UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

MBA

Mailed: April 4, 2011

Opposition No. 91196926

GMA Accessories, Inc.

v.

Dorfman-Pacific Co.

Before Walters, Cataldo and Wolfson, Administrative Trademark Judges

By the Board:

This case now comes up for consideration of opposer's motion for summary judgment based on res judicata, filed December 7, 2010. The motion is fully briefed.

Background

Applicant seeks registration of CAPPELLI STRAWORLD, in standard characters, for "Handbags; Tote bags" and "Hats."[1] In its notice of opposition, opposer alleges prior registration of CAPELLI for a wide variety of goods, including clothing, cosmetics, jewelry, linens, hair

[1] Application Serial No. 77965616, filed March 23, 2010, based on claimed dates of first use of September 23, 2009. In the application, applicant claims ownership of Registration No. 2326188 and indicates that "[t]he English translation of 'CAPPELLI' in the mark is 'HAT.'"

products and hat ornaments,[2] that it is the "senior user" of its mark on unspecified goods and that use of applicant's mark is likely to cause confusion with, and dilute, opposer's mark. Opposer appears to also allege fraud, claiming that applicant "had knowledge" of opposer's ownership of opposer's pleaded mark, that applicant "had a duty to include its awareness" of opposer's mark in the involved application and that applicant "was aware its failure to disclose [opposer's] prior ownership of CAPELLI would decrease the chances of refusal" of the involved application. Finally, opposer alleges that the Board's order entering judgment in Cancellation No. 92044972 (the "Prior Cancellation") "is *res judicata*" (emphasis in original). In its answer, applicant admits that it purchased Cappelli Straworld, Inc., the respondent in the Prior Cancellation, "sometime after 2006," but otherwise denies the salient allegations in the notice of opposition. Applicant's Answer and Amended Counterclaim ¶ 22.[3]

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[2] Registration Nos. 3241182, 3241184, 3248875, 3258734 and 3322312, each of which issued in 2007 from applications filed in 2006.

[3] Applicant's original answer included counterclaims to cancel each of opposer's pleaded registrations, as well as two of opposer's unpleaded registrations for CAPELLI, Registration Nos. 3246017 and 3273451, but applicant failed to pay any of the required fees. On December 10, 2010, applicant filed amended counterclaims to cancel the same seven registrations, and this time paid the fee required in connection with opposer's five pleaded registrations only. Accordingly, the counterclaims to cancel the five pleaded registrations only are hereby instituted. Opposer is allowed until **May 30, 2011** to answer or otherwise move with respect to the

In the Prior Cancellation, opposer was the petitioner, and applicant's predecessor Cappelli Straworld, Inc. was the respondent. There, opposer sought to cancel Cappelli Straworld's Supplemental Registration of CAPPELLI, in typed form, for "Handbags" and "Hats,"[4] relying solely on prior use of CAPELLI for unspecified goods, and alleging that use of Cappelli Straworld's mark would be likely to cause confusion with opposer's mark. Cappelli Straworld filed an answer to the petition for cancellation, but failed to respond to opposer's motion to compel or subsequent motion for sanctions, and accordingly, opposer's motion for sanctions was granted as conceded in the Board's order of August 28, 2006, judgment was entered against Cappelli Strawold and Cappelli Straworld's involved registration was cancelled.

The Parties' Contentions

Opposer argues that the judgment in the Prior Cancellation was final and "is *res judicata* and requires refusal of" applicant's involved application in this case. Opposer specifically argues that applicant is "in privity" with Cappelli Straworld, by virtue of acquiring it. See, Notice of Opposition ¶ 22; Applicant's Answer and Amended

counterclaims to cancel its five pleaded registrations. See Trademark Rules 2.106(b)(2)(iii) and 2.121(b)(2).

[4] Supplemental Registration No. 2670642, issued December 31, 2002 from an application filed April 23, 2002, based on dates of first use of April 10, 2002.

Counterclaims ¶ 22. In its reply brief, opposer implicitly argues that this proceeding is based on the same transactional facts as the Prior Cancellation, because CAPPELLI and CAPPELLI STRAWORLD "are not sufficiently different so as to avoid the application of *res judicata*," and because in the Prior Cancellation, as here, opposer alleged priority and likelihood of confusion.

In its response to the motion, applicant points out that in the Prior Cancellation, opposer "did not allege any federal trademark registrations, but only common law rights," and that the Prior Cancellation "involved different parties." However, applicant has not attempted to withdraw the admission in its answer that it acquired Cappelli Straworld, Inc., nor has it submitted any evidence regarding its relationship with Cappelli Straworld. Applicant argues that it did not adopt the mark in its involved application "in an attempt to avoid the preclusive effect" of the judgment in the Prior Cancellation, pointing out that in 2009 it acquired Cappelli Straworld's registration of CAPPELLI STRAWORLD, INC., which issued in 2000.[5]

[5] Principal Registration No. 2326188, issued March 7, 2000 from an application filed February 25, 1999, with INC. disclaimed, based on dates of first use of 1972 for "tote bags and handbags made of straw and rayon" and "women's hats made of straw, felt, velvet and cotton." Applicant acquired this registration pursuant to a June 19, 2009 assignment, recorded with the Office at Reel 4044/Frame 0272.

Declaration of Bonnie Rubel, Cappelli Straworld's Vice President and creative director, ¶¶ 8-9.

Decision

Summary judgment is only appropriate where there are no genuine disputes as to any material facts, thus allowing the case to be resolved as a matter of law. Fed. R. Civ. P. 56(c). The party seeking summary judgment bears the burden of demonstrating the absence of any genuine dispute of material fact, and that it is entitled to a judgment under the applicable law. See Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986); Sweats Fashions, Inc. v. Pannill Knitting Co. Inc., 833 F.2d 1560, 4 USPQ2d 1793, 1796 (Fed. Cir. 1987). A factual dispute is genuine if, on the evidence of record, a reasonable fact finder could resolve the matter in favor of the non-moving party. See Opryland USA Inc. v. Great American Music Show Inc., 970 F.2d 847, 23 USPQ2d 1471, 1472 (Fed. Cir. 1992); Olde Tyme Foods, Inc. v. Roundy's, Inc., 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992).

The evidence on summary judgment must be viewed in a light most favorable to the non-movant, and all justifiable inferences are to be drawn in the non-movant's favor. Lloyd's Food Products, Inc. v. Eli's, Inc., 987 F.2d 766, 25 USPQ2d 2027, 2029 (Fed. Cir. 1993); Opryland USA, supra. The Board may not resolve genuine disputes as to material

facts; it may only ascertain whether genuine disputes as to material facts exist. See Lloyd's Food Products, 25 USPQ2d at 2029; Olde Tyme Foods, 22 USPQ2d at 1542.

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." Jet, Inc. v. Sewage Aeration Systems, 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000) (quoting Parklane Hosiery Co. v. Shore, 439 U.S. 322, 326 n. 5 (1979)). "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."[6] Sharp Kabushiki Kaisha v. ThinkSharp, Inc., 448 F.3d 1368, 79 USPQ2d 1376, 1378 (Fed. Cir. 2006). Furthermore, where, as here, the plaintiff raises claim preclusion in support of its own claim, rather than to preclude a claim against it, we must examine the use of res

[6] In other words, where the factual allegations in the original action could give rise to a claim, that claim should be brought in the original action. See, Orouba Agrifoods Processing Co. v. United Food Import, 97 USPQ2d 1310, 1314 (TTAB 2010); see also, Nasalok Coating Corp. v. Nylok Corp., 522 F.3d 1320, 86 USPQ2d 1369, 1371 (Fed. Cir. 2008) ("Claim preclusion refers to 'the effect of foreclosing any litigation of matters that never have been litigated, because of a determination that they should have been advanced in an earlier suit.'").

judicata "carefully to determine whether it would be unfair to the defendant." Id. 448 F.3d 1368, 79 USPQ2d at 1378-79.

In this case, on the record presented, we find that there are genuine disputes as to material facts remaining for trial. At a minimum, genuine disputes exist as to whether CAPPELLI STRAWORLD, at issue in this proceeding, "is the same mark, in terms of commercial impression," as the mark CAPPELLI, which was at issue in the Prior Cancellation. Institut National Des Appellations d'Origine v. Brown-Forman Corp., 47 USPQ2d 1875, 1894-95 (TTAB 1998). In addition, because opposer did not specify any particular goods or services for which it alleged prior use of CAPELLI in the Prior Cancellation, there is a genuine dispute of material fact with respect to whether this proceeding is based on the same set of transactional facts as the Prior Cancellation. Accordingly, opposer's motion for summary judgment is hereby **DENIED**.[7]

Conclusion

Opposer's motion for summary judgment is denied. Proceedings herein are resumed. Disclosure, discovery, trial and other dates are hereby reset as follows:

[7] Applicant's motion to strike the Declaration of Conor F. Donnelly in support of opposer's motion is hereby **GRANTED, IN PART**, to the extent that we have not considered any arguments in the declaration and have instead considered only: (1) the pleadings from the two proceedings; (2) the judgment from the Prior Cancellation; and (3) the pleaded and involved applications and registrations in the two proceedings.

Answer to Counterclaims Due	May 30, 2011
Deadline for Discovery Conference	June 29, 2011
Discovery Opens	June 29, 2011
Initial Disclosures Due	July 29, 2011
Expert Disclosures Due	November 26, 2011
Discovery Closes	December 26, 2011
Plaintiff's Pretrial Disclosures Due	February 9, 2012
30-day testimony period for plaintiff's testimony to close	March 25, 2012
Defendant/Counterclaim Plaintiff's Pretrial Disclosures Due	April 9, 2012
30-day testimony period for defendant and plaintiff in the counterclaim to close	May 24, 2012
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	June 8, 2012
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	July 23, 2012
Counterclaim Plaintiff's Rebuttal Disclosures Due	August 7, 2012
15-day rebuttal period for plaintiff in the counterclaim to close	September 6, 2012
Brief for plaintiff due	November 5, 2012
Brief for defendant and plaintiff in the counterclaim due	December 5, 2012
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	January 4, 2013
Reply brief, if any, for plaintiff in the counterclaim due	January 19, 2012

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.l25.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.l29.

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