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03-21-2003

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #61

TRADEMARKS

Attorney Docket 21317

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

In re Matter of U.S. Application Serial No. 75/302,439
For: SMILEY and Happy Face Design
Filed: June 3, 1997
Date of Publication: December 10, 2002

WAL-MART STORES, INC.)	
)	
Opposer,)	
)	
v)	Opposition No. 91154632
)	
FRANKLIN LOUFRANI)	
)	
Applicant.)	

APPLICANT'S ANSWER TO NOTICE OF OPPOSITION

Pursuant to the Trial Schedule, which the Trademark Trial and Appeal Board issued on February 20, 2003, Franklin Loufrani ("applicant") hereby answers the Notice of Opposition of Wal-Mart Stores, Inc. ("opposer") in the above-referenced opposition.

Applicant lacks knowledge or information sufficient to form a belief as to the truth of the allegations that opposer is a Delaware corporation having its principal place of business at 702 Southwest 8th Street, Bentonville, Arkansas, 72616-8095; and, on that basis, applicant denies the same.

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Applicant admits that opposer's Notice of Opposition in "the above-referenced application" was timely filed.

Applicant admits that he has applied to register the mark "SMILEY and Happy Face Design" on an intent-to-use basis for a broad range of products and services in International Classes 16, 25, 28, 29, 30, 41 and 42.

Applicant admits that he has not yet amended his application to state a date of first use.

Applicant admits that he has filed an application to register the identical mark "SMILEY and Happy Face Design" on an intent to use basis for a broad range of products and services in International Classes 3, 5, 8, 9, 14, 18, 21, 24, 31, 32, 33, 34, 35, 36, 38, and 39 under Serial No. 75/977,376.

Applicant admits that opposer has filed an opposition to "that applicant" [sic] which is being pursued under Opposition No. 150,278.

Applicant denies that this proceeding should be suspended pending the outcome of Opposition No. 150,278.

Applicant lacks knowledge or information sufficient to form a belief as to the truth of the allegation that "opposer believes that applicant's proposed mark is incapable of distinguishing the goods of the applicant's from the goods of others and, therefore cannot function as a trademark and an indicator of source"; and,

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on that basis, applicant denies the same. Nonetheless, applicant specifically denies that applicant's proposed "SMILEY and Happy Face Design" mark is incapable of distinguishing the goods of the applicant's from the goods of others and, therefore, cannot function as a trademark and an indicator of source.

Applicant denies that its mark is the "smiley face" design, because its mark is "SMILEY and Happy Face Design." Applicant admits that the "happy face design" is a ubiquitous icon for the United States.

Applicant denies that the happy face design traces its origins back to the early 1960's in the United States.

Applicant denies that he should be required to demonstrate this his mark "SMILEY and Happy Face Design" has become distinctive of his goods in commerce pursuant to Section 2(f) of the Lanham Act of 1946, as amended.

Applicant denies that, to the extent that the "happy face" design is capable of functioning as a trademark, the rights to the same belong to opposer.

Applicant lacks knowledge or information sufficient to form a belief as to the truth of the allegations that "opposer has spent substantial sums in advertising and marketing using the Mr. Smiley design in association with its retail department store

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services in International Class 35 since 1996 and to the present"; and, on that basis, applicant denies the same.

Applicant lacks knowledge or information sufficient to form a belief as to the truth of the allegations that "opposer first began use of the design it refers to as 'Mr. Smiley' at least as early as January 26, 1996, and has continuously used the design in commerce in interstate commerce [sic] since that date"; and, on that basis, applicant denies the same.

Applicant denies that opposer would be damaged by the registration of applicant's proposed mark.

Applicant does not understand the ambiguous statement that "[t]he appearances are similar," and, on that basis, applicant denies the same. However, to the extent that opposer is alleging that the design element in applicant's mark "SMILEY and Happy Face Design" and the design represented in the Mr. Smiley design mark are similar, applicant admits the same.

Applicant does not understand the ambiguous statement that "[a]pplicant has applied for the same kinds of services as those with which opposer uses Mr. Smiley and for the same kinds of goods as those sold by opposer in its capacity as a retailer"; and, on that basis, applicant denies the same. However, to the extent that opposer is alleging that the applicant's application for "SMILEY and Happy Face Design" has been filed for registration in

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the United States to cover (1) some services that are the same as those with which opposer uses Mr. Smiley, applicant lacks knowledge or information sufficient to form a belief as to the truth of the allegation and, on that basis, denies the same; and (2) some goods that are the same as those sold by opposer in its capacity as a retailer, applicant lacks knowledge or information sufficient to form a belief as to the truth of the allegation and, on that basis, applicant denies the same.

Applicant denies that, if the Board were to determine that applicant's proposed mark is capable of functioning as a trademark and/or has become distinctive, there would be a likelihood of confusion between opposer's mark and applicant's "SMILEY and Happy Face Design" mark.

Affirmative Defenses

1. Opposer fails to state a cause of action with its allegation that applicant's mark "SMILEY and Happy Face Design" is not registerable under Section 2(f) of the Lanham Act, 15 U.S.C. §1052(f), because (1) the U.S. Patent and Trademark Office previously has determined in U.S. Trademark application Serial No. 75/977,376 for "SMILEY and Happy Face Design" that the "happy face design" is incapable of functioning as a mark; (2) applicant has disclaimed the "happy face design" in U.S.

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Trademark Application 75/302,439; (3) opposer admits on page 2 of its Notice of Opposition that the "happy face design" is incapable of functioning as a mark; (4) opposer admits on page 2 of its Notice of Opposition that the "happy face design" is a "ubiquitous icon"; and (5) opposer admits on page 2 of its Notice of Opposition that the "appearances are similar" between opposer's and applicant's marks. Accordingly, because the U.S. Patent and Trademark Office has determined, and opposer admits, that the "happy face design" cannot function as a mark and because applicant has disclaimed the "happy face design," opposer has no cause of action under Section 2(f) of the Lanham Act.

Respectfully submitted,

Date:

March 21, 2003

By:

Mary Catherine Merz

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37 C.F.R. 1.10 on the date indicated above and is
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Trademarks, Box TTAB - NO FEE,
2900 Crystal Drive, Arlington, VIRGINIA 22202-3513

Mary Catherine Merz

(Typed or printed name of person mailing paper or fee)

Mary Catherine Merz 3/21/03

(Signature of person mailing paper or fee)

CERTIFICATE OF SERVICE

I hereby certify that a copy of this correspondence
is being deposited with the United States Postal Service with
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addressed to attorney for applicant as follows:

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Mary Catherine Merz Date: 3/21/03

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COMMISSIONER FOR TRADEMARKS

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Transmitted for filing herewith is the:

- Trademark
- Service Mark

- Application
- Renewal Application
- Request for Lift of Suspension
- Amendment to Allege Use
- Section 8 Declaration
- Combined Sections 8 & 15 Declaration
- Second Request for Extension of Time to Oppose
- Answer to Notice of Opposition

of Applicant: Franklin Loufrani

For: SMILEY and Happy Face Design

Also enclosed are:

In the unlikely event that insufficient funds are submitted herewith to cover the filing fee this Answer to Notice of Opposition, please charge such funds against Deposit Account No. 50-0277.

Respectfully submitted,

By:

Rory Catherine Merz

Enclosures

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