

**THIS DISPOSITION IS
NOT CITABLE AS
PRECEDENT OF THE TTAB**

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

Baxley

Mailed: July 7, 2006

Opposition No. 91156646

America Online, Inc.

v.

Franklin Loufrani

Before Hohein, Grendel and Walsh,
Administrative Trademark Judges

By the Board:

Franklin Loufrani ("applicant") seeks to register
SMILEY and design in the following form:



SMILEY

for a wide range of goods and services in International
Classes 16, 25, 28, 29, 30, 41, and 42.¹

¹ Application Serial No. 75302439, filed June 3, 1997, based on an assertion of a bona fide intent to use the mark in commerce under Trademark Act Section 1(b), 15 U.S.C. Section 1051(b). The exclusive right to use the representation of a smiling face apart from the mark as shown is disclaimed therein.

The involved application is also subject of pending Opposition No. 91154632, styled *Wal-Mart Stores, Inc. v. Loufrani*, which has moved forward to trial. Applicant has filed a motion to amend its involved application to delete the same services from the involved application in

Registration of the proposed mark in International Classes 41 and 42 has been opposed by America Online, Inc. ("opposer") on grounds that the proposed mark is nondistinctive, merely descriptive, or generic and that applicant committed fraud by withholding "material information ... concerning the non-distinctive nature of the word 'smiley' during the prosecution of his application ... with a deliberate intent to deceive."² Applicant denied the

Opposition No. 91154632. Although applicant has accepted entry of judgment with regard to the deleted services in Opposition No. 91154632, the motion to amend remains pending in that case.

² The complete identification of goods and services in International Classes 41 and 42 is set forth as follows:

Computer education training services; educational services, namely, conducting classes, seminars and workshops in the field of foreign languages; entertainment in the nature of live performances by a musical group or musical band, orchestra performances, fashion shows, theatrical productions, and in the nature of an on-going children's animated television series and animated cartoon series; entertainment in the nature of circuses; golf club, polo club and baseball club services; entertainment in the nature of live performances by a costumed character, and in the nature of live performances by a stand up comic; organizing exhibitions for painting and sculpture; animal training; amusement parks; bookmobile services; providing casino facilities; movie studios; arranging and conducting athletic competitions, scholastic competitions and talent shows; arranging and conducting educational conferences and conducting seminars in self awareness, art appreciation, how to write speeches, and personal behavior; discotheques; entertainment information services; motion picture film production; rental of books, radios, videotapes, videotape recorders and video cassette recorders; administration of lotteries for others; theatrical booking agencies [in International Class 41; and] providing temporary accommodations, medical services, hygienic and beauty care, namely beauty salons, veterinary services and agricultural advice, legal services, scientific research, industrial research,

salient allegations of the notice of opposition in his answer.

namely manufacture planning, computer programming for others, personal body guard services, chaperoning, detective agencies, night security guard services, marriage bureaus, farming equipment rental, animal breeding, animal grooming, arbitration services, architectural design for others, dentistry, graphic art designing, blood banks, editing of written texts, providing campground facilities, canteen services, cosmetic and plastic surgery, dating services, hair styling, flower arranging, architectural consultation, intellectual property consultation, personal security consultancy, real estate security consultancy, technical consultation and research in the field of environmental remediation and protection, quality control for others, convalescent homes, personal letter writing, for others, research in cosmetic product manufacturing, child care, interior decorating, industrial design, dress design, packaging design for others, computer software design for others, providing technical assistance for goods production and manufacture, engineering, undertaking, nursing care, genealogy research, horticultural services, hospitals, making hotel reservations for others, providing meteorological information, providing fashion information, landscape gardening, licensing of intellectual property, uniform rental, rental of chairs, tables, table linen, glassware, rental of rooms, rental of computer software, providing multiple-user access to a global computer information network for the transfer and dissemination of a wide range of information, clothing rental, maintenance of computer software, rest homes, retirement homes, tourist homes, butler services, manicuring, massage, emergency medical assistance, opticians' services, consultancy in the field of computer hardware, vocational guidance, psychological testing, pharmacy, portrait photography, art photography, aerial photography, photographic reporting, nurseries and day care centers, psychological consultation, psychological counseling, research and development for new products for others, news syndication reporting, sanitariums, health care, fashion styling, language translation, sorting of waste and recyclable material; catering, arena services, namely, providing facilities for baseball, golf, soccer and other athletic tournaments, concerts, conventions and exhibitions [in International Class 42.]

On August 17, 2004, applicant filed a motion to amend his involved application to delete "computer education training services" from the recitation of services in International Class 41 and "computer programming for others," "computer software design for others," "rental of computer software, providing multiple-user access to a global computer information network for the transfer and dissemination of a wide range of information," "maintenance of computer software," and "consultancy in the field of computer hardware" from the recitation of services in International Class 42. In his reply brief, applicant "accept[ed] judgment with respect to the mark in [the involved application] for those services he has asked to be deleted from the application." After the parties fully briefed that motion, the Board, in an October 18, 2004 order, deferred consideration thereof until final decision or until the case is decided upon motion for summary judgment.

On October 12, 2004, opposer filed a motion for partial summary judgment with regard only to the services that applicant seeks to delete from his involved application.³ The motion has been fully briefed.

³ Opposer's motion for partial summary judgment did not become associated with the proceeding file until after the issuance of the October 18, 2004 order.

We will consider applicant's motion for leave to amend his involved application at this time. The amendment is clearly limiting in nature as required by Trademark Rule 2.71(a). Further, applicant has accepted entry of judgment against himself with regard to the deleted services. Accordingly, the motion to amend the application is granted, and the amendment is approved and entered. See Trademark Rule 2.133(a). In view of applicant's acceptance of entry of judgment against him with regard to the deleted services, judgment is hereby entered against applicant and the notice of opposition is sustained with regard to the deleted services.

We turn next to opposer's motion for partial summary judgment. Opposer contends that, by agreeing to accept entry of judgment against him with regard to the deleted services, applicant has conceded its claims that the involved mark is nondistinctive, merely descriptive or generic. Accordingly, opposer asks that the Board enter partial summary judgment on those claims.⁴

Applicant contends that, although he has accepted entry of judgment with regard to the deleted services, he has not conceded the claims set forth in the notice of opposition because those claims were not actually litigated. Applicant

⁴ Opposer did not seek partial summary judgment with regard to its fraud claim.

further contends that there are genuine issues of material fact with regard to these claims.

Applicant's contention is not well-taken. Where judgment is entered in favor of an opposer in an opposition proceeding, the claims set forth in the notice of opposition are extinguished and merged in the judgment. See *Restatement (Second) of Judgments*, Section 18(1) (1982). Accordingly, by accepting entry of judgment with regard to the deleted services, applicant has effectively conceded the claims set forth in the notice of opposition with regard to those deleted services. See *Grand Canyon West Ranch, LLC v. Hualapai Tribe*, 78 USPQ2d 1696 (TTAB 2006). In view thereof, opposer's motion for partial summary judgment with regard only to the deleted services is hereby granted. With regard to the deleted services only, the notice of opposition is sustained with regard to all of the claims set forth therein and registration of the involved mark is refused.⁵

⁵ Inasmuch as a final judgment on the merits has been entered with regard to the deleted services, the doctrine of *res judicata*, or claim preclusion, would be applicable in a subsequent proceeding involving the proposed mark in connection with the deleted services only. See *International Nutrition Co. v. Horphag Research Ltd.*, 220 F.3d 1325, 55 USPQ2d 1492, 1494 (Fed. Cir. 2000). See *Treadwell's Drifters Inc. v. Marshak*, 18 USPQ2d 1318, 1321 (TTAB 1990). However, because the remaining services in the involved application are sufficiently different from the deleted services, the doctrine of *res judicata* is inapplicable to those remaining services. See *Metromedia Steakhouses Inc. v. Pondco II Inc.*, 28 USPQ2d 1205 (TTAB 1993).

In addition, because the claims raised in the notice of opposition were not actually litigated with regard to the deleted

Proceedings herein are resumed. The discovery period closed on August 30, 2004. Testimony periods are reset as follows.

Plaintiff's 30-day testimony period to close: **9/22/06**

Defendant's 30-day testimony period to close: **11/21/06**

Plaintiff's 15-day rebuttal testimony period to close: **1/5/07**

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

services, the doctrine of collateral estoppel, or issue preclusion, is inapplicable to the deleted services in a subsequent proceeding involving those services. See 3 *McCarthy on Trademarks and Unfair Competition*, Section 20:79 (4th ed. 2003).