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

Proceeding	92064019
Party	Plaintiff Life Is Beautiful, LLC
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

LIFE IS BEAUTIFUL, LLC)	
)	
Petitioner,)	Proceeding No.: 92064019
)	
v.)	
)	
AMUSEMENT ART, LLC.)	
)	
Registrant.)	
)	

PETITIONER’S RESPONSE TO REGISTRANT’S MOTION TO SUSPEND PROCEEDINGS

Registrant has moved to suspend the present Cancellation Proceeding pursuant to 37 CFR § 2.117(a) and TBMP § 510.02(a) (2016) because the parties are engaged in civil proceedings relating to the mark LIFE IS BEATIFUL in the Central District of California (“Civil Proceedings” or “Civil Action”). Petitioner disclosed the existence of the Civil Proceedings at a prior date and detailed particular allegations as to same in Paragraphs 20 through 27 of its Petition for Cancellation. 1 TTABVUE 12-14.

Petitioner recognizes that it is standard practice for the Board to suspend inter partes proceedings during the pendency of litigation between the parties that may have a bearing on the outcome of the TTAB proceedings. Petitioner did not initially consent to suspension because the registration at issue here (U.S. Registration No. 4971412 (“the Subject Registration”)) has not been directly asserted in the “collateral” Civil Action. Further, Registrant’s past actions, whereby it voluntarily surrendered registrations that were the subject of the Civil Action in an effort to avoid their cancellation with prejudice, have effectively required that Petitioner approach such procedural issues with caution.

Petitioner respectfully submits that the Board should suspend this case pending the outcome of the Civil Action, but only after Registrant has filed its Answer in this Cancellation Proceeding, in an effort to clarify the claims and defenses and avoid any future procedural surprises upon resumption of the Cancellation.

Subject Registration Not Asserted in the Civil Action

In the Civil Action, Registrant's claim of federal trademark infringement under Section 32(1) of the Lanham Act (First Cause of Action) against Petitioner was based on Registrant's ownership of eight federal trademark registrations (Registration Nos. 4230609, 4222551, 4230601, 4230603, 4230604, 4230605, 4568728, and 4400693) (the "Original 8 Registrations") for the mark LIFE IS BEAUTIFUL (4 TTABVue Exhibit A, 5, 9-11), none of which are the Subject Registration. Petitioner filed counterclaims seeking to cancel each of the Original 8 Registrations based on the fact that Registrant obtained the same by defrauding the Trademark Office. During the course of discovery, Petitioner elicited admissions from Registrant's witnesses confirming that, among other things, they had filed false statements of use with the Trademark Office, including mocked-up pictures with false specimens of use, in order to procure the Original 8 Registrations. Petitioner informed Registrant of its plans to seek summary judgment on its counterclaims for cancellation of the Original 8 Registrations on the basis of fraud, and before Petitioner filed its Summary Judgment Motion, Registrant submitted Section 7(e) documents to the Trademark Office in which it surrendered the Original 8 Registrations *without Petitioner's consent*. Because they were not the subject of a Cancellation Action, they were cancelled without prejudice. Petitioner believes, as argued in the pending Motion for Summary Judgment in the Civil Action, that the Original 8 Registrations should be cancelled *with prejudice*, in the same manner they would have been if Registrant had surrendered the registrations while they were the subject of a cancellation proceeding before this Board. *See* 37 CFR § 2.134(a). Petitioner has filed for summary judgment on its claims in the Civil Action seeking dismissal with prejudice; that motion is set for hearing on October 24, 2016.

Suffice it to say, Petitioner has concerns about similar procedural "games" between the Civil Action and this Cancellation, particularly if not all claims regarding the Subject Registration are addressed in the Civil Action. Petitioner notes that the Registration just issued in June 2016, and while Registrant apparently now intends to rely on it at trial, it was not clear that Registrant conceded that the Civil Action would have an impact on the Cancellation proceedings, which was based upon the Original 8 Registrations that Registrant has now surrendered. Without a statement by Registrant asserting that the Civil Action would

have bearing on this Cancellation Action, which it has now expressly made in its motion for suspension, Petitioner was reluctant to stipulate to suspension.

The Board Should Exercise Its Discretion to Require Registrant's Answer in this Proceeding Prior to Suspension

As the Registrant has now affirmatively asserted in its Motion to Suspend that the Civil Action and Cancellation Proceeding are related, the Petitioner does not oppose suspension in theory. Petitioner is aware of the Board's precedents and its discretion in this regard. In its Motion to Suspend, Registrant has stated, "[T]he Civil Action and the Cancellation raise virtually identical factual and legal issues between the exact same parties," but notes, "In any event, the issues...need not be identical, but only have a 'bearing' on the outcome of the TTAB proceeding." (4 TTABVUE 3).

Suspension of a Board proceeding pending the final determination of another proceeding is solely within the discretion of the Board. TBMP § 510.02(a) (2016). Although Registrant has asserted that the Civil Action will have a "bearing" on the outcome of the Cancellation proceeding, Petitioner requests that the Board to defer its final determination on whether to suspend until after Registrant has filed an Answer. Although the Board does not usually require that an issue be joined (*i.e.*, that an answer be filed) in one or both proceedings before the Board will consider suspending a Board proceeding, it is within its discretion to do so. *See* TBMP § 510.02(a) (2016).

Petitioner respectfully submits that Registrant's Answer would only provide further clarity on the bearing the Civil Action will have on the Cancellation claims. The Answer filing will join all claims in the proceeding, and solidify the various claims and defenses on both sides. Suspension prior to the Answer filing raises the possibility of Registrant potentially raising new defenses or filing unexpected procedural motions upon resumption of the case at some future date, despite the prior Civil Action litigation. In short, requiring the Answer filing at this stage will provide much greater clarity on how the Cancellation is to be handled upon resumption following the Civil Action.

Petitioner notes that, as it stands, the Civil Action may not address the many other grounds for cancellation set forth in Petitioner's Cancellation Petition, namely, that Registrant committed fraud in order

to procure the Subject Registration, that the application was filed in the wrong name (and therefore is void *ab initio*), that Registrant improperly assigned the application to overcome a 2(d) refusal, that Registrant submitted a fabricated specimen along with its Declaration of Use, and finally, that Registrant did not at the time of filing, nor has it ever, used LIFE IS BEAUTIFUL as a trademark for the Class 41 services at issue here. If any one of the many detailed claims is sustained, the Subject Registration should be cancelled.

For all of the foregoing reasons, Petitioner respectfully requests that the Board compel Registrant to file its Answer in this Cancellation Action prior to suspending until final determination of the Civil Action.

Respectfully Submitted,

LIFE IS BEAUTIFUL, LLC

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Attorneys for Petitioner

Dated: 08 Sept. 2016

CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing **PETITIONER'S OBJECTION TO REGISTRANT'S MOTION TO SUSPEND PROCEEDINGS AND ACCOMPANYING BRIEF** was served by first class mail, postage prepaid, on this 8th day of September, 2016, upon Registrant at the following addresses of record and courtesy copies as identified:

Michaelangelo G. Loggia
1110 Seward Street
Los Angeles, CA 90038

Dated: 8th Sept 2016



Al Grossman