

**THIS OPINION IS NOT  
CITABLE  
AS PRECEDENT OF  
THE TTAB**

**UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
2900 Crystal Drive  
Arlington, Virginia 22202-3513**

Baxley

Mailed: February 9, 2004

Opposition No. **91150278**

Opposition No. **91154632**

WAL-MART STORES, INC.

v.

FRANKLIN LOUFRANI

Opposition No. **91152145**

FRANKLIN LOUFRANI

v.

WAL-MART STORES, INC.

(as consolidated)

Before Quinn, Hairston and Holtzman,  
Administrative Trademark Judges.

By the Board:

Franklin Loufrani ("Loufrani"), an individual French citizen, seeks to register the proposed mark SMILEY and design in the following form



**SMILEY**

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for a variety of goods and services in International Classes 16, 25, 28, 29, 30, 41, and 42.<sup>1</sup> In a second application, Loufrani seeks to the same proposed mark for a variety of goods and services in International Classes 3, 5, 8, 9, 14, 18, 21, 24, 31-36, 38, and 39.<sup>2</sup>

Wal-Mart Stores, Inc. ("Wal-Mart"), a Delaware corporation, seeks to register the following proposed mark



for "retail department store services" in International Class 35.<sup>3</sup>

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<sup>1</sup> Application Serial No. 75302439, filed June 3, 1997, based on an assertion of a bona fide intent to use in commerce under Trademark Act Section 1(b), 15 U.S.C. Section 1051(b). The application includes a disclaimer of any exclusive right to use the "representation of a smiling face" apart from the mark as shown.

<sup>2</sup> Application Serial No. 75977376, filed June 3, 1997, based on an assertion of a bona fide intent to use in commerce under Trademark Act Section 1(b), 15 U.S.C. Section 1051(b). The application includes a disclaimer of any exclusive right to use the "design of a smiley face" apart from the mark as shown. The goods identified in this application had been included in application Serial No. 75302439, but were divided into a separate application on June 10, 1998.

<sup>3</sup> Application Serial No. 76320901, filed October 3, 2001, and alleging January 31, 1996 as the date of first use and date of first use in commerce. The application includes the following description: "The service mark consists of a yellow circle with two eyes and a smiling shaped mouth. Color is integral to the mark."

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Wal-Mart has opposed registration of Loufrani's proposed mark in both of his applications on the grounds that the mark is incapable of distinguishing his goods from the goods of others and cannot function as a trademark because the design element of his proposed mark is a ubiquitous icon which dates back to the 1960's in the United States; that Loufrani should at least be required to show that his proposed mark has acquired distinctiveness under Trademark Act Section 2(f), 15 U.S.C. Section 1052(f); that, to the extent that any rights to the design element of his mark exist, those rights belong to Wal-Mart based on its prior use in commerce of its proposed mark; and that, if Loufrani's mark is capable of functioning as a mark, there is a likelihood of confusion between the marks at issue.<sup>4</sup> In his answers, Loufrani denied the salient allegations of the notices of opposition. He asserted affirmative defenses in his answer in Opposition No. 91154632.

Loufrani has opposed registration of Wal-Mart's proposed mark on the grounds that it does not serve any trademark function; and that registration thereof would enable Wal-Mart to enforce rights in a design that is in the

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<sup>4</sup> Loufrani's application Serial No. 75977376 is the subject of Opposition No. 91150278; his application Serial No. 75302439 is the subject of Opposition No. 91154632.

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public domain.<sup>5</sup> In its answer, Wal-Mart denied the salient allegations of Loufrani's notice of opposition and asserted affirmative defenses.

On September 18, 2003, Loufrani filed a motion for summary judgment on the grounds that there is no genuine issue of material fact that Wal-Mart's proposed mark cannot function as a trademark; and that, inasmuch as Wal-Mart's proposed mark, upon which it bases its claims against him, cannot function as a trademark, Wal-Mart's likelihood of confusion claim is moot because the word component of Loufrani's proposed mark is distinctive and is sufficient to render his proposed mark registrable as a whole.

In lieu of a brief in opposition to Loufrani's motion for summary judgment, Wal-Mart filed a motion to take discovery necessary to enable it to respond to the motion for summary judgment under Fed. R. Civ. P. 56(f). Loufrani filed a brief in opposition thereto.

Turning to Loufrani's motion for summary judgment, summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). Loufrani, as the party

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<sup>5</sup> Opposition Nos. 91150278 and 91152145 were consolidated in the Board's January 9, 2003 order herein. Opposition No. 91154632 was consolidated with the previously consolidated proceedings in the Board's August 1, 2003 order herein.

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moving for summary judgment, has the initial burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317 (1987).

After reviewing the parties' arguments and supporting papers, we find that Loufrani has not met his burden of establishing that no genuine issues of material fact exist and that therefore he is entitled to entry of judgment in his favor on any of the claims in these consolidated proceedings.<sup>6</sup> At a minimum, genuine issues of material fact as to whether Wal-Mart's proposed mark is capable of functioning as a service mark, as to whether Wal-Mart's proposed mark is perceived by the relevant purchasing public as a service mark, and, if so, as to whether Wal-Mart's proposed mark provides a basis for its likelihood of

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<sup>6</sup> We note that Loufrani's motion for summary judgment is based in part on the Administrator for Trademark Classification and Practice's decision granting a Letter of Protest that an unnamed third party filed against his applications and evidence that was filed by an unnamed third party in support of the Letter of Protest. However, the Board is not bound by the Administrator for Trademark Classification and Practice's decision. See *In re Urbano*, 51 USPQ2d 1776, 1778 fn 5 (TTAB 1999). Further, the Administrator for Trademark Classification and Practice's decision does not specifically address Wal-Mart's proposed mark.

In addition, we note that Wal-Mart has alleged that Loufrani's mark is incapable of functioning as a mark in its notices of opposition in Opposition Nos. 91150278 and 91154632 and has admitted in its answer in Opposition No. 91152145 and its discovery responses that its mark is "similar" to the design element of Loufrani's mark. Notwithstanding that the above-captioned proceedings have been consolidated, each proceeding maintains its separate character and requires entry of a separate judgment. See TBMP Section 511.

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confusion claim against Loufrani.<sup>7</sup> See TMEP Section 1202.03(a).

In view thereof, Loufrani's motion for summary judgment is denied.<sup>8</sup> Accordingly, Wal-Mart's motion for leave to take discovery under Fed. R. Civ. P. 56(f) is moot.

In addition, we deem it appropriate to address the issue of Loufrani's obligation to respond to discovery requests that Wal-Mart served upon Loufrani on September 26, 2003, i.e., eight days after he filed his motion for summary judgment. When the Board issues an order suspending a proceeding under Trademark Rule 2.127(d) pending disposition of a motion which is potentially dispositive of that proceeding, the Board ordinarily treats the proceeding as if it had been suspended as of the filing date of that motion. See TBMP Section 510.03(a). Based thereon, the Board

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<sup>7</sup> Although the printouts of newspaper articles obtained from the Internet that Wal-Mart submitted with its motion for Rule 56(f) discovery do not establish as a matter of law that Wal-Mart's proposed mark is capable of functioning as a mark and is perceived by the public as such, they are sufficient to raise genuine issues of material fact with regard thereto.

<sup>8</sup> The fact that we have identified only these genuine issues of material fact as sufficient bases for denying the motion for summary judgment should not be construed as a finding that these are necessarily the only issues which remain for trial.

The parties should note that the evidence submitted in connection with Loufrani's motion for summary judgment is of record only for consideration of that motion. To be considered at final hearing, any such evidence must be properly introduced in evidence during the appropriate trial period. See *Levi Strauss & Co. v. R. Josephs Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993); *Pet Inc. v. Bassetti*, 219 USPQ 911 (TTAB (1983)); *American Meat Institute v. Horace W. Longacre, Inc.*, 211 USPQ 712 (TTAB 1981).

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specifically stated in the October 8, 2003 order that proceedings herein were suspended retroactive to September 18, 2003, the filing date of Loufrani's motion for summary judgment. Accordingly, Loufrani's obligation to respond to any of Wal-Mart's outstanding discovery requests is considered to be tolled as of September 18, 2003.

Nonetheless, because the discovery requests at issue were served prior to the issuance of the Board's suspension order, we will treat them as having been timely served.

Proceedings herein are resumed. Loufrani is allowed until thirty days from the mailing date of this order to serve responses to the discovery requests that Wal-Mart served on September 26, 2003.<sup>9</sup> Discovery and trial dates are hereby reset as follows.

THE PERIOD FOR DISCOVERY TO CLOSE:	3/12/04
Thirty-day testimony period for Wal-Mart as plaintiff in Opposition No. 91150278 and 91154632 to close:	6/10/04
Thirty-day testimony period for Loufrani as defendant in Opposition Nos. 91150278 and 91154632 and as plaintiff in Opposition No. 91152145 to close:	8/9/04
Thirty-day testimony period for Wal-Mart as defendant in Opposition No. 91151245 and its rebuttal testimony as plaintiff in Opposition Nos. 91150278 and 91154632 to close:	10/8/04

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<sup>9</sup> The parties are advised, however, that this statement does not constitute an order relating to discovery as contemplated by Trademark Rule 2.120(g)(1). See TBMP Section 527.01 (2d ed. June 2003).

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Fifteen-day rebuttal testimony period for Loufrani as plaintiff in the Opposition No. 91151145 to close:	11/22/04
Brief for Wal-Mart as plaintiff in Opposition Nos. 91150278 and 91154632 shall be due:	1/21/05
Brief for Loufrani as defendant in Opposition No. 91150278 and 91154632 and as plaintiff in Opposition No. 91152145 shall be due:	2/20/05
Brief for Wal-Mart in Opposition No. 152145 and its reply brief (if any) as plaintiff in Opposition Nos. 91150278 and 91154632 shall be due:	3/22/05
Reply brief (if any) for Loufrani as plaintiff in Opposition No. 91152145 shall be due:	4/6/05

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. 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.