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

Anvil Knitwear, Inc.,	:	
Opposer,	:	Consolidated: Opposition No. 91155386
v.	:	Opposition No. 91159232
Success Ware Inc.,	:	
Applicant.	:	

APPLICANT'S RESPONSE IN OPPOSITION TO OPPOSER'S OPPOSITION TO APPLICANT'S MOTION FOR RECONSIDERATION OF THE BOARD'S JULY 25, 2008 DECISION AND ORDER AND OPPOSE OPPOSER'S REQUEST FOR OTHER RELIEF

Applicant, hereby responds and objects to Opposer's (Anvil Knitwear, Inc.'s) response in opposition to Applicant's motion for reconsideration and objects to Opposer's request for other relief. Applicant will set forth below why Applicant's Reconsideration on Motion should be granted.

I. APPLICANT HAD PROVIDED A BASIS FOR THE RECONSIDERATION AND HAD NOT RAISED A NEW ISSUE

In the Board's decision of July 25, 2008, the Board acknowledged that no genuine issue of material of fact exists regarding the first two factors (the present proceeding involves the same parties as were in the prior litigation before the Board, and that there has been a final judgment on the merits of the claims), however, the third factor (the second claim based on the same set of transactional facts as the first) remains an issue with respect to the purpose of establishing claim

preclusion. In this action, there is no dispute between the parties and the Board regarding the first two factors (1) and (2): the parties (Success Ware Inc. and Anvil Knitwear, Inc.) are identical in both actions before the Board and the litigation resulted in a valid final judgment on the merit. Thus, the case reduces to an analysis of the transactional facts involved in the two causes of action. Courts have defined transaction in terms of "core of operative facts," or the "same operative facts or the same nucleus of operative facts," and based upon the same, or nearly the same factual allegations. *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ.2d 1854, 1856 (Fed. Cir. 2000) Claim is deemed to have "identity" with previously litigated matter, for purposes of claim preclusion, if it is based on same, or nearly same, factual allegations arising from same transaction or occurrence. *See* Restatement (Second) of Judgments §24. *Kratville v. Ryan,* 90 F.3d 195 (7th Cir.1996) Applicant asserts, this instant action and claims are based upon the same transactional facts as the prior trademark action taken before the Board (Consolidated Proceeding: Opposition No. 782,711 and Cancellation No. 30,393) and the latest action before District Court, the Central District of California. Applicant, therefore, did not raise a new argument but substantiated through record and Opposer's own words that the same transactional facts exist with this instant action and prior Board proceeding (Consolidated Proceeding: Opposition No. 782,711 and Cancellation No. 30,393).

With regards to the records and prior proceeding before the Board, Applicant can substantiate and had substantiated that this instant action involves the same or nearly the same transactional facts. As noted above Courts have defined transaction in terms of "core of operative facts," or the "same operative facts or the same nucleus of operative facts," and based upon the same, or nearly the same factual allegations. Opposer has stated and presented before the Board that this instant action and the prior Board proceeding presents the same nucleus of

operative facts and is based upon the same, or nearly the same factual allegations, as noted in Opposer's Motion to Admit Testimony From A Prior Proceeding dated August 22, 2008. In Opposer's motion Opposer states the following:

> "As explained below, the trial testimony and, exhibits thereto, form the prior proceeding sought to be admitted are relevant and material to this consolidated opposition, because the parties in both proceedings are the same, the marks of Applicant Success Ware Inc. ("Success Ware") at issue in this matter are highly similar to those of the prior proceeding, and he grounds for opposition are the same as Opposer is relying on the same marks in support of its claims. *Focus 21 Int'l Inc. v. Pola Kasei Kogyo Kabushiki Kaisha*, 2 U.S.P.Q.2d 1316 (T.T.A.B. 1992) (granting motion to admit testimony and exhibits form prior proceeding where the parties are identical, the marks are highly similar and the ground for opposition are the same)." (Opposer's Motion at pg. 1 and 2) . . . Furthermore the grounds for Anvil's opposition to the marks at issue in this proceeding are the same as the Prior Proceeding. In both proceedings, Anvil asserts that it is owner of U.S. trademark registrations for Anvil mark and design for clothing including t-shirts; that it has priority use of its Anvil marks which are strong and represent valuable goodwill; and that Success Ware's marks consisting of the anvil design are highly similar as to be likely to cause confusion, mistake or deception." (Opposer's Motion at pg. 4)

Therefore, Opposer has admitted this instant action as being based upon the same nucleus of operative facts," and based upon the same, or nearly the same factual allegations of the Prior Proceeding before the Board. Opposer further admits the mark in this proceeding evokes the same commercial impression as the marks involved in the prior proceeding. Through Opposer's own words, Applicant has also shown that this instant action has "identity" with the previous litigated matter since it emerged from the same core of operative facts as the prior proceeding before the Board. A claim has "identity" with a previously litigated matter if it emerges from the same "core of operative facts" as that earlier action. *Colonial Penn Life Ins. Co. v. Hallmark Ins. Admin. Inc.*, 31 F.3d 445,447 (7th Cir. 1994) Notwithstanding, two claims are one for the purposes of res judicata if they are based on the same, or nearly the same, factual allegations. *Brzostowski v. Laidlaw Waste Systems, Inc.*, 49 F.3d 337 (7th Cir. 1995) Therefore, Applicant believes to have met the requirements of res judicata: (1) there has been a judgment on the merits

in an earlier action; (2) identity of the parties or privies are identical; and (3) the second claim is based on the same set of transactional facts as the first. *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5, 99 S.Ct. 465 (1979) *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ.2d 1854, 1856 (Fed. Cir. 2000) Once these elements are satisfied, claim preclusion "bars not only those issues which were actually decided in a prior suit, but also all issues which could have been raised in that action." *Brzostowski v. Laidlaw Waste Systems, Inc.,* 49 F.3d 337,338 (7th Cir. 1995) Therefore, this instant action should be barred. Moreover, there exist no genuine issues of material of fact with respect to this proceeding before the Board as substantiated by Opposer Anvil Knitwear, Inc. willingness to substitute the testimony and exhibits of the Prior Proceeding before the Board without any further testimony as noted in Opposer's same document submitted before the Board dated August 22, 2008. When no genuine issues of material of fact exist, summary judgment must be granted. *Celotex Corp. v. Catrett*, 477 U.S. 317, 106 S.Ct. 2584 (1986)

With respect to this instant action, prior proceeding before the Board, and the prior proceeding before District Court, the claims involving the anvil design were based upon the same transactional facts. In the District Court action, the Plaintiffs (Paynes) brought a Copyright Infringement Action, which involved the anvil design marks of Success Ware Inc. in the prior consolidated proceeding before the Board and the anvil design mark in this instant action. (See Applicant's Reconsideration dated August 23, 2008 at Exhibit A, Amended Complaint at Exhibit A-2) On March 19, 2007, Opposer answered to the amended complaint and filed a counterclaim (trademark infringement action) which joined Success Ware Inc. ("Applicant") as a counter-defendant pursuant to Fed. R. Civ. P. 13(h) and 20(a). In the counterclaim Opposer alleged the counterclaims arise out of the same transaction and occurrences as the prior proceeding before

the Board (See Applicant's Reconsideration dated August 23, 2008, pg. 4 and 5; also see Ibid at Exhibit B, Counterclaim at pg. 5 ¶6) and joined the Appeal on the Decision of the prior proceeding before the Board as Related. (See Applicant's Reconsideration dated August 23, 2008 pg. 4 and see also Ibid at Exhibit B-1) However, the Court agree with Opposer regarding the litigation of the anvil design marks of Success Ware Inc. before the Board and allowed Opposer to move for summary judgment based upon the prior proceeding before the Board without discovery. (See Applicant's Reconsideration dated August 23, 2008, at pg. 6) Furthermore, in the same proceeding before the Court Opposer reiterated in an opposition response to dropping Success Ware Inc. from the action, "...the claims against Success Ware and the Paynes arise out of the "same transaction, occurrences, or series of transactions or occurrences." As such, joinder is proper under Rule 20(a). (See attached Exhibit A, Defendant and Counterclaimant Anvil Knitwear, Inc...Opp. To Mtn to Drop Counter-Defendant with Declaration w/o Exhibits at pg. 6-7) The Court agreed with Anvil Knitwear, Inc. in the June 22, 2007 Order and denied the Paynes Motion to Drop Success Ware Inc. (See attached Exhibit B, District Court's Order of June 22, 2007) and a final judgment has been entered on that Order. (See attached Exhibit C, District Court Docket Sheet at Entry #56 and also See Applicant's Reconsideration dated August 23, 2008 at Exhibit D, Certified Copy of Final Judgment) Thus, the transactional facts and issues between the anvil design marks of Success Ware Inc. involving this instant action and the prior proceeding before the Board had been decided by District Court prior to this Board making its Decision. Furthermore, since the District Court Decision is final, valid, and on the merit preclusion exists. Preclusion can rest only on a judgment that is final, valid, and on the merits. (Wright, Miller & Cooper pp. 132, 4435) Therefore, this Board should accept the final judgment of District Court since the Court's final judgment was based upon the

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