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

Proceeding	91232152
Party	Defendant Amusement Art, LLC
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Submission	Motion to Suspend for Settlement Discussions
Filer's Name	Michaelangelo Loggia
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Signature	/Michaelangelo Loggia/
Date	06/14/2019
Attachments	AA - Status Update 061719_91232152.pdf(459310 bytes)

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

LIFE IS BEAUTIFUL, LLC, Opposer, V. AMUSEMENT ART, LLC, Applicant.	Opposition No.: 91232152 Mark: LIFE IS BEAUTIFUL Serial No.: 86912677 Filing Date: January 9, 2017

RESPONSE TO ORDER RE STATUS OF CIVIL ACTION

On September 14, 2016, the Board suspended the present proceeding pending the final disposition, including any appeals or remands, of Case No. 2:14-cv-08290-DDP-JPR ("the Civil Action"). Pursuant to the Order mailed May 15, 2019, an update of the status of the Civil Action is provided below.

Oral argument was held March 22, 2019 in the appeal to the Ninth Circuit, and the Ninth Circuit entered an unpublished decision in the appeal on April 23, 2019 (a copy of the Ninth Circuit's Memorandum is attached as Exhibit A). The Ninth Circuit affirmed the district court's order granting summary judgment, and affirmed in part and vacated in part, the district court's fee award. (Exhibit A at 3.) While affirming the district court's dismissal of Amusement Art's Section 32(1) claims based on eight registrations that had been previously withdrawn, the Ninth Circuit vacated the district court's cancellation of Amusement Art's registrations due to mootness in view of Amusement Art's prior voluntary surrender of those registrations. (Exhibit A at 4.)

With respect to Amusement Art's Section 43(a) claims based on its common law rights in the LIFE IS BEAUTIFUL mark (as well as its related common law and state law claims), the Ninth Circuit affirmed the district court's dismissal of Amusement Art's claims for two

alternative reasons: (a) the evidence of Amusement Art's fraud on the PTO justified summary judgment and Amusement Art had forfeited any argument that its fraud on the PTO was unrelated to its unregistered claims and its state and common law claims; and (b) Amusement Art's unregistered claims were found to fell on the merits because Amusement Art's class 41 registration (the only argument Amusement Art raised in the district court) was insufficient to establish priority. (Exhibit A at 4-5.)

The time for Amusement Art to seek review of the Ninth Circuit's Memorandum has now lapsed, and on May 15, 2019, the Ninth Circuit entered a Mandate returning jurisdiction to the district court for purposes of addressing the attorneys' fees issue in accordance with its April 23 Memorandum. Although the merits of the Civil Action are now concluded with respect to all issues that may bear on the instant proceeding, Applicant notes that the parties are in settlement discussions that could impact the present proceeding and thus suggest that the Board continue its stay of the instant proceeding over the next sixty (60) days to allow the parties to conclude those discussions. Should the parties be unable to settle all disputes between them, Applicant, respectfully submits, that it does not believe that the issues decided by the Ninth Circuit are determinative with respect to Applicant's rights in the instant registration.

June 14, 2019

Respectfully submitted,

AMUSEMENT ART, LLC

/Michaelangelo G. Loggia/
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CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing STATUS OF CIVIL ACTION has been served on counsel for Opposer by emailing a copy of the same on June 14, 2019 to:

Lori N. Boatright
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Dated: June 14, 2019 /Michaelangelo G. Loggia/

Michaelangelo G. Loggia

EXHIBIT A

Case: 17-55045, 04/23/2019, ID: 11273418, DktEntry: 88-1, Page 1 of 8

FILED

APR 23 2019

MOLLY C. DWYER, CLERK
U.S. COURT OF APPEALS

NOT FOR PUBLICATION

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

AMUSEMENT ART, LLC, Plaintiff-Appellant, v. LIFE IS BEAUTIFUL, LLC; et al., Defendants-Appellees.	No. 17-55045 D.C. No. 2:14-cv-08290-DDP-JPR MEMORANDUM*

AMUSEMENT ART, LLC, Plaintiff-Appellee, v. LIFE IS BEAUTIFUL, LLC; DOWNTOWN LAS VEGAS MANAGEMENT, LLC, Defendants-Appellants, and DOES, 1 through 10, inclusive, Defendant.	No. 17-55884 D.C. No. 2:14-cv-08290-DDP-JPR

* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

AMUSEMENT ART, LLC, Plaintiff-Appellant, v. LIFE IS BEAUTIFUL, LLC; DOWNTOWN LAS VEGAS MANAGEMENT, LLC, Defendants-Appellees, and DOES, 1 through 10, inclusive, Defendant.	No. 17-55888 D.C. No. 2:14-cv-08290-DDP-JPR

Appeals from the United States District Court
for the Central District of California
Dean D. Pregerson, District Judge, Presiding

Argued and Submitted March 25, 2019
San Francisco, California

Before: CLIFTON and CHRISTEN, Circuit Judges, and RUFE,** District Judge.

Plaintiff-Appellant Amusement Art, LLC ("AA") appeals the district court's order granting summary judgment to Defendant-Appellees Life is Beautiful, LLC

** The Honorable Cynthia M. Rufe, United States District Judge for the Eastern District of Pennsylvania, sitting by designation.

and Downtown Las Vegas Management, LLC (collectively "LIB") on AA's trademark and copyright infringement claims. In addition, both AA and LIB appeal the district court's award of attorney's fees to LIB. We have jurisdiction pursuant to 28 U.S.C. § 1291. We affirm the order granting summary judgment, and affirm in part and vacate, in part, the fee award.

AA is the intellectual property arm of artist Thierry Guetta, also known as "Mr. Brainwash." For several years, Guetta incorporated the phrase "life is beautiful" into some of his artwork and art shows, and separately created artwork involving a splashed-paint heart. AA registered a series of trademarks for both "life is beautiful" and the splashed-paint heart, and also registered a copyright for the splashed-paint heart. After LIB began hosting a "Life is Beautiful" music and art festival in Las Vegas with a painted-heart logo (and following brief, failed negotiations between the parties), AA brought suit alleging that LIB had improperly appropriated and infringed upon AA's "life is beautiful" trademarks as well as the trademark and copyright associated with the splashed-paint heart.[1]

1. The district court properly dismissed AA's allegations that LIB infringed AA's "life is beautiful" trademark.

[1] Because the parties are familiar with the facts of this case, we provide only this brief synopsis.

As to the Section 32(1) claims for registered "life is beautiful" marks, the district court dismissed those claims because AA defrauded the U.S. Patent and Trademark Office (PTO) by submitting false affidavits and photographs purporting to show that AA had used the mark "life is beautiful" on a variety of commercial products. AA had previously withdrawn those registrations, and does not appeal the dismissal of those claims. We therefore need not address the propriety of the district court's order on that issue. However, we vacate the district court's cancellation of those registrations because LIB's cancellation counterclaims were moot following AA's voluntary surrender of the registrations.

As to the Section 43 claims for unregistered marks, and the related common law and state law claims, the district court ruled that LIB was entitled to summary judgment because of its fraud on the PTO. The district court's order can be affirmed for two alternative reasons:

(a) The evidence of AA's fraud on the PTO justifies summary judgment for LIB. Although AA provided declarations from the individuals who submitted the false affidavits suggesting those individuals lacked the required intent to deceive the PTO, those declarations are skeletal and conclusory, and so they do not create genuine issues of material fact in light of the clear evidence that AA sought to mislead the PTO. *See F.T.C. v. Publ'g Clearing House, Inc.*, 104 F.3d 1168, 1171

(9th Cir. 1997), *as amended* (Apr. 11, 1997) ("A conclusory, self-serving affidavit, lacking detailed facts and any supporting evidence, is insufficient to create a genuine issue of material fact."). Moreover, AA forfeited any argument that its fraud on the PTO is unrelated to its unregistered claims and its state and common law claims, and AA therefore cannot rely on that argument here. *See, e.g., Yamada v. Nobel Biocare Holding AG*, 825 F.3d 536, 543 (9th Cir. 2016).

(b) AA's unregistered claims fail on the merits. The only argument that AA raised in the district court to show it possessed a protectable, source-identifying mark was the presumption of validity that stems from AA's "life is beautiful" class 41 trademark registration (covering music festivals). But the presumption of validity is rebuttable, and it only arises as of the registration's September 2014 filing date, *see Sengoku Works Ltd. v. RMC Int'l, Ltd.*, 96 F.3d 1217, 1219-20 (9th Cir.1996), which was two years *after* LIB's first documented use in 2012. That argument therefore fails, and AA has waived any alternative arguments by relying solely on its 2014 registration. *See, e.g., Abogados v. AT&T, Inc.*, 223 F.3d 932, 937 (9th Cir. 2000). Moreover, even beyond AA's waiver and the 2014 registration, the record shows that AA did not use "life is beautiful" as a source-identifying mark. Indeed, the ubiquitous phrase "life is beautiful" is a well-used trope that appears in a variety of different media, including books and movies, and

the record does not show that the phrase denotes Guetta's work, even in the context of pop art. At best, "life is beautiful" was an element of Guetta's art, not a branding strategy or a designation of origin, and so was not entitled to trademark protection. AA and Guetta also have no valid state law claims for unfair competition without a protectable, source-identifying mark. As such, the district court properly granted summary judgment to LIB.

2. We affirm the district court's dismissal of the copyright and trademark claims associated with AA's splashed-paint heart. AA had no valid trademark because the record does not show that AA or Guetta used the heart as a source identifier; in fact, AA's corporate designee testified that the splashed-paint heart was a copyrighted image, not a trademark. And AA waived the splashed-paint heart copyright claim by failing to adequately address it in its opening brief. *W. Radio Servs. Co. v. Qwest Corp.*, 678 F.3d 970, 979 (9th Cir. 2012) ("[This court] will not do an appellant's work for it, either by manufacturing its legal arguments, or by combing the record on its behalf for factual support."); *United States v. Graf*, 610 F.3d 1148, 1166 (9th Cir. 2010) ("Arguments made in passing and not supported by citations to the record or to case authority are generally deemed waived.").

3. LIB is entitled to fees on the Lanham Act claims arising from both the "life is beautiful" marks and the splashed-paint heart because the district court properly found those claims were "exceptional" pursuant to 15 U.S.C. § 1117(a). The claims for registered marks were "exceptional" because the registrations were procured fraudulently, which AA acknowledges is a basis for § 1117(a) fee award. Moreover, AA's fraud permeated the unregistered claims because there was significant overlap between the registered and unregistered claims, at least in terms of litigating LIB's defensive case. And even if AA's fraud is not related to the fees incurred on the unregistered trademark allegations, those claims are still "exceptional" because they are extraordinarily weak—the only argument AA made was based on a presumption of validity that was two years too late and had no chance of succeeding. Similarly, AA's splashed-paint heart trademark claims were extremely weak, and were effectively refuted by AA's own corporate designee. Accordingly, the district court did not abuse its discretion in finding the Lanham Act claims exceptional and awarding fees to LIB.

4. LIB is not entitled to fees on the splashed-paint heart copyright claim. Although AA ultimately lost, the claim was neither frivolous nor objectively unreasonable. Indeed, AA held a valid, registered copyright of its heart image and there were a number of striking similarities between the two splashed-heart images.

Moreover, LIB's founder pulled several images of Guetta's art off the internet and relied on those images to pitch the festival and get funding. Although the claim ultimately failed, the district court did not abuse its discretion in finding that a fee award was not justified.

5. Finally, after concluding that LIB is entitled to fees on the Lanham Act claims, but not the copyright claims, we otherwise vacate the district court's fee award. Because we conclude that AA's voluntary surrender of the trademark registrations mooted LIB's cancellation counterclaims (and, for all practical purposes, resolved AA's Section 32 claims based on the underlying marks), the fee award encompasses work that was unnecessary and potentially excessive. We therefore remand to the district court to reconsider the extent to which LIB's fee award should be adjusted to exclude fees that were incurred unnecessarily following AA's surrender of the eight registrations at issue.

The district court's order on summary judgment is **AFFIRMED**. The district court's fee award is **AFFIRMED IN PART** and **VACATED IN PART**, and the case is remanded to the district court with instructions to evaluate the impact of AA's voluntary surrender on LIB's Lanham Act fee award.

The parties shall bear their own costs for this appeal.

United States Court of Appeals for the Ninth Circuit

Office of the Clerk
95 Seventh Street
San Francisco, CA 94103

Information Regarding Judgment and Post-Judgment Proceedings

Judgment

- This Court has filed and entered the attached judgment in your case. Fed. R. App. P. 36. Please note the filed date on the attached decision because all of the dates described below run from that date, not from the date you receive this notice.

Mandate (Fed. R. App. P. 41; 9th Cir. R. 41-1 & -2)

- The mandate will issue 7 days after the expiration of the time for filing a petition for rehearing or 7 days from the denial of a petition for rehearing, unless the Court directs otherwise. To file a motion to stay the mandate, file it electronically via the appellate ECF system or, if you are a pro se litigant or an attorney with an exemption from using appellate ECF, file one original motion on paper.

Petition for Panel Rehearing (Fed. R. App. P. 40; 9th Cir. R. 40-1)
Petition for Rehearing En Banc (Fed. R. App. P. 35; 9th Cir. R. 35-1 to -3)

(1) A. Purpose (Panel Rehearing):

- A party should seek panel rehearing only if one or more of the following grounds exist:
  - A material point of fact or law was overlooked in the decision;
  - A change in the law occurred after the case was submitted which appears to have been overlooked by the panel; or
  - An apparent conflict with another decision of the Court was not addressed in the opinion.
- Do not file a petition for panel rehearing merely to reargue the case.

B. Purpose (Rehearing En Banc)

- A party should seek en banc rehearing only if one or more of the following grounds exist:

- ► Consideration by the full Court is necessary to secure or maintain uniformity of the Court's decisions; or
- ► The proceeding involves a question of exceptional importance; or
- ► The opinion directly conflicts with an existing opinion by another court of appeals or the Supreme Court and substantially affects a rule of national application in which there is an overriding need for national uniformity.

(2) Deadlines for Filing:

- A petition for rehearing may be filed within 14 days after entry of judgment. Fed. R. App. P. 40(a)(1).
- If the United States or an agency or officer thereof is a party in a civil case, the time for filing a petition for rehearing is 45 days after entry of judgment. Fed. R. App. P. 40(a)(1).
- If the mandate has issued, the petition for rehearing should be accompanied by a motion to recall the mandate.
- *See* Advisory Note to 9th Cir. R. 40-1 (petitions must be received on the due date).
- An order to publish a previously unpublished memorandum disposition extends the time to file a petition for rehearing to 14 days after the date of the order of publication or, in all civil cases in which the United States or an agency or officer thereof is a party, 45 days after the date of the order of publication. 9th Cir. R. 40-2.

(3) Statement of Counsel

- A petition should contain an introduction stating that, in counsel's judgment, one or more of the situations described in the "purpose" section above exist. The points to be raised must be stated clearly.

(4) Form & Number of Copies (9th Cir. R. 40-1; Fed. R. App. P. 32(c)(2))

- The petition shall not exceed 15 pages unless it complies with the alternative length limitations of 4,200 words or 390 lines of text.
- The petition must be accompanied by a copy of the panel's decision being challenged.
- An answer, when ordered by the Court, shall comply with the same length limitations as the petition.
- If a pro se litigant elects to file a form brief pursuant to Circuit Rule 28-1, a petition for panel rehearing or for rehearing en banc need not comply with Fed. R. App. P. 32.

- The petition or answer must be accompanied by a Certificate of Compliance found at Form 11, available on our website at www.ca9.uscourts.gov under *Forms*.
- You may file a petition electronically via the appellate ECF system. No paper copies are required unless the Court orders otherwise. If you are a pro se litigant or an attorney exempted from using the appellate ECF system, file one original petition on paper. No additional paper copies are required unless the Court orders otherwise.

Bill of Costs (Fed. R. App. P. 39, 9th Cir. R. 39-1)

- The Bill of Costs must be filed within 14 days after entry of judgment.
- See Form 10 for additional information, available on our website at www.ca9.uscourts.gov under *Forms*.

Attorneys Fees

- Ninth Circuit Rule 39-1 describes the content and due dates for attorneys fees applications.
- All relevant forms are available on our website at www.ca9.uscourts.gov under *Forms* or by telephoning (415) 355-7806.

Petition for a Writ of Certiorari

- Please refer to the Rules of the United States Supreme Court at www.supremecourt.gov

Counsel Listing in Published Opinions

- Please check counsel listing on the attached decision.
- If there are any errors in a published opinion, please send a letter **in writing within 10 days** to:
  - ► Thomson Reuters; 610 Opperman Drive; PO Box 64526; Eagan, MN 55123 (Attn: Jean Green, Senior Publications Coordinator);
  - ► and electronically file a copy of the letter via the appellate ECF system by using "File Correspondence to Court," or if you are an attorney exempted from using the appellate ECF system, mail the Court one copy of the letter.

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Form 10. Bill of Costs

Instructions for this form: http://www.ca9.uscourts.gov/forms/form10instructions.pdf

9th Cir. Case Number(s)

Case Name

The Clerk is requested to award costs to (*party name(s)*):

I swear under penalty of perjury that the copies for which costs are requested were actually and necessarily produced, and that the requested costs were actually expended.

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