NCA”) is attempting to register the mark for “Sweat shirts; T-shirts; Shirts; Jackets; Hats; Caps.” This motion is made on the ground that the CFRI-NCA and K-Swiss were previously involved in another opposition (No. 91191634) that involved a nearly-identical mark. CFRI-NCA defaulted in that proceeding, and that default now acts as *res judicata* barring CFRI-NCA from defending this essentially identical opposition.

I. FACTS

The present opposition was filed on June 22, 2009. The application in question, Serial No. 77366912, is for the mark HOLLYWOOD PALLADIUM for “Sweat shirts; T-shirts; Shirts; Jackets; Hats; Caps.” In the Notice of Opposition, K-Swiss alleged likelihood of confusion in view of four prior registrations (two of which are still active):

Reg. No.	Mark	Goods
1160084	PALLADIUM	Footwear
1827532	PALLADIUM	clothing for men, women and children; namely, shirts, pants, ties, scarves, suits, sweatshirts, jackets, teeshirts, pullovers, coats, raincoats, parkas, dresses and blouses

The parties were also involved in Opposition No. 91191634, an opposition K-Swiss filed against Application Serial No. 76673636 for the mark HOLLYWOOD PALLADIUM BALLROOM for “Men's and women's shirts, t-shirts, sweatshirts, jackets, hats and caps.” In

that opposition K-Swiss again alleged likelihood of confusion, based in part on the above two registrations, as well as two others that have now expired. Shortly after filing, that opposition was suspended so that the parties could discuss settlement. After the suspension ended, CFRI-NCA defaulted by not filing an answer. A Notice of Default was sent May 25, 2010, to which no response was filed, and thus the Board entered the default on July 13, 2010.

Because it involved the exact same parties, the same transactional facts (the exact same prior registrations, and a mark different in only one descriptive word from the mark in this opposition), and constituted a final judgment of that earlier opposition, claim preclusion should apply, and this opposition should be sustained.

II. SUMMARY JUDGMENT IS APPROPRIATE IF THERE IS NO GENUINE ISSUE AS TO ANY MATERIAL FACT

Rule 56 provides that summary judgment is appropriate where there is no genuine issue as to any material fact and the moving party is entitled to judgment in its favor as a matter of law.¹ Summary judgment is appropriate in actions before the Trademark Trial and Appeal Board. See, *Imperial Tobacco v. Phillip Morris, Inc.*, 899 F.2d 1575, 1581, 14 U.S.P.Q. 2d 1390, 1394 (Fed. Cir. 1990); *Sweats Fashions, Inc. v. Pannil Knitting Company, Inc.*, 833 F.2d 1560, 1562, 4 U.S.P.Q. 2d 1793, 1795 (Fed. Cir. 1987) In deciding a motion for summary judgment, the Board must determine whether “the pleadings, depositions, answers to interrogatories, and admissions

¹A dispute of fact is "material" if it "affects the outcome of the litigation" and is "genuine" if there is "sufficient evidence supporting the claimed factual dispute . . . to require a judge or jury to resolve the parties' differing versions of the truth at trial." *Kappa Sigma Fraternity v. Kappa Sigma Gamma Fraternity*, 654 F.Supp. 1095, 1098 (D.N.H. 1987), quoting *Finn v. Consolidated Rail Corp.*, 782 F.2d 13, 15 (1st Cir. 1986) and *Hahn v. Sargeant*, 523 F.2d 461, 464 (1st Cir. 1975), cert. denied, 425 U.S. 904, 96 S.Ct. 1495, 47 L.Ed.2d 754 (1976).

on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.” Rule 56(c), FRCP; *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23 (1986). The facts are to be reviewed with all inferences drawn in favor of the party opposing the motion. However, factual controversies are resolved in favor of the non-movant “only when there is an actual controversy, that is, when both parties have submitted evidence of contradictory facts.” *McCallum Highlands, Ltd. v. Washington Capital Dus, Inc.*, 66 F.3d 89, 92 (5th Cir.), *revised on other grounds upon denial of rehearing*, 70 F.3d 26 (5th Cir. 1995).

The party moving for summary judgment has the initial burden of demonstrating the absence of a material fact issue with respect to those issues on which the movant bears the burden of proof at trial. For any matter on which the non-movant carries the burden of proof at trial, however, the movant may, by merely pointing to the absence of evidence supporting the essential elements of the non-movant’s case, shift to the non-movant the burden of demonstrating by competent summary judgment proof that there is an issue of material fact so as to warrant a trial. *Transamerica Ins. Co. v. Avenell*, 66 F.3d 715, 718-19 (5th Cir. 1995).

Rule 56 mandates the entry of summary judgment, after adequate time for discovery and upon motion, against a party who fails to make a sufficient showing of the existence of an element essential to the party’s case, and on which that party will bear the burden at trial. *Little*, 37 F.3d at 1075.

III. SUMMARY JUDGMENT IS APPROPRIATE HERE BASED ON RES JUDICATA

There is no dispute concerning the facts applicable to this motion. K-Swiss and CFRI-NCA were the parties to Opposition No. 91191634 and are the parties here. That earlier opposition involved a mark different in only one word from the mark here (HOLLYWOOD PALLADIUM BALLROOM in the previous dispute versus HOLLYWOOD PALLADIUM in this proceeding). Both applications were for marks for closely related—indeed, overlapping—goods (“Men's and women's shirts, t-shirts, sweatshirts, jackets, hats and caps” there versus “Sweat shirts; T-shirts; Shirts; Jackets; Hats; Caps” here). The oppositions filed by K-Swiss made identical likelihood of confusion claims against both marks, based on the same registrations. CFRI-NCA defaulted in filing an answer to Opposition No. 91191634, and did not cure that default despite notice from the Board and an invitation to cure the default. Thus, the only question is one of law, whether *res judicata* should apply and judgment should be granted to K-Swiss.

Res judicata is of two types, claim preclusion and issue preclusion:

Issue preclusion refers to the effect of a judgment in foreclosing relitigation of a matter that has been litigated and decided. This effect is also referred to as direct or collateral estoppel. Claim preclusion refers to the effect of a judgment in foreclosing litigation of a matter that never has been litigated, because of a determination that it should have been advanced in an earlier suit. Claim preclusion therefore encompasses the law of merger and bar.

Migra v. Warren City Sch. Dist. Bd. of Educ., 465 U.S. 75, 77 n. 1(1984).

Claim preclusion is the species of *res judicata* that applies in this case.

Under the doctrine of *res judicata* or claim preclusion, a judgment on the merits in a prior suit bars a second suit involving the same parties or their privies based on the same cause of action. . . . For claim preclusion based on a judgment in which the claim was not litigated, there must be (1) an identity of the parties or their privies, (2) a final judgment

on the merits of the prior claim, and (3) the second claim must be based on the same transactional facts as the first and should have been litigated in the prior case.

Orouba Agrifoods Processing Company v. United Food Import, 97 U.S.P.Q.2d 1310, 2010 WL 5574283 (TTAB 2010) (citations and internal quotation marks omitted)

This Board has addressed the issue of claim preclusion after a default judgment several times. In *Orouba*, the parties were identical, there was a final (default) judgment, and the same transactional facts were involved. The TTAB concluded that a default judgment was “a final judgment on the merits” for claim preclusion purposes and dismissed the cancellation based on *res judicata*. *Id.* at 1313. Other TTAB decisions have likewise found that a default judgment constitutes a final adjudication on the merits. *E.g.*, *Comite Interprofessionel Du Vin De Champagne and Institut National De L'origine Et De La Qualite v. Y.Z.Y., Inc.*, 2009 WL 1017293 (TTAB 2009)[non-precedential]; *TBC Brands, LLC Inc. v. Empire Publications, Inc.* 2009 WL 1741928 (TTAB 2009)[non-precedential].

Since the parties here are identical and the previous dispute was resolved on the merits, the question becomes whether the two proceedings arise out of the same transactional facts. Here again, this Board’s decisions acknowledge that where a party seeks to register nearly-identical marks for overlapping goods, as CFRI-NCA does here, the two proceedings involve the same transactional facts. For example, in *Comite Interprofessionel*, the mark subject to the default judgment was VIVE LE CHAMPAGNE for “eau de toilette, eau de perfume, hand and body lotions, hand and body creams, deodorant roll on and spray for personal use, hand and body soaps.” The second opposition involved the mark VIVE LE CHAMPAGNE for “eau de cologne, eau de perfume, eau de toilette, and perfume.” The Board held that “[t]he minimal differences between the identification of goods in each application are insufficient to raise a genuine issue of

material fact that precludes entry of summary judgment.” 2009 WL 1017293 at * 1. The Board concluded that “the judgment entered in the prior case was on the basis of all pleaded allegations, including those relating to opposers' standing and opposers' claims of likelihood of confusion, descriptiveness and dilution. Inasmuch as applicant did not, in the prior case, contest either the claims or opposers' standing, and because the parties are the same in the two cases, res judicata (claim preclusion) applies.”

Similarly, in *TBC Brands*, the applicant sought to register the identical mark, once for “magazines featuring advertisements for the sale of trucks and equipment” and a second time (in an application filed the day the answer to the first opposition was due) for “magazines featuring advertisements for the sale of used trucks and equipment; magazines featuring advertisements for the sale of new and used trucks and trailers, new, used and aftermarket equipment for trucks and trailers, and industry related goods and services.” After a default in the first application, the Board again held that there was no dispute the first two elements of claim preclusion were met, and as to the third element:

The question, therefore, is whether the Second Opposition is based on the same transactional facts as the First Opposition. We find that it is. First, there is no dispute that the mark in the Second Application is identical to the mark in the First Application. Answer in Second Opposition ¶ 5. Second, while the goods in the Second Application are not identical to those listed in the First Application, they are encompassed thereby and the differences between the goods in the two applications are insignificant. They therefore do not preclude application of res judicata. *J.I. Case Company v. F.L. Industries, Inc.*, 229 USPQ 697, 700 (TTAB 1986) (“the Board's prior decision precludes applicant from now coming in and specifying several different specialized lubricant products and thereby attempting to avoid the preclusive effect of the broad judgment rendered in the first case against applicant's broad description of goods, i.e., ‘multi-purpose lubricants’”); *General Electric Company v. Raychem Corp.*, 204 USPQ 148, 150 (TTAB 1979) (res judicata applicable “not only with respect to the identical description of goods as had been previously litigated, but with respect to all goods that could be said to be encompassed by that description of goods ...”); *Bass Anglers*, 200 USPQ at 822; *Wells Cargo*, 197 USPQ at 571.

Nor is the slight difference between the mark involved in the two proceedings here (HOLLYWOOD PALLADIUM BALLROOM in the previous dispute versus HOLLYWOOD PALLADIUM in this proceeding) sufficient to preclude summary judgment. In *Virgin Enterprises Limited v. Holt's Company*, 2008 WL 885888 (TTAB 2008)[non-precedential], Holt applied to register ASHTON VIRGIN SUN GROWN cigars. Virgin opposed based on its VIRGIN marks for a wide variety of goods and services. The parties had previously been involved in an opposition for the mark:



for cigars. Virgin pleaded likelihood of confusion and dilution in opposition, and Holt defaulted. With regard to the second application for the words ASHTON VIRGIN SUN GROWN only, Virgin argued that the default judgment operated as claim preclusion. Again, there was no dispute about the first two elements of claim preclusion, and so the issue to be resolved was whether the mark in the second proceeding made the same commercial impression as the mark in the defaulted opposition. In that regard, the Board stated:

Applying this analysis to the present case, we find that the application that was the subject of the prior opposition proceeding, ASHTON CABINET VSG VIRGIN SUN GROWN and Design, is the same mark in terms of commercial impression, as ASHTON VIRGIN SUN GROWN, the mark involved in this proceeding. Clearly, ASHTON VIRGIN SUN GROWN evolved out of the word and design mark, and the deletion of the

design and the terms CABINET VSG are minor alterations which do not rise to the level of a new mark, sufficient to allow applicant to seek registration herein. See [Miller Brewing Co. v. Coy Int'l Corp., 230 USPQ 675 \(TTAB 1986\)](#) (finding claim preclusion with respect to a design mark which evolved out of an earlier design mark which had been the subject of an opposition proceeding between the parties, finding any changes to the mark were minor and did not change the commercial impression); [Aromatique Inc. v. Lang, 25 USPQ2d 1359 \(TTAB 1992\)](#) (finding claim preclusion with respect to a mark which had minor alternations in typeface and capitalization to an earlier mark that was the subject of an opposition between the parties, finding the commercial impression the same). Cf. [J.I. Case Co. v. F.L. Indus., Inc., 229 USPQ 697 \(TTAB 1986\)](#) (finding issue preclusion with respect to a stylized mark wherein the mark in the earlier proceeding was typed and the goods covered in the present application were encompassed within the broad designation of goods in the prior application).

Accordingly we find that the mark sought to be registered herein and the mark that was the subject of the prior opposition proceeding are the same, such that the two proceedings involve the same claim for purposes of res judicata and therefore, the judgment in Opposition No. 91119511 operates as a bar to applicant's application for the mark ASHTON VIRGIN SUN GROWN.

Likewise, in *Schering Corporation v. Diagnostic Test Group LLC*, 2008 WL 2515108 (TTAB 2008)[non-precedential], the applicant's predecessor had applied to register the mark:



for “medical diagnostic point-of-care test kits and supplies, namely diagnostic test strips for testing urine, blood and stool samples” but had defaulted in an earlier proceeding. The applicant later applied to register the mark:



for “diagnostic agents, preparations and substances for medical purposes; diagnostic preparations for clinical or medical laboratory use; medical diagnostic reagents and assays for testing of body fluids; medical diagnostic test strips for use in the field of monitoring and detecting infection, hormone levels, and chemistry in blood, urine, and stool samples; and medical test kits for diabetes monitoring for home use.”

The Board noted that the first two factors of claim preclusion were met, and thus the remaining issue was “whether the involved marks are the same or are legally equivalent in terms of commercial impression.” The Board held they were, stating:

Applying this analysis to the present case, we find that the mark in the application that was the subject of the prior opposition proceeding, MEDICAL RAC⁺ CLARITY and Design, is the same mark in terms of commercial impression, as CLARITY and Design, the mark involved in this proceeding. Clearly, the mark CLARITY and Design evolved out of the mark MEDICAL RAC⁺ CLARITY and Design. Both marks contain the same dominant term CLARITY shown in the color white on a red background in front of a checkmark. In addition, each checkmark design fades from black to gray to white at the top of the checkmark design. As a result of these common elements, each mark projects virtually identical commercial impressions. Further, we find the deletion of the small MEDICAL RAC⁺ and design shown in the top left corner of the earlier mark is a minor alteration. As such, the mark shown in the second application does not rise to the level of a new mark with a different commercial impression, sufficient to allow applicant to seek registration herein and avoid the judgment in the prior case.

In this case, the marks sought to be registered differ only in that one descriptive term, "BALLROOM," is missing from the present application. There can be no dispute that the two marks make the same commercial impression and thus that the second application relates to the same transactional facts as the first.

IV. SUSPENSION PURSUANT TO TRADEMARK RULE 2.127(d)

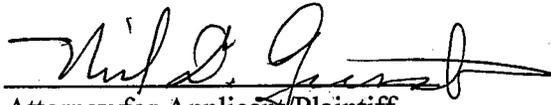
In accordance with Trademark Rule 2.127(d), Opposer respectfully requests that this Opposition be suspending pending resolution of this motion for summary judgment.

V. CONCLUSION

It is undisputed that the parties in this opposition and in the prior opposition are identical. It is undisputed that there was a final judgment on the merits in the prior opposition. Finally, it is indisputable that the claim in this opposition is based on the same transactional facts as the claim in the earlier opposition. Therefore, *res judicata* should apply here, and this opposition should be sustained.

Dated: August 1, 2011

NEIL D. GREENSTEIN
TECHMARK

By: 
Attorney for Applicant/Plaintiff

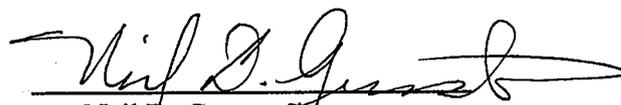
NEIL D. GREENSTEIN
TECHMARK
1917 Palomar Oaks Way, Suite 300
Carlsbad, CA 92008
Telephone: (858) 704-0510, X303
Facsimile: (408) 280-2250
Email: ndg@techmark.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of this paper has been served upon counsel for Applicant, at its address record by First Class Mail on this date, to-wit:

Michael Adele
ALLEN MATKINS
12348 High Bluff Drive, Suite 210
San Diego CA 92130
Telephone: (858) 481-5055
Facsimile: (858) 481-5028

Dated: August 1, 2011.


Neil D. Greenstein