

Goodman

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

Mailed: February 8, 2008

Opposition No. **91176609**

Virgin Enterprises Limited

v.

Holt's Company

Before Quinn, Drost and Mermelstein, Administrative
Trademark Judges.

By the Board:

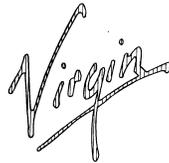
Applicant Holt's Company has applied to register the
mark ASHTON VIRGIN SUN GROWN, in standard character form,
for "cigars" in International Class 34.¹

Registration has been opposed by opposer Virgin
Enterprises Limited on the ground that applicant's mark,
when used on the identified goods, so resembles opposer's
previously used and registered VIRGIN marks as to be likely
to cause confusion, mistake or deception. Opposer has
pleaded ownership of thirty-eight VIRGIN and VIRGIN
formative marks for a wide range of goods and services in a
variety of classes. The pleaded registrations for the mark

¹ Application Serial No. 78574896 filed July 25, 2005, based on
use in commerce and claiming a date of first use in commerce of
July 12, 1999; 2(f) in part claimed as to VIRGIN and SUN GROWN
disclaimed. Prior regs. 1376628, 1885186, and 2164001 claimed.

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VIRGIN include Registration. No. 3188282² for "alcoholic beverages, namely, vodka and wine" in International Class 33, and Registration No. 2625455³ for, among other things, "providing an on-line shopping mall via a global computer network" in International Class 35. The pleaded registrations for the stylized mark:



include Registration. No. 2709578⁴ for "water, namely, mineral waters, aerated waters and flavored waters; non-alcoholic beverages, namely, fruit flavored drinks" in International Class 32, and for "spirits, namely vodka" in International Class 33; and Registration No. 2798130⁵ for, among other things, "retail store services in the fields of records, audio and video tapes, computers and electronic apparatus and watches, books, luggage and leather goods, clothing, games, video game cartridges, and cafes" in International Class 42. As a second ground for opposition, opposer has alleged dilution.

² Issued December 19, 2006, claiming a date of first use in commerce of January 4, 1995.

³ Issued September 24, 2002, claiming a date of first use in commerce of December 1997.

⁴ Issued April 22, 2003, claiming a date of first use in commerce of 1998 for water and nonalcoholic beverages and claiming a date of first use in commerce of January 4, 1995 for vodka.

In its answer, applicant denied the salient allegations of the notice of opposition.

This case now comes up on opposer's motion for summary judgment, filed June 28, 2007. The motion is fully briefed.

As background, the parties were involved previously in Opposition No. 91119511 involving applicant's application to register the mark:



("Ashton Cabinet VSG Virgin Sun Grown and Design") for "cigars" in International Class 34.⁶ Opposer alleged likelihood of confusion and dilution as the grounds for opposition, and pleaded ownership of many of the same registrations which it asserts in this proceeding. Applicant failed to file an answer, and default judgment was entered against applicant on October 14, 2003.

⁵ Issued December 23, 2003, claiming a date of first use in commerce of 1992.

⁶ Application Serial No. 75779855, based on use in commerce and claiming a date of first use in commerce of July 12, 1999; SUN GROWN disclaimed.

In its motion for summary judgment, opposer maintains that due to the Board's prior decision in Opposition No. 91119511, the mark involved in this proceeding, ASHTON VIRGIN SUN GROWN, is barred from registration by res judicata.

Opposer points out that the parties are identical and that the current application claims the same rights as the prior abandoned application ("identical marks, with identical disclaimers, for identical goods, based on identical claimed first use dates as were the subject of the claims adjudicated adversely"). With regard to its argument that ASHTON VIRGIN SUN GROWN "encompasses the identical mark" that was the subject of Opposition No. 91119511, opposer maintains that "[t]he block letter registration now sought . . . is simply a different characterization of a right to registration allegedly arising from . . . alleged use of the mark in stylized form since July 12, 1999."

As evidence, opposer has submitted the declaration of James W. Dabney, pages from the Official Gazette showing publication of the mark ASHTON CABINET VSG VIRGIN SUN GROWN and Design and the mark ASHTON VIRGIN SUN GROWN, a copy of the notice of opposition in Opposition No. 91119511, a copy of the Board's order entering default judgment in Opposition No. 91119511, and a copy of the specimen submitted for the

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involved application in this proceeding, Serial No. 78574896.

In opposing the motion, applicant argues that "there is no indication that default judgment must give rise to res judicata," advising that in the prior 91119511 opposition applicant was "out-resourced" and "reluctantly chose to abandon its applications" as the parties were unable to negotiate a coexistence agreement. Applicant also argues that res judicata does not apply because "there exists unique separate transactional or operative facts" with respect to the current application and the application involved in the prior Board proceeding. In particular, applicant argues that its earlier application for the mark ASHTON CABINET VSG VIRGIN SUN GROWN and Design contained a unique design element and different wording from the current application for the mark ASHTON VIRGIN SUN GROWN.

In reply, opposer argues that applicant cannot avoid the "bar of res judicata on the ground that it chose not to contest VEL's oppositions" . . . and "allowed judgments to be entered against it." Opposer points out that applicant "concedes the identity of the parties" and that by its application for the word mark ASHTON VIRGIN SUN GROWN applicant seeks a "broader registration of a block letter word mark that would include and encompass the previously-refused-word-and-design mark," essentially "embedd[ing] the

rejected claim in a block letter portrayal of a previously rejected mark.”

In a motion for summary judgment, the moving party has the burden of establishing the absence of any genuine issues of material fact and that it is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(c). A genuine issue with respect to material fact exists if sufficient evidence is presented that a reasonable fact finder could decide the question in favor of the non-moving party. See *Opryland USA Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

As the parties acknowledge, the form of res judicata at issue here is claim preclusion, not issue preclusion, as no issues were actually decided and litigated in the prior Board proceeding. For claim preclusion to apply, there must be (1) an identity of 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. *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 327 n.5 (1979); *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000). “Default judgment can operate as res judicata in appropriate circumstances.” *Sharp Kabushiki Kaisha v. ThinkSharp Inc.*, 448 F.3d 1368, Inc., 79 USPQ2d 1376, 1378 (Fed. Cir. 2006) citing *Morris v. Jones*, 329 U.S. 545, 550-51 (1947).

With respect to the prior Board litigation, there is no dispute as to the identity of the parties or whether there was a final judgment on the merits of the prior claim. Rather, the parties dispute whether the present claim, i.e., applicant's entitlement to registration of the mark ASHTON VIRGIN SUN GROWN, is based on the same set of transactional facts as the claim in the prior opposition. The parties do not dispute that the goods identified in the application which was the subject of the prior opposition are the same as the goods identified in the current application. Thus, the issue for us to consider is whether the mark in this proceeding has the same commercial impression as the mark involved in the prior opposition. See *Institut National Des Appellations d'Origine v. Brown-Forman Corp.*, 47 USPQ2d 1875, 1894 (TTAB 1998) ("The Board, in applying the Restatement's [Second of Judgments] analysis in determining whether two opposition proceedings, against two applications, involve the same "claim" for purposes of the claim preclusion doctrine, has looked to whether the mark involved in the first proceeding is the same mark, in terms of commercial impression").

Applying this analysis to the present case, we find that the application that was the subject of the prior opposition proceeding, ASHTON CABINET VSG VIRGIN SUN GROWN and Design, is the same mark in terms of commercial impression, as ASHTON VIRGIN SUN GROWN, the mark involved in

this proceeding. Clearly, ASHTON VIRGIN SUN GROWN evolved out of the word and design mark, and the deletion of the design and the terms CABINET VSG are minor alterations which do not rise to the level of a new mark, sufficient to allow applicant to seek registration herein. *See Miller Brewing Co. v. Coy Int'l Corp.*, 230 USPQ 675 (TTAB 1986) (finding claim preclusion with respect to a design mark which evolved out of an earlier design mark which had been the subject of an opposition proceeding between the parties, finding any changes to the mark were minor and did not change the commercial impression); *Aromatique Inc. v. Lang*, 25 USPQ2d 1359 (TTAB 1992) (finding claim preclusion with respect to a mark which had minor alternations in typeface and capitalization to an earlier mark that was the subject of an opposition between the parties, finding the commercial impression the same). *Cf. J.I. Case Co. v. F.L. Indus., Inc.*, 229 USPQ 697 (TTAB 1986) (finding issue preclusion with respect to a stylized mark wherein the mark in the earlier proceeding was typed and the goods covered in the present application were encompassed within the broad designation of goods in the prior application).

Accordingly we find that the mark sought to be registered herein and the mark that was the subject of the prior opposition proceeding are the same, such that the two proceedings involve the same claim for purposes of res

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judicata and therefore, the judgment in Opposition No. 91119511 operates as a bar to applicant's application for the mark ASHTON VIRGIN SUN GROWN.

In view thereof, opposer's motion for summary judgment is granted.

Judgment is hereby entered against applicant, the opposition is sustained, and registration to applicant is refused.