

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
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Mailed: March 29, 2012

Opposition No. 91175601
Cancellation No. 92049913

Levi Strauss & Co.

v.

Abercrombie & Fitch Trading
Co.

Before Grendel, Bergsman and Shaw,
Administrative Trademark Judges.

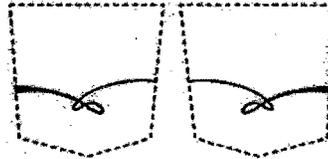
By the Board:

As a preliminary matter, inasmuch as Opposition No. 91175601 and Cancellation No. 92049913 involve the same parties the same marks, and similar claims, and inasmuch as applicant/respondent Abercrombie & Fitch Trading Co. ("A&F") filed a motion for summary judgment in both proceedings which seeks judgment on the same claims and is based on the same civil action (discussed further below) and underlying circumstances, this order sets forth the Board's decision on the merits of A&F's motion with respect to both proceedings.

A&F's application and the parties' registrations

A&F filed an application to register the design mark shown below for "clothing, namely, jeans, skirts, shorts, pants and

jackets."¹ After a division of the application pursuant to Trademark Rule 2.87, A&F's parent application, for "clothing, namely, jackets," in International Class 25, was published for opposition, and a Supplemental Register registration issued for the goods in the child application, namely, "clothing, namely, jeans, skirts, shorts, pants," in International Class 25.²



Both the application and registration include the following description of the mark statement:

The mark consists of a miscellaneous mirror image stitching design. The dotted lines around the mark represents the shapes of the pockets, which are not claimed as features of the mark.

Levi Straus & Co. ("LS&Co.") opposes registration of the application, and filed a petition to cancel the registration. In each complaint, LS&Co. asserts the grounds of 1) priority and likelihood of confusion under Trademark Act § 2(d); and 2) dilution under Trademark Act § 43(c).³ In both proceedings,

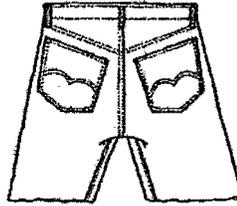
¹ Application Serial No. 78766368 filed December 5, 2005, asserting a bona fide intent to use the mark in commerce pursuant to Trademark Act § 1(b).

² Supplemental Register Registration No. 3451669, registered June 17, 2008.

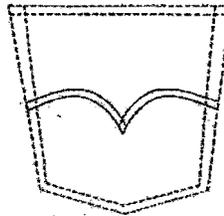
³ In neither the notice of opposition, nor the petition to cancel, does LS&Co. allege that its marks became famous prior to the filing date of A&F's application, or prior to A&F's first use of its mark, as required in setting forth a dilution claim. See *Toro Co. v. ToroHead Inc.*, 61 USPQ2d 1164, 1172-1173 (TTAB 2001);

LS&Co. pled ownership of the following four Principal Register registrations in International Class 25; each for a mark which LS&Co. identifies as its "Arcuate Stitching Design Trademark" or "Arcuate Mark":

- 1) Registration No. 404248 for "waistband type overalls," for the mark:⁴



- 2) Registration No. 1139254 for "pants, jackets, skirts and shorts," for the mark:⁵

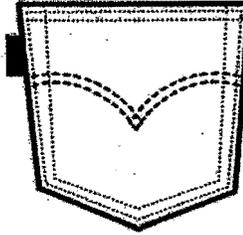


- 3) Registration No. 2791156 for "pants, jeans, shorts, skirts and jackets," for the mark:⁶

Polaris Industries Inc. v. DC Comics, 59 USPQ2d 1798 (TTAB 2000). Here, A&F did not raise the issue of the sufficiency of the pleading of the dilution claim. Thus, by way of the parties' briefing on the merits of the motion for summary judgment which we consider herein, we construe the complaints to include a properly pleaded dilution claim. See Fed. R. Civ. P. 15(b)(2).

In Cancellation No. 92049913, LS&Co. also listed the grounds of deceptiveness and false suggestion of a connection under Trademark Act § 2(a) on the ESTTA system filing cover sheet to its petition to cancel; however, these grounds are not sufficiently pled in the complaint.

⁴ Registered November 16, 1943; third renewal December 28, 2004.



4) Registration No. 2794649 for "pants, jeans, shorts, skirts and jackets," for the mark:⁷



A&F denied the salient allegations in the notice of opposition in its answer thereto, after which LS&Co. moved to suspend the proceeding pending disposition of a civil action. In Cancellation No. 92049913, prior to the time to answer, A&F moved to suspend the proceeding pending the disposition of the civil action. Thereafter, both proceedings were suspended under Trademark Rule 2.117(a) pending disposition of the civil action.

The federal civil action

In *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, Case No. 3:07-cv-03752-JSW, filed in the United States District Court for the Northern District of California ("civil action"), LS&Co. brought claims of trademark infringement under Trademark

⁵ Registered September 2, 1980; third renewal September 2, 2010.

⁶ Registered December 9, 2003; § 8 and § 15 affidavits accepted and acknowledged December 18, 2009.

Act § 32, false designation of origin and false description under Trademark Act § 43(a), and dilution under Trademark Act § 43(c) against A&F's mark (that is, the same mark in application Serial No. 78766368 and Supplemental Register Registration No. 3451669), seeking injunctive relief. LS&Co. asserted the same four registrations that it pled in the opposition and cancellation proceedings.

LS&Co. alleged, in pertinent part, the following common to all claims:

LS&CO. is informed and believes that A&F has in the past and continues to manufacture, source, market and/or sell clothing that displays stitching designs that are confusingly similar to LS&CO.'s Arcuate trademark, including but not limited to RUEHL brand jeans bearing the design shown in Exhibit C (the "A&F stitching design"). (civil action complaint, para. 11)

On the infringement claim, a jury verdict was rendered in favor of A&F.

On the dilution claim, the Court sought advisory opinions from the jury on the factual issues going to the elements of the claim. The jury rendered its opinions that: 1) LS&Co.'s mark is famous, 2) LS&Co.'s mark is distinctive, 3) the marks are not "identical or nearly identical," 4) A&F's use of its mark began after LS&Co.'s mark became famous, and 5) A&F's use of its mark is not likely to cause dilution by blurring of LS&Co.'s mark. In its Findings of Fact and Conclusions of Law

⁷ Registered December 16, 2003; § 8 and § 15 affidavits accepted and acknowledged December 24, 2009.

("findings"), the District Court ruled, inter alia, that 1) A&F has not incorporated LS&Co.'s mark into its mark as a "separate, visually identifiable element" (findings, p. 12); 2) A&F's mark is not "virtually indistinguishable" from LS&Co.'s mark (findings, p. 13); 3) LS&Co. did not establish that A&F "is making commercial use of a mark that is identical or nearly identical to" its mark (findings, p. 13).

Lastly, the Court found that LS&Co. had not met its burden of establishing by a preponderance of the evidence that A&F's mark is likely to cause dilution by blurring (findings, p. 15). On this point, the Court stated that it had considered all relevant factors, including the degree of similarity between the marks, the inherent or acquired distinctiveness of LS&Co.'s mark, the extent to which LS&Co. is engaging in substantially exclusive use of its mark, the degree of recognition of LS&Co.'s mark, whether A&F intended to create an association with LS&Co.'s mark, and any actual association between the marks. The Court found, inter alia, that the marks are not visually similar, that A&F did not intend to create an association with LS&Co.'s mark, that there are numerous pocket stitching designs in the marketplace, and that the degree of inherent or acquired distinctiveness of LS&Co.'s mark does not outweigh the factors that weigh in favor of A&F.

LS&Co. appealed the ruling on the dilution claim to the United States Court of Appeals for the Ninth Circuit on the

question of the District Court's application of the standard that the marks must be found to be "identical or nearly identical" in order for LS&Co. to prevail. The Ninth Circuit reversed and remanded, holding that the "identical or nearly identical" requirement no longer applied.⁸

Pursuant to Fed. R. Civ. P. 41(a)(2), LS&Co. voluntarily dismissed its dilution claim with prejudice.

In both the opposition and cancellation proceedings, A&F moved for summary judgment on the sole issue of whether the claims before the Board are barred by claim preclusion and/or issue preclusion. The motion has been fully briefed.

Analysis

⁸ On remand to the District Court, LS&Co. sought leave to amend its complaint so as to address A&F's use of the same mark on Gilly Hicks® products, asserting that A&F's use with respect to which LS&Co. originally sought injunctive relief - use of the mark "on Ruehl women's jeans, sold at particular price points and particular retail locations as well as on line" - had ceased (Joint Status Conference Statement, p. 1; LS&Co.'s brief, p. 5). As LS&Co. states in its brief:

On June 17, 2009, Abercrombie announced that it was shutting down the Ruehl® brand, and that its Ruehl® retail locations and on-line operations would cease by the end of the fiscal year. ... Thus, all use of the purported mark on Ruehl® jeans ceased, resolving, in practical terms, the entire dispute that was the subject of the civil action...

Also on June 17, 2009, Abercrombie filed a new trademark application to register its stitching design, that application became Supplemental Registration No. 3,849,062, for use of the design on "clothing, namely, bottoms." The specimen of use submitted to the PTO on August 9, 2010, in support of that application shows the design as used on a pair of Gilly Hicks® denim shorts. ... Gilly Hicks® products are sold at different stores than were the Ruehl® products (the Ruehl® retail stores are, in any event, now closed), and at different price points. (LS&Co.'s brief, p. 4).

Summary judgment standard

Summary judgment is appropriate where the movant shows that there is no genuine dispute as to any material fact and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). A party asserting that a fact cannot be or is genuinely disputed must support its assertion by either 1) citing to particular parts of materials in the record, or 2) showing that the materials cited do not establish the absence or presence of a genuine dispute, or that an adverse party cannot produce admissible evidence to support the fact. Fed. R. Civ. P. 56(c).

A movant for summary judgment carries the burden of proof in regard to its motion. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 323-24 (1986). In deciding the motion, the function of the Board is not to try issues of fact, but to determine if there are any genuine disputes of material fact to be tried. See TBMP § 528.01 (3d ed. 2011), and cases cited therein.

To prevail on its motion with respect to either the opposition or cancellation, A&F must prove that there is no genuine dispute of material fact that the elements of claim preclusion, or of issue preclusion, are satisfied such as to bar LS&Co.'s dilution and likelihood of confusion claims.

Res judicata (claim preclusion)

The District Court denied LS&Co.'s motion for leave to amend.

While our primary reviewing court advises that "[c]aution is warranted in the application of preclusion by the PTO," see *Mayer/Berkshire Corp. V. Berkshire Fashions, Inc.*, 424 F.3d 1229, 76 USPQ2d 1310, 1314 (Fed. Cir. 2005), it is within the Board's discretion to apply preclusion where it is warranted. See *Parklane Hosiery Co., Inc. v. Shore*, 439 U.S. 322 (1979).

Application of the doctrine of claim preclusion is appropriate when:

- (1) there is an identity of parties or their privies;
- (2) there was an earlier final judgment on the merits of a claim; and
- (3) the second claim is based on the same set of transactional facts as the first and should have been litigated in the prior case.

See *Sharp Kabushiki Kaisha v. Thinksharp, Inc.*, 448 F.3d 1368, 79 USPQ2d 1376, 1378 (Fed. Cir. 2006); *Jet, Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000).

Clearly, the parties in the civil action are the same parties to the opposition and cancellation proceedings.

The second element is also met here. On the infringement claim, the jury, after a full trial before the District Court, rendered a verdict on the merits of LS&Co.'s infringement claim in favor of A&F, and on the dilution claim, as noted above, rendered an advisory opinion. The District Court issued its decision based on findings of fact and conclusions of law, finding that LS&Co. had not met its burden of establishing that

A&F's mark is likely to cause dilution by blurring of LS&Co.'s mark.

Regarding the third element, our primary reviewing court has found that, because of "significant differences" between the transactional facts required to establish infringement in a district court, and cancellation of a registration at the Board, claim preclusion cannot serve to bar a petition for cancellation based upon an earlier infringement proceeding. See *Jet, Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854, 1857 (Fed. Cir. 2000). See also *Treadwell's Drifters Inc. v. Marshak*, 18 USPQ2d 1318, 1321 (TTAB 1990) ("[T]he civil action was based on a claim of injury resulting from respondent's use of his mark in commerce; the instant claim, however, is a claim that petitioner believes it is damaged by *registration* of respondent's mark. Thus, the claims are fundamentally different.") (emphasis in original).

In *Jet, Inc.*, the Federal Circuit also acknowledged that the Board has held that claim preclusion does not apply between infringement and *opposition* proceedings. *Jet Inc. v. Sewage Aeration Sys.*, 55 USPQ2d at 1858, n.1. As noted therein, the Board has stated that "[A] claim of infringement before the court and a claim of priority and likelihood of confusion before this Board are different claims. The former claim is, in essence, a claim of injury resulting from applicant's use of its mark in commerce; the latter claim, in essence, is a claim

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that opposer believes it would be damaged by registration of applicant's mark" (emphasis in original). *American Hygienic Labs, Inc. v. Tiffany & Co.*, 228 USPQ 855, 857 (TTAB 1986).

Accordingly, the third element of claim preclusion has not been met with respect to either Cancellation No. 92049913 or Opposition No. 91175601.⁹

Collateral estoppel (issue preclusion)

In the absence of claim preclusion, the related principle of collateral estoppel may bar relitigation of the same issue in a second action. See *Mayer/Berkshire Corp. v. Berkshire Fashions Inc.*, 76 USPQ2d at 1312.

Regarding whether issue preclusion, or collateral estoppel, is applicable based on a district court's decision,

[t]he doctrine of collateral estoppel ... normally will bar the relitigation of an issue of law or fact that was raised, litigated, and actually decided by a judgment in a prior proceeding between the parties, if the determination of that issue was essential to the judgment, regardless of whether or not the two proceedings are based on the same claim.

NLRB v. United Technologies Corp., 706 F.2d 1254, 1260 (2d Cir. 1983). The application of collateral estoppel requires:

⁹ The Federal Circuit also noted that the particular facts of certain cases may allow issue preclusion to bar relitigation of the issue of likelihood of confusion. *Jet, Inc. v. Sewage Aeration Systems*, 55 USPQ2d at 1857. The application of issue preclusion to LS&Co.'s claims in both the opposition and cancellation is discussed below.

- (1) identity of an issue in the current and a prior proceeding;
- (2) actual litigation of that issue in the prior proceeding;
- (3) necessity of a determination of the issue in entering judgment in the prior proceeding; and
- (4) a full and fair opportunity existed, for the party with the burden of proof on that issue in the second proceeding, to have litigated the issue in the prior proceeding.

See Mayer/Berkshire Corp. v. Berkshire Fashions Inc., 76

USPQ2d at 1313.

The first and third elements have been met. In the District Court, as well as in the opposition and cancellation, the grounds asserted require that LS&Co. prove that the parties' marks are similar. Thus, both the civil action and the Board proceedings squarely raise the issue of the degree of similarity or dissimilarity between the marks. See Trademark Act § 43(c)(2)(B)(i). Determination of this element of the dilution claim was key, regardless of whether the standard to be applied was whether A&F's use was or was not of an "identical or nearly identical" mark.

Moreover, the issue of the similarity or dissimilarity between the marks was necessarily central to the jury's determination that A&F's use of its mark is not infringing, as well as the District Court's determination that A&F's use of its mark is not likely to cause dilution by blurring. Indeed, in its findings of fact regarding the dilution claim, the District Court discussed, in detail, evidence that had been put forth by the parties, such as their respective experts'

findings regarding a survey conducted by LS&Co.'s expert on the matter of the public's recognition of its mark.

LS&Co.'s argument that the issue litigated in the civil action no longer exists because A&F's use of the mark "on Ruehl® brand women's jeans, sold in Ruehl® stores and on the internet at prices starting from \$75/pair - had ceased entirely by the time of remand" (LS&Co. brief, p. 10), and that "the only current use of the design by Abercrombie is on its Gilly Hicks® brand products - not involved in the Ruehl® action, and specifically not permitted by the Court to be litigated in the Ruehl® action" (LS&Co. brief, p. 2) is unpersuasive. Our analysis of the likelihood of confusion issue centers on the thirteen factors set forth in *In re E.I. DuPont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973) ("duPont factors"). While we do not ignore that changes in marketing, advertising, selling and/or channels of trade for the goods identified in an application or registration may, in some cases, constitute changed circumstances such as might alter the application of any one or more duPont factors, here, the duPont factors that are most germane to LS&Co.'s claims remain the same. That is, were Board to determine A&F's right to registrability and continued registrability, it would do so on the basis of the key duPont factors of the degree of similarity between the parties' marks, and the comparison of the parties' goods based on the goods as they are identified in the

respective application and registrations, without limitations or restrictions that are not reflected therein. See *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 62 USPQ2d 1001, 1004-05 (Fed. Cir. 2002); *Kangol Ltd. v. KangaROOS U.S.A., Inc.*, 974 F.2d 161, 23 USPQ2d 1945 (Fed. Cir. 1992). Here, the goods of the parties are identical, and since the time the civil action was litigated, neither party's mark has changed, the parties' identified goods have not changed, and the fact that none of the identified goods are limited by channels of distribution or trade has not changed.

To the extent that LS&Co. asserts that the factual analysis of the remaining *duPont* factors would change if applied with respect to A&F's Gilly Hicks® brand products, based on, for example, a change in the price at which or stores in which these goods are or will be sold, LS&Co.'s assertion is incorrect. As indicated, neither LS&Co.'s registrations, nor A&F's application and registration, have any restrictions as to price, channels of trade or classes of consumers. Because the registrations and application at issue are not restricted in any way, it is presumed that the scope of the goods encompasses all of the goods of the nature and type described, that they would travel in all channels of trade normal for those goods and to all classes of prospective consumers for those goods. See *Coach Services Inc. v. Triumph Learning LLC*, 96 USPQ2d 1600, 1608 (TTAB 2010), remanded on other grounds, ___ F.3d ___,

101 USPQ2d 1713, 1722 (Fed.Cir. 2012) ("The Board correctly recognized that, because Triumph's description of goods is not limited to sales to educational professionals, the goods are presumed to travel in all normal channels and to all prospective purchasers for the relevant goods.").

In any event, we are not persuaded that such an analysis would give rise to or would involve any issue that is different from the issue which has already been litigated. Even if the *duPont* factors were specifically applied to A&F's Gilly Hicks® brand products, the degree of similarity in the marks and the identical nature of the identified goods, would remain determinative factors. Consequently, the key factual issue that was necessary to a determination of infringement, and that would be necessary to a determination of likelihood of confusion in the opposition and cancellation, is the same whether the relevant claim is directed to A&F's use of its mark on the Ruehl® brand, the Gilly Hicks® brand, or some other brand or line of its identified goods.

Turning to the second element of issue preclusion, this element has been met. As noted above, the issues litigated in the civil action included the degree of similarity or dissimilarity between the marks, and the jury and the District Court reached their findings of fact and issued rulings on both the infringement and dilution claims after the presentation of

evidence and arguments on this and the other elements of the claims.

We find unpersuasive LS&Co.'s argument, with respect to its dilution claim, that its voluntary dismissal of that claim does not constitute "adequate litigation of the issues to give rise to issue preclusion" (LS&Co.'s brief, p. 2). The District Court made a key finding that defeats the dilution claim, namely, that the marks are not visually similar. *Cf. Kellogg Co. v. Pack'Em Enterprises, Inc.*, 14 USPQ2d 1545 (TTAB 1990), *aff'd* 951 F.2d 330, 21 USPQ2d 1142 (Fed. Cir. 1991). It is clear from the findings of fact that the Court based its decision on a conclusion of fact that A&F did not incorporate LS&Co.'s mark into its own mark as a "separate, visually identifiable element." It also found, for example, that LS&Co.'s survey evidence was not entitled to great weight. Moreover, LS&Co. did not appeal these findings; it appealed the application of the "identical or nearly identical" standard. Thus, the issue of the degree of similarity or dissimilarity between the marks was litigated, and LS&Co.'s dismissal of its dilution claim after the Ninth Circuit reversed and remanded does not change the prior litigation on which the District Court based its decision.

Furthermore, given that the primary objective of the preclusion doctrines is to bar relitigation of claims and issues that have already been heard, to hold otherwise would

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allow a party who loses on a claim at trial to avoid preclusion (and thus potentially allow needless relitigation) by simply dismissing its claim.

Finally, the fourth element is met inasmuch as LS&Co. clearly had a full and fair opportunity to litigate the issue of the degree of similarity or dissimilarity between its mark and A&F's mark. LS&Co. does not contend otherwise.

Conclusion

Accordingly, we find that A&F has met its burden of demonstrating that, with respect to both the opposition and cancellation, the record shows that there is no genuine dispute of material fact that the elements of issue preclusion exist and thus operate to bar LS&Co.'s dilution and likelihood of confusion claims against application Serial No. 78766368 and Registration No. 3451669. In view thereof, A&F's motion for summary judgment is hereby granted.

Opposition No. 91175601 and Cancellation No. 92049913 are hereby dismissed with prejudice.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of this **NOTICE OF APPEAL TO THE FEDERAL CIRCUIT** was served upon the following by first class mail on this 23rd day of May, 2012.

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