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

gcp/jk

Mailed: April 28, 2008

Opposition No. 91177654

PARTYLITE WORLDWIDE, INC.

v.

NBSP, INC.

Before Hohein, Zervas and Bergsman,
Administrative Trademark Judges.

By the Board:

NBSP, Inc. ("applicant") seeks to register the mark PARTY-LITE, in standard characters, for "cigarette lighters not of precious metal," in International Class 34.¹

On June 5, 2007, Partylite Worldwide, Inc. ("opposer") filed a notice of opposition to the registration of applicant's mark. As grounds for opposition, opposer alleges that applicant's mark, when used on or in connection with applicant's identified goods, so resembles opposer's previously used and registered marks PARTYLITE (typed) for "candles,"² PARTYLITE (typed) for "candle holders not of

¹ Application Serial No. 78916317, filed June 25, 2006, based on an allegation of a bona fide intent to use the mark in commerce.

² Registration No. 1735998, registered December 1, 1992, renewed September 10, 2003, and alleging a date of first use and first use in commerce of December 31, 1991.

precious metal,"³ PARTYLITE and design for "clothing, namely sweaters, shirts, outdoor jackets,"⁴ PARTYLITE and design for "candles; candle holders not of precious metal; candle accessories, namely, silk flower arrangements for use on and around candles and candle holders; and silk flower swags for use as table or wall decorations; retail shop-at-home party services in the field of candles and housewares; home product demonstrations in connection with the sale of candles and housewares,"⁵ PARTYLITE and design for "printed material, namely candle care cards,"⁶ and PARTYLITE GIFTS (typed) for "conducting mail order catalog sales and home demonstrations in connection with the sale of housewares and candles,"⁷ as to be likely to cause confusion, mistake or to deceive.

Applicant, in its answer filed on July 16, 2007, has denied the salient allegations in the notice of opposition.

³Registration No. 2487273, registered September 11, 2001, and alleging a date of first use and first use in commerce of December 31, 1991.

⁴Registration No. 2565288, registered April 30, 2002, and alleging a date of first use and first use in commerce of December 31, 1994.

⁵Registration No. 2762405, registered September 9, 2003, and alleging a date of first use and first use in commerce of December 17, 2001.

⁶Registration No. 2475667, registered August 7, 2001, and alleging a date of first use and first use in commerce of December 31, 1991.

⁷Registration No. 1142963, registered December 9, 1980, renewed June 11, 2001, and alleging a date of first use and first use in commerce of April 19, 1973.

On November 15, 2007, opposer filed a motion for summary judgment. The motion is fully briefed,⁸ and is now before the Board for determination of opposer's motion for summary judgment.

In support of its motion, opposer alleges that applicant is precluded, under the doctrine of *res judicata*, from registering PARTY-LITE for "cigarette lighters not of precious metal" because a final judgment was entered against applicant by way of summary judgment in a previous Board proceeding, namely, Opposition No. 91116104, and that this prior proceeding involved the same parties, applicant and opposer's predecessor-in-interest, and involved the identical mark and the identical goods.⁹

In response, applicant asserts that opposer failed to make its pleaded registrations of record, having submitted printouts from the USPTO Trademark Electronic Search System ("TESS") database rather than status and title copies as required by Trademark Rule 2.122(d)(1). Applicant also argues that the preclusive effect of *res judicata* does not apply here inasmuch as the judgment rendered in the prior Board proceeding (Opposition

⁸ The Board, in the exercise of its discretion, has considered opposer's reply brief filed December 31, 2007. See *Harjo v. Pro-Football, Inc.*, 45 USPQ2d 1789, 1791 (TTAB 1998); *Zirco Corp. v. American Telephone and Telegraph Co.*, 21 USPQ2d 1542, 1543 n.4 (TTAB 1991); *Avon Products, Inc. v. MarCon, Ltd.*, 225 USPQ 977, 979 (TTAB 1985); see also TBMP § 502.02(b) (2d ed. rev. 2004).

⁹ Application Serial No. 75442178, filed by NBSP, Inc. on February 27, 1998, for the mark PARTY-LITE, in typed form, for "cigarette lighters not of precious metal." This application was rendered abandoned after entry of the Board's February 20, 2002 order granting as conceded opposer's motion for summary judgment on the issue of likelihood of confusion.

No. 91116104) did not constitute a final decision on the merits of that case. Applicant argues that permitting it to defend against the opposition is in the interest of justice because applicant did not have the resources to defend the prior opposition proceeding.

Summary judgment is appropriate when the record shows that there is no genuine issue of material fact and that the moving party is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(c). A dispute as to a material fact issue is genuine only if a reasonable fact finder viewing the entire record could resolve the dispute in favor of the nonmoving party. See *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1544 (Fed. Cir. 1992). In deciding a motion for summary judgment, the Board must view the evidence in the light most favorable to the nonmovant and must draw all reasonable inferences from underlying facts in favor of the nonmovant. *Id.*

A party seeking summary judgment bears the initial burden of informing the Board of the basis for its motion and identifying those portions of the record which it believes demonstrates the absence of a genuine issue of material fact. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S. Ct. 2548 (1986). When the moving party's motion is supported by evidence sufficient, if unopposed, to indicate that there is no genuine issue of material fact, and that the moving party

is entitled to judgment, the burden shifts to the nonmoving party to demonstrate the existence of specific genuinely disputed facts which must be resolved at trial. The nonmoving party may not rest on mere allegations of its pleadings and assertions of counsel, but must designate specific portions of the record, or produce additional affidavit evidence, showing the existence of a genuine issue of material fact for trial. If the nonmoving party does not so respond, summary judgment, if appropriate, shall be entered in the moving party's favor. See Fed. R. Civ. P. 56(e).

Initially, we address applicant's assertion that opposer's pleaded registrations are not properly of record. Applicant argues that, by not including status and title copies of the registrations upon which it relies, pursuant to Trademark Rule 2.122(d)(1), but rather filing printouts from the USPTO electronic system, opposer has failed to place its pleaded registrations into evidence in support of its motion for summary judgment. On this issue, we note that opposer submitted, with its reply brief filed on December 31, 2007, certified copies showing status of and title to the following pleaded registrations: Registrations Nos. 1735998, 2487273, 2475667, 2565288, and 2762405.¹⁰ In each instance, such copies show the registrations to be subsisting and owned by opposer. We also

¹⁰ Opposer did not file a status and title copy in support of Registration No. 1142963, which it listed in its notice of opposition herein.

note that, other than its general denial of paragraphs 3 and 4 of the notice of opposition, applicant has submitted no evidence that contradicts opposer's claim of ownership of these registrations.

Inasmuch as opposer availed itself of the opportunity to correct its failure to submit status and title copies of its pleaded registrations with its notice of opposition, as permitted by Trademark Rule 2.122(d)(1), by filing them concurrently with its reply brief, we find that five of opposer's six pleaded registrations, as specified above, are properly of record for purposes of summary judgment.¹¹ Accordingly, to the extent that applicant's brief in opposition to the motion for summary judgment presents a challenge to opposer's standing to bring its claim based on its allegation of ownership of its pleaded registrations, we find that such assertion is without merit.

We now turn to opposer's claim that applicant is precluded from registering the mark PARTY-LITE for "cigarette lighters not of precious metal" by operation of the doctrine of *res judicata*. As the parties acknowledge, the form of *res judicata* at issue in this case is claim preclusion. For claim preclusion to apply, we must find: (1) an identity of the parties or their privies, (2)

¹¹ Trademark Rule 2.122(d)(1) was recently amended to allow parties the option of providing proof of status and title of pleaded registrations by filing printouts of records from the USPTO electronic databases. However, this new Rule governs proceedings commenced on or after August 31, 2007, and thus is inapplicable here.

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 those presented in the first action. *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5 (1979); *Jet Inc. v. Sewage Aeration Systems*, 55 USPQ2d 1854 (Fed. Cir. 2000).

The parties herein do not dispute that they are the same parties who were involved in Opposition No. 91116104,¹² and furthermore do not dispute that this opposition arose from the same set of facts as those in the earlier opposition.¹³

Thus, we must determine whether, for purposes of claim preclusion, the disposition of Opposition No. 91116104 constitutes a final judgment on the merits of opposer's claim.

In Opposition No. 91116104, the Board was presented with a motion for summary judgment, filed October 30, 2001, pursuant to Fed. R. Civ. P. 56, on the issue of whether a likelihood of confusion exists between applicant's mark PARTY-LITE for "cigarette lighters not of precious metal" and opposer's mark PARTYLITE and design, registered for "candles" in its Registration No. 1735997. Applicant failed to file a brief in opposition to the motion. On February 20, 2002, the Board, noting that no response to the motion had been filed, granted opposer's summary judgment as conceded, as provided for by

¹² Opposer herein has established privity with Partylite Gifts Inc., opposer in Opposition No. 91116104, by virtue of having recorded assignments of each of its pleaded registrations with the USPTO Assignments Branch (Reel 2629 and Frame 0439).

Trademark Rule 2.127(a) which states, in pertinent part: "When a party fails to file a brief in response to a motion, the Board may treat the motion as conceded." The Board rendered a decision by entering summary judgment in opposer's favor, thereby disposing of that case.¹⁴

We note that care must be taken to ensure fairness in applying the claim preclusive effect of *res judicata*. See *La Fara Importing Co. v. F. Lli de Cecco di Filippo Fara S. Martino S.p.a.*, 8 USPQ2d 1143 (TTAB 1988) (claim preclusion may operate between parties simply by virtue of a final judgment, and principles of merger and bar may apply even though a judgment results by default). Default judgments can give rise to *res judicata*. *The Young Engineers v. U.S. International Trade Commission*, 721 F.2d 1305, 219 USPQ 1142, 1151 (Fed.Cir. 1983); *Wells Cargo, Inc. (Elkart, Indiana) v. Wells Cargo, Inc. (Reno, Nevada)*, 203 USPQ 564 (C.C.P.A. 1979).

We recently noted that "[a] default judgment can operate as *res judicata* in appropriate circumstances." *Sharp Kabushiki Kaisha v. ThinkSharp Inc.*, 79 USPQ2d 1376, 1378 (Fed. Cir. 2006), citing *Morris v. Jones*, 329 U.S. 545, 550-51 (1947). Significant to the court in *Sharp*, in finding no preclusive effect, was the

¹³ The marks and the products in applicant's earlier application and the application at issue in this proceeding are identical.

¹⁴ Applicant did not file a request for reconsideration of the Board's February 20, 2002 order pursuant to Trademark Rule 2.127(b), nor did it file an appeal with the United States Court of Appeals for the Federal Circuit or a United States District Court pursuant to Trademark Rule 2.145.

fact that the applicant therein had filed two applications for similar marks within months of each other. The court said that such an applicant was not required to litigate two simultaneous oppositions, and could choose to defend only one of them. In the case before us, applicant filed a second application for PARTY-LITE over four years after having had summary judgment entered against it with respect to the identical mark and identical goods. The preclusive effect of the Board's judgment in Opposition No. 91116104 is clear.

The court in *Sharp* also noted, "so long as opposing parties had an adequate opportunity to litigate disputed issues of fact, *res judicata* is properly applied." *Sharp*, at 1379, quoting *Kremer v. Chemical Construction Corp.*, 456 U.S. 461, 485 n. 26 (1982). Applicant's assertion, in this case, that it "did not have the resources at the time to fight a long and drawn out Opposition proceeding for an intent-to-use application" and that it is now "in the proper financial position to defend its application," (applicant's brief in opposition to opposer's motion for summary judgment, p. 6) while explanatory, fails to cast doubt on or otherwise alter the finality of the Board's ruling on opposer's summary judgment motion in Opposition No. 91116104. Applicant filed an answer in both the prior and current proceedings, and neither proceeding presents a case of mere default on applicant's part. To the contrary, it is apparent that applicant chose, for whatever reason, not to pursue

the application which it filed more than eight years before the application now under opposition was filed, and even applicant's own statement that its prior application was filed based on an intent to use the mark suggests that applicant simply decided, for business or other reasons, not to pursue use of its mark at that time. Neither the record of the prior opposition proceeding, nor any assertion in the briefs or evidence now before us, indicate that applicant was deprived of or lacked full opportunity to defend its claim of registrability in the prior proceeding. In short, applicant allowed judgment on the merits of its claim of registrability to be entered against it, and such judgment was final.

Thus, we find that the Board's granting of summary judgment in favor of opposer in Opposition No. 91116104 constitutes a prior final judgment on the merits of opposer's claim of likelihood of confusion between the parties' marks. The doctrine of claim preclusion, or *res judicata*, precludes applicant from registering its mark PARTY-LITE for "cigarette lighters not of precious metal." Opposer has demonstrated that there is no genuine issue as to any material fact underlying its claim of likelihood of confusion, and it is entitled to judgment as a matter of law.

Accordingly, opposer's motion for summary judgment is granted, the opposition herein is sustained, and registration to applicant is refused.