UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
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Mailed: September 14, 2016

Cancellation No. 92064019

Life Is Beautiful, LLC

v.

Amusement Art, LLC

Andrew P. Baxley, Interlocutory Attorney:

Life Is Beautiful, LLC ("Petitioner") seeks to cancel Amusement Art, LLC's ("Respondent") registration for the mark LIFE IS BEAUTIFUL in standard characters for services in International Class 41 on a variety of grounds.[1] In lieu of an answer to the petition to cancel, Respondent filed a motion to suspend this proceeding pending final disposition of a civil action styled *Amusement Art, LLC v.*

[1] Registration No. 4971412, issued June 7, 2016 with a September 24, 2014 constructive use filing date, and alleging 2008 as the date of first use anywhere and June 18, 2008 as the date of first use in commerce. The recitation of services in that registration is "Arranging, organizing, conducting, and hosting social entertainment events; Art exhibition services; Art exhibitions; Audio production services, namely, creating and producing ambient soundscapes, and sound stories for museums, galleries, attractions, podcasts, broadcasts, websites and games; Audio recording and production; Augmented reality video production; Book publishing; Organizing community festivals featuring primarily Art exhibitions and also providing film, fashion shows and exhibitions."

The application for Respondent's registration was filed by It's A Wonderful World, Inc. Such application was assigned to Respondent by way of a document that was executed on October 23, 2014 and recorded with the Assignment Recordation Branch on January 20, 2015 at Reel 5443/Frame 0783.

In the twenty-seven page petition to cancel, Petitioner alleges (1) nonuse fraud; (2) nonuse; (3) nonownership as of the application filing date for the involved registration; (4) nonownership fraud; (5) failure to function as a mark; and (6) likelihood of confusion with its previously used mark LIFE IS BEAUTIFUL for "music festivals."

Life Is Beautiful, LLC, Case No. 2-14-cv-08290-DDP-JPR. Petitioner filed a brief in response thereto. Although Respondent's time to file a reply brief has not lapsed, the Board, in its discretion, elects to decide the motion to suspend now.

In response to the motion to suspend, Petitioner contends that Respondent relied upon eight other registrations in the civil action, all of which it surrendered in response to a motion for summary judgment in that civil action, and did not assert the involved registration in that case; that, while Petitioner does not oppose the proposed suspension in theory, Respondent should be required to file an answer in the above-captioned proceeding prior to any suspension thereof.

"Whenever it shall come to the attention of the ... Board that a party or parties to a pending case are engaged in a civil action ... which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding." Trademark Rule 2.117(a). *See* TBMP § 510.02(a). The civil action need not be dispositive of the Board proceeding to warrant suspension, it need only have a bearing on the issues before the Board. *See New Orleans Louisiana Saints LLC v. Who Dat? Inc.*, 99 USPQ2d 1550, 1552 (TTAB 2011). The Board generally does not require that an answer be filed the Board proceeding before the Board will consider suspending a Board proceeding pending the outcome of another proceeding. *See* TBMP § 510.02(a).

Although the USPTO has expertise in determining trademark registrability, such determinations are not within the USPTO's exclusive jurisdiction. *See* Trademark Act Section 37, 15 U.S.C. § 1119; *American Bakeries Co. v. Pan-O-Gold*

Baking Co., 2 USPQ2d 1208 (D. Minn. 1986). Moreover, the Board is empowered only to determine the right to register and has no authority to decide infringement issues. *See General Mills Inc. v. Fage Dairy Processing Industry SA*, 100 USPQ2d 1584, 1591 (TTAB 2011) (no authority to determine the right to use, or the broader questions of infringement, unfair competition, damages or injunctive relief). To the extent that a civil action in a Federal district court involves issues in common with those in a proceeding before the Board, the decision of the Federal district court is binding upon the Board.[2] *See, e.g., Goya Foods Inc. v. Tropicana Products Inc.*, 846 F.2d 848, 6 USPQ2d 1950 (2d Cir. 1988).

Although the registration that is the subject of this proceeding was not issued until June 2016, seven months after the filing of Respondent's first amended complaint and six months after the filing of Petitioner's answer to the amended complaint and counterclaim in the civil action, Respondent relies upon the application for that registration in the civil action. 4 TTABVUE 13 and 19, paragraphs 17 through 19 and 54 through 63. *Cf. UMG Recordings, Inc. v. O'Rourke*, 92 USPQ2d1042, 1045 n.12 (TTAB 2009) (if a party pleads a pending application in the notice of opposition, it may make the resulting registration of record at trial without having to amend its pleading to assert reliance onthe registration). To prevail on its claim of infringement in the civil action, Respondent must establish its rights in the mark LIFE IS BEAUTIFUL. If the district court determines that such rights exist, that determination may have a bearing upon this

[2] Likewise, a Board decision, in certain circumstances, may provide a basis for application of issue preclusion. *See B&B Hardware, Inc. v. Hargis Industries, Inc.*, 113 USPQ2d 2045 (2015).

proceeding. Moreover, Respondent seeks injunctive relief in the civil action. If Petitioner is enjoined from enjoined from using the mark LIFE IS BEAUTIFUL, such injunction may have a bearing upon Petitioner's standing to maintain this proceeding. Accordingly, the Board finds that suspension of this proceeding is warranted.

Petitioner states in its brief that it "does not oppose suspension in theory" (5 TTABVUE 4), but wants the Board to require Respondent to file an answer prior to any suspension of this case. However, the Board finds that requiring such filing at this time is unwarranted. In particular, the Board notes that, if Respondent's time to file an answer were reset, Respondent would not be precluded from filing a motion in lieu of an answer, e.g., a motion to dismiss under Fed. R. Civ. P. 12(b) or a motion to strike under Fed. R. Civ. P. 12(f). *See* TBMP §§ 503 and 506. Rather than risk becoming in motion practice, the Board finds that judicial economy is best served by suspending the Board proceeding now.

In view thereof, Respondent's motion to suspend is hereby granted. Proceedings herein are suspended pending final disposition, including any appeals or remands, of Case No. 2:14-cv-08290-DDP-JPR.

The Board will make annual inquiry as to the status of the civil action. Within twenty days of such final disposition, Respondent should notify the Board so that appropriate action can be taken in this case. While this case is suspended, the parties must keep their correspondence addresses current.