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

Proceeding	91215993
Party	Defendant Karma Champagne, Inc.
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Submission	Motion to Suspend for Civil Action
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Date	03/22/2016
Attachments	Motion to Stay Proceedings.FINAL.pdf(433554 bytes )

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9 **UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE**  
10 **TRADEMARK TRIAL AND APPEAL BOARD**

11 KARMA CULTURE, LLC,

12 Opposer,

13 v.

14 KARMA CHAMPAGNE, INC.,

15 Applicant.

Opposition No.: 91215993

Mark: KARMA CALIFORNIA BRUT  
Serial No.: 77876479

**APPLICANT'S MOTION TO STAY  
PROCEEDINGS PENDING  
OUTCOME OF PENDING CIVIL  
ACTION**

16  
17  
18 Applicant Karma Champagne, Inc. ("Applicant"), owner of U.S. Trademark  
19 Application for "KARMA CALIFORNIA BRUT," Serial No. 77/876479, hereby  
20 moves the Trademark Trial and Appeals Board ("Board") to suspend proceedings  
21 pending the outcome of a pending civil action. Specifically, Opposer Karma  
22 Culture, LLC ("Opposer") has instituted Case No. 6:16-cv-6183 titled *Karma*  
23 *Culture, LLC vs. Karma Champagne, Inc.*, United States District Court for the  
24 Western District of New York ("the Civil Action"). A copy of the Complaint is  
25 attached as Exhibit A.

26 According to the Complaint, Opposer alleges ownership and validity of  
27 United States Trademark Registration No. 4,063,528 for KARMA, and its First  
28 Cause of Action is for Trademark Infringement in Violation of Section 32 of the

1 Lanham Act, and seeks remedies including injunction relief prohibiting Applicant  
2 from using Applicant's KARMA CALIFORNIA BRUT mark, or any other mark  
3 confusingly similar thereto.

4 In response to the filing of this Action, Applicant is preparing and will file  
5 in due course an Answer denying all allegations of infringement in the Complaint  
6 and alleging priority of use, and a Counterclaim challenging the validity of  
7 Opposer's mark, seeking cancellation of the mark under a variety of bases  
8 including at least abandonment and fraud, and resolving the dispute surrounding  
9 this Opposition, namely, the registrability of Applicant's KARMA CALIFORNIA  
10 BRUT mark.

#### 11 12 ARGUMENT

#### 13 14 **The Determination in Karma Culture, LLC vs. Karma Champagne, Inc.,** 15 **Will Have A Direct Bearing On the Issues Before The TTAB.**

16  
17 Where a party to a case pending before the Board is also involved in a civil  
18 action that may have a bearing on the T.T.A.B. matter, the Board may suspend the  
19 proceeding until the final determination of the civil action. 37 CFR § 2.117(a);  
20 TBMP § 510.02(a). This is because "a decision by the United States District Court  
21 would be binding on the United States Patent and Trademark Office whereas a  
22 determination by the Patent Office as to the respondent's right to retain its  
23 registration would not be binding nor would res judicata automatically attach  
24 based on a determination by the USPTO with respect to a subsequent or  
25 contemporaneous proceeding before the federal district court." Whopper-Burger,  
26 Inc. v. Burger King Corp., 171 U.S.P.Q. 805, 807 (T.T.A.B. 1971). A court's  
27 decision regarding the right to registration is binding on the T.T.A.B. The Seven-  
28 Up Cp. V. Bubble Up Co., 136 U.S.P.Q. 210, 214 (C.C.P.A. 1963); see also In re

1 Alfred Dunhill Ltd., 224 U.S.P.Q. 501, 503 (T.T.A.B. 1984); J. Thomas  
2 McCarthy, 4 McCarthy on Trademarks and Unfair Competition § 32:94 (4th ed.  
3 2006) (hereinafter “McCarthy”).

4         Opposer and Applicant are both parties to the Civil Action, the only known  
5 parties named at the present time, with Applicant in the position of Defendant and  
6 Opposer in the position of the Plaintiff. The Civil Action is a live and ongoing  
7 litigation which at the present time is currently pending before the Western  
8 District Court of New York. At the time of the submission of the present Motion,  
9 the Plaintiff has filed the Complaint and Civil Cover Sheet, and the Court has  
10 issued a Summons. Opposer has informally served its Summons upon counsel for  
11 Applicant.

12         Generally speaking, a final determination by a District Court in a trademark  
13 infringement litigation can take a matter of months and in some cases, a matter of  
14 years. Both the present proceeding and the matter before the District Court are  
15 exhaustive of state and federal monetary resources as well as the man-hours of  
16 government employees involved in both proceedings. In order to minimize the  
17 time, money and resources expended by both parties as well as the overseeing  
18 governmental agencies, the most effective course of action for the Board at this  
19 time would be to suspend the present proceeding until such a time that the District  
20 Court renders a final judgment or sends instructions for the Board to proceed in  
21 the present matter.

22         With respect to similarities between and the overlapping nature of the  
23 present Opposition Proceeding and the trademark infringement suit currently  
24 before the District Court, it is clear from an examination of the relevant  
25 documentation filed by Opposer in both the Opposition and Civil Action that the  
26 parties involved are identical and that the issues involved before the District Court  
27 involve the totality of issues currently at issue in the present Opposition  
28 Proceeding.

1 As the cause of action presently before the District Court is for trademark  
2 infringement, the cause of action alleged by the Plaintiff in the Civil Action  
3 involves identical and nearly identical rules of law, allegations, and will be  
4 adjudicated on the basis of a formal examination of the same or an even more  
5 expansive set of relevant facts.

6 The position of the parties in both disputes are similarly situated; in both the  
7 Opposition and Civil Action, it is the Opposer seeking remedies as the Plaintiff.  
8 The same allegations are at issue in the two proceedings and the same relevant  
9 facts will be cited by both parties to support their respective positions. Further, the  
10 same Federal Trademark Law will be relied upon by the District Court and by the  
11 Board in the respective proceedings as both assess the claims and evidence of both  
12 parties and move to make a final determination and render a judgment.  
13 Specifically, with both disputes centered on allegations that the other party has  
14 infringed a party's trademark rights, the ultimate determination in either matter  
15 would ultimately come down to the issue of which party has valid and superior  
16 trademark rights over the other parties.

17 As the primary issue that will be determinative of the outcome of both  
18 proceedings is the same, specifically, which party can establish priority of first use  
19 of their respective trademarks, it is clear that the issues, facts and law that the  
20 District Court will find relevant to make its final determination are almost  
21 identical to those that the Board would rely upon to make a final ruling in the present  
22 proceeding. If the District Court were to rule in favor of either party, the Board  
23 would be bound to reflect such a ruling when moving to issue a final judgment in  
24 the present Opposition proceeding.

25 As the Plaintiff has requested, among other things, relief in the form of  
26 injunctive relief, damages, and attorney's fees, it is not possible for the issues now  
27 present in the Civil Action to be adjudicated by the Board. Further, it is clear that  
28 any continued involvement by the parties in the present Opposition would be

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