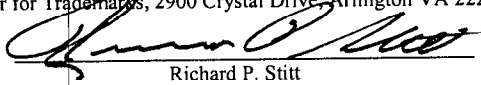


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Date

  
Richard P. Stitt

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

Golden Gate Fireworks, Inc.	)	
	)	
Opposer,	)	Opposition No. 91158743
	)	
vs.	)	Serial No. 78/206,944
	)	
American Promotional Events, Inc.	)	Mark: IF IT'S NOT TNT, IT'S
	)	NOT FIREWORKS
Applicant.	)	



04-12-2004

U.S. Patent & TMOfo/TM Mail Rcpt Dt. #66

**OPPOSER'S RESPONSE TO APPLICANT'S MOTION TO DISMISS**

Opposer, Golden Gate Fireworks, Inc. ("Opposer"), by and through its attorneys, responds as follows to Applicant's motion.

**A. Opposer Has Standing to Assert Its Claims.**

Section 13 of the Lanham Act, 15 U.S.C. § 1063, provides "[a]ny person who believes that he would be damaged by the registration of a mark upon the principle register may ... file an opposition in the Patent and Trademark Office, stating the grounds therefore...." While proving actual damage can be used to establish standing, it is not a requisite. (See, Rosso and Mastracco, Inc. V. Giant Food Inc., 720 F.2d 1263, 1265 (Fed. Cir 1983)). An opposer can show standing



by demonstrating that he has a “real interest” in such proceedings and by establishing a “reasonable” basis for his belief of damage. (Ritchie v. Orenthal James Simpson, 170 F.3d 1092, 1095 (Fed. Cir. 1999)).

### **1. Opposer Has A “Real Interest” Resulting From Its Direct And Personal Stake In The Outcome**

There is no absolute rule for what constitutes a “real interest.” The Federal Circuit has defined “real interest” it as having a “direct and personal stake in the outcome of the opposition.” (Ritchie, 170 F.3d at 1092, 1095 (Fed. Cir. 1999)).

Opposer’s “direct and personal stake” in this opposition is set forth in its license agreement with Shiu Fung Fireworks Company Limited the exclusive worldwide license holder of the trademark ‘Black Cat’” (See, Exhibit A, *provided in pertinent part only*). Since August of 1989 this license agreement has granted to Opposer:

“the exclusive right and licensee to use the Trademark [Black Cat] in the United States on goods manufactured in the United States and to sublicense the right to use the Trademark on goods manufactured in the United States. . . .” (Exhibit A, *paragraph 1*).

Opposer’s exclusive license to manufacture fireworks that compete with Applicant’s products presents the “direct and personal stake in the outcome of the opposition” constituting a “real interest” in the proceedings.

### **2. Opposer Has A “Reasonable Belief” of Damage**

Section 13 of the Lanham Act, by its terms, requires only that a person have a belief that he would suffer some kind of damage if the mark is registered. (Ritchie v. Simpson, 170 F.3d 1092, 1095 (Fed. Cir. 1999)). Such a belief of damage must have a "reasonable" basis. (Ritchie, 170 F.3d at 1098.). For standing purposes, the reasonableness of an opposer's basis for belief of

damage may be shown in several ways. One method of establishing the reasonableness of the belief of damage for purpose of standing is for the opposer to allege that he possesses a trait or characteristic that is clearly and directly implicated in the purposed mark. (Ritchie, 170 F.3d at 1098.). The trait or characteristic that opposer possesses that is directly implicated is that of being a fireworks manufacturer and selling products that are, in fact, fireworks.

Opposer has an exclusive license to manufacture BLACK CAT fireworks and sell BLACK CAT fireworks. Granting to a single manufacturer the imprimatur of United States trademark registration for their slogan claiming to be the only 'real' firework maker does real damage to Opposer and to the marketplace. This damage is, at least, two fold: (1) damage to BLACK CAT's product identity and reputation by the attempt to deceive the public that Opposer's products are not fireworks; and (2) damage to the relevant publics' safety in the use of BLACK CAT products by deceiving the public that BLACK CAT products are not fireworks.

Opposer and Applicant are both engaged in a niche market – fireworks manufacturing and fireworks sales. These companies have the majority of their sales within approximately 30 days of the early summer. Customers typically only purchase these products once a year and are not familiar with all of the brands and characteristics of the products. The advertising used to attract and educate customers about the products is mainly distributed in the month of June and the first days of July. The registration of a trademark that claims to be the only "real" fireworks will certainly damage competitor when is displayed with the registration symbol next to the word fireworks: "IF IT'S NOT TNT, IT'S NOT FIREWORKS®"

Customers, wishing to purchase "true fireworks" may see the U.S. Trademark registration symbol and believe it to be a certification relating to the word "fireworks" thus damaging

Opposer's competing fireworks through the implication in the public mind that Opposer's products are not legitimate fireworks.

Opposer has a reasonable belief that it further will be damaged by the potential for deceiving the public as to the nature of Opposer's fireworks products. Fireworks can be dangerous if mishandled and particularly when mishandled by children. During the early summer much time and money is spent to educate the public to the dangers of mishandled fireworks. Children who see Applicant's message may come to believe that BLACK CAT brand is not a firework and therefore does not present the danger to them that is inherent in all fireworks. As a result they may be injured by Applicant's attempt to deceive the public as to the true nature of the BLACK CAT product. BLACK CAT is a firework.

This Board has said, "To state a claim of deceptiveness under Section 2(a), an opposer need only allege facts from which it may be inferred that opposer has a reasonable belief that it would be damaged by use of applicant's allegedly deceptive mark and facts that, if proved, would establish that purchasers would be deceived in a way that would affect materially their decision to purchase applicant's goods." (*Miller Brewing Co. V. Anheuser-Busch Inc.*, 27 U.S.P.Q.2d 1711, 1712 (T.T.A.B. 1993)). Applicant's attempt to deceive the public regarding the BLACK CAT product will cause damage to Opposer and cause damage to Opposer's customers.

## **B. Conclusion**


Opposer has both a "direct and personal stake in the outcome of the opposition" constituting a "real interest" in the proceedings, and a "reasonable belief" that it will be damaged by registration of the Applicant's mark. Therefore, Opposer meets the first leg of the legal standard for standing in the present case.

For purposes of the motion to dismiss on the pleading for lack of standing, all well-pled allegations are to be accepted as true. (Ritchie, 170 F.3d at 1098). Opposer has presented, for the purposes of the present motion, a reasonable basis, in fact, to believe that it will be damaged. Therefore, Opposer meets the second leg of the legal standard for standing.

Respectfully submitted,

By: Shughart, Thomson & Kilroy, P.C.

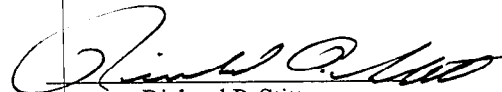
Dated: 4-8-04

  
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**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing was served upon counsel for Applicant, by United States first class mail, in a properly addressed envelope, with adequate postage affixed thereon, this 8<sup>th</sup> day of April, , 2004 addressed as follows:

Ralph W. Kalish, Jr., Esq.  
Blackwell Sanders Peper Martin LLP  
720 Olive Street  
Suite 2400  
St. Louis, Missouri 63101  
Telephone: 314-345-6000  
Facsimile: 314-345-6060

  
Richard P. Stitt

## LICENSING AGREEMENT

This LICENSING AGREEMENT ("Agreement") made as of this 1st day of August, 1989 between Shiu Fung Fireworks Company Limited, a corporation organized under the laws of the Crown Colony of Hong Kong, having its principal place of business at Lifung Tower, China Hong Kong City, 33 Canton Road, TST, Hong Kong (hereinafter called "Licensor"), and Golden Gate Fireworks, Inc., a California corporation, Department 609, P.O. Box 11908, San Francisco, California 94103 (hereinafter called "Licensee").

### WITNESSETH:

WHEREAS, Licensor is the exclusive worldwide license holder of the trademark "Black Cat" as applied to the products described below, which trademark is registered by Li & Fung (Trading) Ltd. in the United States Patent and Trademark Office, Registration No. 828,730 ("Trademark"), and engages in the business of distributing fireworks and firecrackers under the Trademark; and

WHEREAS, Licensee is desirous of acquiring an exclusive license to manufacture and market United States-made products bearing the Trademark in the United States on the terms and conditions hereinbelow set forth.

### IT IS THEREFORE AGREED:

1. License. (a) In consideration of the royalties described in Section 2, Licensor hereby grants to Licensee and Licensee hereby accepts from Licensor, subject to the terms and conditions of this Agreement, the exclusive right and license to use the Trademark in the United States on goods manufactured in the United States and to sublicense the right to use the Trademark on goods manufactured in the United States ("Trademark Products").

(b) Licensee shall sell Trademark Products, and Licensee may sublicense the right to use the Trademark, only in accordance with and subject to the provisions of this Agreement. Licensee shall not use the name "Black Cat" except as applied to the Trademark Products for identification purposes and in any sign or advertisement used to identify the Trademark Products. Licensee shall not use "Black Cat" as part of its legal name or trade name. Upon termination of this Agreement, Licensee shall discontinue any use of the Trademark, and thereafter shall not use the name "Black Cat" or any other confusingly similar name, directly or indirectly, in connection with its business.

(c) The rights granted herein to Licensee with respect to the Trademark shall be exclusive.

(d) Licensor reserves the right to use the Trademark and to grant exclusive or non-exclusive licenses to third parties to manufacture, distribute, and sell goods using the Trademark outside of the United States and the right to use the Trademark on goods manufactured outside of the United States but distributed within the United States, and nothing herein shall in any way limit Licensor from granting such licenses in its sole discretion.

2. Royalties. (a) Licensee shall pay to Licensor a royalty in an amount equal to (i) [REDACTED] upon execution of this Agreement and (ii) [REDACTED] percent [REDACTED] of all net receipts with respect to sales of Trademark Products above [REDACTED] received by Licensee. [REDACTED] shall be [REDACTED] with respect to sales of Trademark Products received by Licensee. The provisions of this Section 2 shall survive the expiration or earlier termination of this Agreement and shall continue in effect until all said royalties have been paid by Licensee to Licensor.

(b) All payments by Licensee to Licensor pursuant to this Section 2 shall be made in U.S. currency and paid to Licensor at its Hong Kong office by telegraphic remittance through Citibank in Hong Kong and/or any other bank which Licensor may designate. In the event that Licensee fails to comply with this Section 2, Licensor may terminate this Agreement.

3. Term. This Agreement and the license herein granted shall take effect on the date first mentioned above and shall expire on July 31, 1992, subject to prior termination as herein provided. This Agreement may be renewed by Licensor upon giving thirty (30) days' prior written notice to Licensee before the expiration date and Licensee not objecting to such renewal within such 30-day period.

4. Quality of Trademark Products. Licensee agrees to conduct its business in conformity with the acknowledged high domestic and international business reputation of Licensor and to maintain in the manufacture and sale of all Trademark Products a standard of quality commensurate with the quality standard of Licensor's products using the Trademark.

5. Resale Outside U.S. Prohibited; Sales at Fair Market Value. Licensee shall not sell or distribute or permit the sale or distribution of the Trademark Products for resale, directly or indirectly, outside the United States of America, without Licensor's prior written consent. All sales by Licensee, including but not limited to sales to any affiliated person or entity of Licensee, shall be at fair market value.

6. Best Efforts. Licensee shall use its best efforts to (i) sell, advertise and promote the sale of Trademark Products manufactured by or under authorization of Licensee and (ii) obtain the maximum volume of sales and distribution of Trademark Products within the United States.

7. Regulatory Approvals. Licensee agrees that it will obtain all governmental approvals and comply with all laws, statutes, ordinances and regulations required for the conduct of its business and for the manufacture, advertising and sale of Trademark Products imposed by any Federal, State, municipal or local government or any political subdivision thereof.

8. Trademark Property of Licensor. (a) It is understood and agreed that the Trademark, and the labels, style, dress and appearance of the containers, cartons, advertising matter, and packages to be used as provided in this Agreement, regardless of whether they may be such as at present exist or such as are created, developed or acquired subsequent to the date hereof by Licensor, are exclusive property of Licensor, and that upon termination of this Agreement or of the license herein granted, for any cause whatsoever, the right of Licensee to use the same shall immediately and entirely terminate, and Licensee shall forthwith cease and desist from the further sale of any of the Trademark Products and from the use of the Trademark, labels, style, dress and appearance of the containers, cartons, advertising matter and packages used hereunder, including removal of the Trademark from any inventory of Trademark Products.

(b) Licensee acknowledges Licensor's exclusive right, title and interest in and to the Trademark and any registration that has issued or may issue thereon, and will not at any time do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of such right, title and interest. In connection with the use of the Trademark, Licensee shall not in any manner represent that it



has any ownership in the Trademark or registrations thereof, and Licensee acknowledges that use of the Trademark shall inure to the benefit of Licensor. Licensee will not at any time adopt or use, without Licensor's prior written consent, any word or mark which is likely to be similar to or confusing with the Trademark.

9. Goodwill; Similar Marks; Further Actions.

Licensee agrees that Licensor is the exclusive owner of the Trademark and the goodwill attached or appertaining thereto, and Licensor shall retain the full rights to the Trademark, the goodwill appertaining thereto, and all registrations granted thereon. Licensee shall have no rights to the Trademark or any confusingly similar variation thereof, except as and to the extent expressly provided herein. Licensee agrees, at the request and expense of Licensor, to execute any and all papers and documents necessary or useful to preserve and extend such trademark rights, including any registered user agreement and any documents required by the United States Patent and Trademark Office to show the relationship between Licensee and Licensor.

10. Status of the Parties. (a) Neither party shall have the right, power or authority to bind or obligate the other party in any manner whatsoever. Neither party is granted any right or authority to assume, or to create, any obligation or responsibility, express or implied, on behalf of the other or to bind the other in any manner except as expressly provided herein. Licensee shall not have the right to use the name, logo type or other trademarks of Licensor without the prior written consent of Licensor.

(b) This Agreement shall not constitute a joint venture or a partnership between the parties, and in no event shall either party be liable for any obligation of the other party except those expressly assumed by it under this Agreement or by separate written instrument signed by a duly authorized officer of such party.

11. Indemnity. Licensor assumes no liability to Licensee or to third parties with respect to the performance characteristics of the Trademark Products, and, to the extent permitted by law, Licensee shall indemnify, protect and hold harmless Licensor and any entity controlled by or under common control with it, and their respective officers, directors, employees, agents and representatives from and against any and

19. Headings. Headings used in this Agreement are intended for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

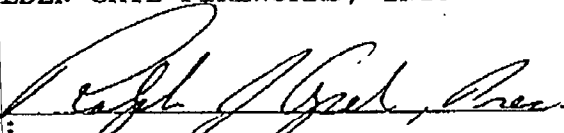
20. Successors and Assigns. This Agreement shall be binding upon the parties hereto and inure to the benefit of, except as prohibited hereby in respect of Licensee, each party's respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

LICENSOR SHIU FUNG FIREWORKS COMPANY LIMITED

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LICENSEE GOLDEN GATE FIREWORKS, INC.

  
By: \_\_\_\_\_  
Name: RALPH S. APEL  
Title: PRESIDENT