


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

In the Matter of U.S. Application Serial No. 76/320,901
For: Happy Face Design
Filed: October 3, 2001
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U.S. Patent & TMOfc/TM Mail Rcpt. Dt. #57

08-30-2002

FRANKLIN LOUFRANI)	
)	
Opposer,)	
)	
v.)	Opposition No. 152,145
)	
WAL-MART STORES, INC.)	
)	
Applicant.)	

BRIEF IN RESPONSE TO APPLICANT'S
MOTION TO SUSPEND OPPOSITION

Opposer in this action, Franklin Loufrani ("Mr. Loufrani"), is filing this brief in response to the Motion to Suspend which applicant, Wal-Mart Stores, Inc. ("Wal-Mart"), filed on August 12, 2002, in the above-referenced opposition. Wal-Mart filed its motion in this opposition shortly after Mr. Loufrani filed his Motion to Suspend Wal-Mart's Opposition No. 150,278 against Mr. Loufrani's application for "SMILEY and Happy Face Design."

Opposition No. 152,145
Against "Happy Face Design"

I. Basis for Wal-Mart's Motion to Suspend this Opposition

In support of its Motion to Suspend Opposition No. 152,145, Wal-Mart has attached at Exhibit B its brief in response to Mr. Loufrani's Motion to Suspend Opposition No. 150,278. There are, therefore, two issues argued in Wal-Mart's Motion to Suspend through its Exhibit B. Those two issues argue that (1) Wal-Mart will have standing to oppose Mr. Loufrani's application in Opposition No. 150,278 regardless of the outcome of Opposition No. 152,145; and (2) judicial economy and efficiency would not be served by suspending Opposition No. 150,278, because the discovery from that opposition could not be used in Opposition No. 152,145; instead Opposition No. 152,145 should be suspended. Mr. Loufrani responds to those two arguments as follows.

II. If Mr. Loufrani succeeds in Opposition No. 152,145, because the "Happy Face Design" does not function as a mark, Wal-Mart will not have standing to oppose Mr. Loufrani's application in Opposition No. 150,278.

In order for Wal-Mart to have standing in its opposition against Mr. Loufrani's mark (Opposition No. 150,278), Wal-Mart must have a right that can be harmed by Mr. Loufrani's mark, or a "real interest in the proceeding." McCarthy on Trademarks, §20:10, p.20-20, citing American Novawood Corp. v. U.S. Plywood-Champion Papers, Inc., 426 F.2d 823 (C.C.P.A. 1970). In fact,

Opposition No. 152,145
Against "Happy Face Design"

...the ...purpose of a standing requirement is to weed out "intermeddlers" from those with "a personal interest in the outcome beyond that of the general public." (Citing Lipton Industries, Inc. v. Ralston Purina Co., 670 F.2d 1024 (C.C.P.A. 1982) Jewelers Vigilance Committee, Inc. v. Ullenberg Corp., 823 F.2d 490 (Fed. Cir. 1987). The focus has shifted to whether there is a reasonable basis for the opposer's..."belief" in damage. (Citing Selva & Sons, Inc. v. Nina Footwear, Inc., 705 F.2d 1316 (Fed. Cir. 1983) (dictum); Rosso & Mostracco, Inc. v. Giant Food, Inc., 720 F.2d 1263 (Fed. Cir. 1983) (dictum).

McCarthy on Trademarks, §20:10, p.20-21.

Should the Trademark Trial and Appeal Board ("the Board") find that Wal-Mart's "Happy Face Design" does not function as a mark in Mr. Loufrani's opposition against Wal-Mart's "Happy Face Design" application (Opposition No. 152,145), Wal-Mart would have no reasonable belief in damage with respect to its Opposition No. 150,278 against Mr. Loufrani's "SMILEY and Happy Face Design" application. Wal-Mart would be nothing more than an intermeddler with no personal interest in the outcome of Opposition No. 150,278 beyond that of the general public.

Further supporting Mr. Loufrani's position against the requested suspension of Opposition No. 152,145 is the doctrine of collateral estoppel (or issue preclusion). The Board recognizes the *res judicata* and collateral estoppel preclusive effect of its own decisions. McCarthy on Trademarks, §32:104, p.32-171 *citing* B.F. Goodrich Co. v. Fritz Muller "Coroplast" K.G., 138 U.S.P.Q. 319 (T.T.A.B. 1963); Foodland, Inc. v. Foodtown Super Markets,

Opposition No. 152,145
Against "Happy Face Design"

Inc., 141 U.S.P.Q. (T.T.A.B. 1964); Miller Brewing Co. v. Coy International Corp., 230 U.S.P.Q. 675 (T.T.A.B. 1986). The Board's finding that Wal-Mart's "Happy Face Design" cannot function as a mark in Mr. Loufrani's opposition against Wal-Mart's application for "Happy Face Design" (Opposition No. 152,145) would be issue preclusion in Wal-Mart's opposition against Mr. Loufrani's "SMILEY and Happy Face Design" application (Opposition No. 150,278). In other words, the Board's determination in Opposition No. 152,145 on the issue of whether Wal-Mart's "Happy Face Design" can function as a mark would apply in Opposition No. 150,145; this determination would preclude Wal-Mart from having a reasonable belief in damage with respect to its Opposition No. 150,278 against Mr. Loufrani's "SMILEY and Happy Face Design" application. Wal-Mart would be nothing more than an intermeddler with no personal interest in the outcome of Opposition No. 150,278 beyond that of the general public, as a result of the Board's determination in Opposition No. 152,145.

III. Discovery can be used from the earlier-filed opposition in the later filed opposition.

Opposer Wal-Mart in its responsive brief erroneously explains that

[s]ince the discovery conducted in the instant proceeding [Opposition No.150,278] could not be used in No. 152,145, the parties' respective efforts over the past year would be wasted, in effect having to start over. Under those circumstances, no efficiencies or economies would be achieved.

Opposition No. 152,145
Against "Happy Face Design"

To support its claim, Wal-Mart cites to T.B.M.P. §715 paraphrasing that "only trial testimony from another proceeding may be admitted as evidence." This paraphrasing is simply not accurate.

Pursuant to T.B.M.P. §715, a party may enter as evidence trial testimony from another proceeding without any additional authentication. However, this T.B.M.P. section does not conclusively preclude entering into evidence in one proceeding the discovery from another proceeding. If evidence from one proceeding is relevant to another, it may be used as a foundation for conducting further discovery in the other proceeding; it may constitute an admission against interest in the other proceeding; and it may be entered as testimony evidence once it has been properly authenticated. F.R.E. §§801(d) and 901. Most importantly, however, pursuant to T.B.M.P. §716, the parties may stipulate to rely on evidence from another proceeding.

By no means would the discovery conducted to date in Opposition No. 150,278 be "wasted" and the parties have to "start over" should that opposition be suspended pending the outcome of Opposition No. 152,145. These are basic evidentiary premises followed all the time by parties to litigation before the Board.

Opposition No. 152,145
Against "Happy Face Design"

III. Conclusion

In view of the foregoing, Mr. Loufrani respectfully requests that Wal-Mart's Motion to Suspend Opposition No. 152,175 be denied. Instead, Mr. Loufrani respectfully requests that Opposition No. 150,278, be suspended until Opposition No. 152,175 has been decided.

Respectfully submitted,

FRANKLIN LOUFRANI

Date: August 29, 2002 By: Mary Catherine Merz

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Opposition No. 152,145
Against "Happy Face Design"

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing BRIEF IN RESPONSE TO APPLICANT'S MOTION TO SUSPEND OPPOSITION was served on the attorney for opposer by First Class Mail this 29th day of August, 2002 addressed to:

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CERTIFICATE OF MAILING BY "EXPRESS MAIL"

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I hereby certify that this BRIEF IN RESPONSE TO APPLICANT'S MOTION TO SUSPEND OPPOSITION is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" Service under 37 C.F.R. 1.10 on the date indicated above and is addressed to the Commissioner for Trademarks, BOX TTAB - NO FEE, 2900 Crystal Drive, Arlington, Virginia 22202-3513.

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Atab

TRADEMARKS

Attorney Docket No. 21080

Date: August 29, 2002

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08-30-2002

Transmitted for filing herewith is the:

- Trademark
- Service Mark

- Application
- Renewal Application
- Statement of Use
- Amendment to Allege Use
- Section 8 Declaration
- Combined Sections 8 & 15 Declaration
- Brief in Response to Applicant's Motion to Suspend Opposition
- Stipulated Motion to Extend Discovery and Testimony Periods

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of Opposer: Franklin Loufrani

Against: "Happy Face Design" (Opposition No. 152,145)

Also enclosed are:

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[]

In the unlikely event that insufficient funds are submitted herewith to cover the filing fee in this BRIEF IN RESPONSE TO APPLICANT'S MOTION TO SUSPEND OPPOSITION, please charge such funds against Deposit Account No. 50-0277.

Respectfully submitted,

By: *Mary Catherine Merz*

Enclosures

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