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

Proceeding	91159871
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Attachments	Mario Diaz-Response to Motion for Summary Judgment.pdf ( 19 pages )

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

Mario Diaz, )  
 )  
 Opposer, )  
 )  
 v. ) **Opposition No. 91159871**  
 )  
 Servicios de Franquicia Pardo's S.A.C., )  
 )  
 Applicant. )  
 \_\_\_\_\_ )  
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**OPPOSER MARIO DIAZ'S RESPONSE TO SERVICIOS DE  
FRANQUICIA PARDO S.A.C.'S MOTION FOR SUMMARY JUDGMENT**

The Opposer, MARIO DIAZ, respectfully files this Response to Servicio De Franquicia Pardo S.A.C.'s ("Serfransac") Motion for Summary Judgment, pursuant to Rule 56 Fed. R. Civ. P. and TBMP § 528, and requests that Applicants motion be denied as there remain genuine issues of material fact for trial. In support of this Response, Opposer states as follows:

**INTRODUCTION**

On November 14, 2002 Applicant filed an application to register the trademark "Pardo's Chicken before the Patent and Trademark Office. That application was based on foreign registrations of that mark in Peru since 1991. On February 24, 2004, the mark was published in the Official Gazette. On March 23, 2004, Opposer filed his Notice of Opposition with the Trademark and Appeal Board, alleging that he has used the mark Pardo's Chicken in commerce in the United States prior to Applicant filing its application for registration. Opposer also alleged in its Notice of Opposition that he had already developed goodwill in the United States in respect to the trademark and that the trademark proposed for registration is identical to the mark being used by Opposer for identical services, thereby causing confusion and deception if Serfransac's application were granted. Opposer requested in its Notice of Opposition that Serfransac's

application be denied. On December 29, 2004, Applicant filed a Motion for Summary Judgment, alleging that under Article 7 of the Pan American Convention of 1929, also called the General Inter-American Convention for Trademark and Commercial Protection of Washington (“IAC” or “Pan American Convention”), it was entitled to priority in the trademark over Opposer.

**UNDISPUTED FACTS FOR PURPOSES OF THIS RESPONSE**

1. Mario Diaz has used the mark Pardo’s Chicken in the United States since March, 2002. Diaz currently runs a restaurant in Miami, Florida called “Pardo’s Chicken” and this restaurant has been open for business in Miami since mid - 2003. Opposer’s Answers to Applicant’s interrogatories Nos. 6 and 7, attached to Applicant’s motion as Attachment B.

2. Serfransac does not operate any restaurants in the United States. It does no business in the United States. Serfransac does not offer any actual products or services under the Pardo’s Chicken trademark in the United States. It has owned the trademark “Pardo’s Chicken” in Peru since 1998. Arnold H. Wu deposition (“Wu deposition”) Nos. 5, 6, and 24, attached hereto as exhibit A.

3. Serfransac has restaurants in Peru and Chile Affidavit of Arnold H. Wu, attached to Applicants Motion for Summary Judgment at paragraph 3.

4. Serfransac has not retained any marketing research firms to perform marketing studies of the U.S. Market. Wu deposition at 22, attached here to as exhibit A. Currently, its website is only in the Spanish language and makes no mention of any intention to expand its restaurants into the United States. Wu deposition at 19, attached hereto as exhibit A. Applicant’s website also does not indicate that it is looking for franchisees in the United States. Serfransac has not advertised what year it will open a restaurant in the United States, nor in what city. Wu deposition at 19, attached hereto as exhibit A.

5. Serfransac has no authorized distributors or licensees in the United States for products or services under the Pardo's Chicken trademark. Serfransac has not applied for any licenses or any other permits to operate a restaurant in the United States. Wu deposition at 47, attached hereto as exhibit A.

6. Opposer's restaurant's main fare is chicken. Opposer's restaurant advertises in magazines and on television. Opposer's answers to Applicant's interrogatories Nos. 3 and 12, attached to Applicant's motion as Attachment B.

7. Mario Diaz lived in Peru from 1968 to 1993. He traveled to Peru in the last ten years. Opposer's answers to Applicant's interrogatories No 2, attached to Applicant's motion as Attachment B. Opposer's response to Applicant's Request for Admission No. 13, attached to Applicant's motion as Attachment C.

8. Pardo is the name of a well-known avenue in Peru. Opposer's answers to Applicant's interrogatories No 9, attached to Applicant's motion as Attachment B.

#### **GENUINE ISSUES OF MATERIAL FACT**

1. Whether Applicant has a bona fide intent to use the mark "Pardo's Chicken" in the United States.

2. When Opposer became aware of Applicant's restaurants in Peru.

#### **MEMORANDUM OF LAW AND ARGUMENT**

The United States is a party to the Inter-American Convention for Trademark and Commercial Protection ("IAC") with several Latin American nations, including Peru. This treaty is also referred to as the Pan-American treaty or Pan American Convention. Today, this treaty is of little significance in view of the Paris Convention for the Protection of Industrial Property. Peru is a member of the Paris Convention. McCarthy on Trademarks and Unfair

Competition, § 29:25 and 29:26. The Trademark Board has held that the Pan-American convention is self-executing, independent of the Lanham Act. However, the Second Circuit has held that although the IAC is self-executing, Congress, regardless, incorporated rights under the IAC into Section 44 of the Lanham Act. Therefore, an applicant like Serfransac must assert its rights under the IAC or Pan American Convention pursuant to Section 44(b-e) of the Lanham Act. Havana Club Holding, S.A. v. Galleon, S.A. 203 F.3d 116, 124 (2d Cir. 2000); Empresa Cubana Del Tabaco, v. Culbro Corporation, 213 F.Supp. 2d 247, 279 (S.D.N.Y. 2002).

Section 44 (b) of the Lanham Act provides that,

Any person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party, or extends reciprocal rights to nationals of the United States by law, shall be entitled to the benefits of this section under the conditions expressed herein to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of a mark is otherwise entitled by this Act.

15 U.S.C. §1126(b).

Serfransac has asserted its claim of priority over Opposer pursuant to Article 7 of the IAC. That article states that,

Any owner of a mark protected in one of the Contracting States in accordance with domestic law, who may know that some other person is using or applying to register or deposit an interfering mark in any other of the Contracting States, shall have the right to oppose such use, registration or deposit and shall have the right to employ all legal means, procedure or recourse provided in the country in which such interfering mark is being used or where its registration or deposit is being sought, and upon proof that the person who is using such mark, or applying to register or deposit it, had knowledge of the existence and continuous use in any of the Contracting States of the mark on which opposition is based upon goods of the same class the opposer may claim for himself the preferential right to use such mark in the country where the opposition is made or priority to register or deposit it in such country, **upon compliance with the requirements established by the domestic legislation in such country** and by this Convention.

Article 7, IAC or Pan American Convention (emphasis added).

Congress has specifically carved out how owners of trademarks registered in other countries may obtain a U.S. registration under U.S. "domestic legislation". Under Section 44(d) of the Lanham Act, a party that has applied for, but not yet received, a registration in a signatory nation may file a U.S. application within six months of filing its foreign application. If and when the foreign registration issues and if the trademark otherwise qualifies for registration under U.S. law, a U.S. registration will issue, with U.S. priority rights retroactive to the date upon which the foreign application was filed. Therefore, if the party fails to file within six months of its registration, as in the instant case, or if someone else has used the mark in the United States prior to the foreign registration, the first U.S. user will have priority in the mark. Empresa Cubana del Tabaco, supra at 282.

Under Section 44(e), a foreign party that has already registered its mark in a convention nation may submit a certified copy of that registration to the U.S. Patent and Trademark Office at any time. A U.S. registration will issue, if the mark otherwise qualifies, but without special priority rights. In stating that priority does not simply attach by the foreign trademark holder registering its mark abroad, but that U.S. registration within the six month period under Section 44(d) was necessary to obtain priority, the Court said,

If Cubatabaco were correct, the claimant of a U.S. trademark right based on foreign registration would be better off not registering its mark, since it would not have to incur the expense of registration and maintenance fees, and would not have to maintain its registration through use in the United States or the filing of papers to establish excusable non-use. Further the owner of the prior foreign registration could benefit by waiting until the owner of the United States mark had established a good reputation for the mark and taking advantage of these efforts. While it is true that owners of trademarks registered outside the United States are entitled to protection, Congress has decided in the Lanham Act that they are not entitled to the kind of sword/shield defense that Cubatabaco seeks. Such result would also contradict provisions of the IAC, which contemplate that foreign parties should act to secure and maintain their rights. E.g. IAC Art. 2 (person who desires

to obtain a trademark protection must apply for protection); Art. 3 (contemplating compliance with “formal provisions of domestic law” for registration).

Empresa Cubana del Tabaco, *supra* at 282.

Here as in Cubana del Tabaco, Applicant seeks to use the IAC as a sword as well as a shield. Opposer has built a successful restaurant based on its mark with a good reputation. Applicant seeks to take advantage of this hard won good will.

Opposer submits that Applicant has conceded the applicability of Section 44(e) to this Opposition. First of all, Applicant’s application for registration states that its application is filed pursuant to 15 U.S.C. §1126(e), Section 44(e) of the Lanham Act. In its Answer to Opposer’s Notice of Opposition, Applicant states, “the trademark has an owner, an owner who has applied for the recognition of its trademark under Federal Law, §44(e) (15 U.S.C. § 1126) since the United States of America and the Republic of Peru are signatories to the same treaty.” See, Answer of Applicant, Twelfth Affirmative Defense, dated April 30, 2004, attached hereto as exhibit B. Importantly, Section 44(e) requires that the application of the foreign trademark applicant must state “the applicant’s bona fide intention to use the mark in commerce, but use in commerce shall not be required prior to registration.”

#### **ARGUMENT**

##### **There exists a genuine issue of material fact regarding whether Applicant has a bona fide intent to use the trademark in U.S. commerce**

Applicant fails to even allege in its moving papers, as an undisputed fact for the purpose of this motion, that Applicant has a bona fide intent to use the mark “Pardo’s Chicken” in U.S. commerce. This element is a requirement under the “domestic legislation” of this country, namely the Lanham Act section 44(e), of which Article 7 of the IAC, relied upon on by Applicant for priority of its mark in this case, requires compliance. Opposer submits that any

genuine issue as to the bona fide intent of applicant to use the mark in U.S. commerce, alone, precludes summary judgment in this case in favor of applicant on the issue of priority. All Applicant's motion states, in the "Background" section on page 2, and in the Wu affidavit attached to the motion, is that Applicant has undertaken "exploratory efforts" to expand into the United States, by contacting suppliers of food products and advertising its services in English on a website accessible to U.S. patrons. See, Wu Affidavit attached to Applicant's Motion at par. 9.

However, upon deposition, Wu stated that Applicant's website has not been in the English language since 2002, but only in Spanish Wu deposition at 19, attached hereto as exhibit A. A review of the website, which is in Spanish, also does not reveal any mention expansion into the United States. Applicant has not made any applications to any governmental body for any licenses or permits to operate a restaurant in the United States; Wu deposition at 47, attached hereto as exhibit A. Applicant has not ordered any restaurant supply products in the United States. Wu deposition at 52, attached hereto as exhibit A. Applicant has not entered into any leases for restaurant space in the United States, nor has it signed any letters of intent, with anyone in the United States to be a franchisee of Applicant's restaurants. Applicant did not enter into any contracts with anyone in the United States for construction services for a restaurant. Wu deposition at 29, attached hereto as exhibit A. No U.S. personnel have been interviewed by Applicant for any positions as employees at any of Applicant's restaurants except for Arnold Wu's cousin in New York. Wu deposition at 41, attached hereto as exhibit A. Opposer submits that there remains a genuine issue of material fact as to whether these extremely limited contacts and activities over the last few years are sufficient to constitute a bona fide intent to use the mark

in commerce in the United States.<sup>1</sup> This genuine issue of fact precludes the entry of summary judgment in favor of applicant on the issue of priority of their alleged mark.

**There exists a genuine issue of material fact regarding whether Mario Diaz had knowledge of the existence and continuous use of the trademark in Peru.**

Applicant states in paragraph 11 of its “Undisputed Facts for Purposes of this Motion” that Opposer was aware of Applicant’s restaurants in Peru prior to using the Pardo’s Chicken name in the United States. However, the record evidence cited by Applicant does not necessarily support this proposition.

In Opposer’s response to Applicant’s interrogatory no. 19, contained in Attachment B to Applicant’s motion, Mario Diaz states that he “learned of Applicant’s purported use of the mark outside of the United States by its letter dated November 18, 2002...although Opposer was aware of restaurants in Peru called Pardo’s Chicken, he was not aware until said date of any relationship between those establishments and Applicant.” Opposer’s response to Applicant’s Request for Admission No. 9, contained in Attachment C to Applicant’s motion, denies that Opposer had visited on of Applicant’s Pardo’s Chicken restaurants outside of the United States prior to the date Opposer adopted the Pardo’s Chicken name or mark for his business in the United States, in so far as Opposer had no knowledge of any relationship between Applicant herein with a restaurant in Peru known as Pardo’s Chicken. Applicant relies on these two discovery responses for its position that Opposer was aware of Applicant’s restaurants in Peru

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<sup>1</sup> “Bona fide intent to use in commerce” is not defined in the Lanham Act. However, “use in commerce” is defined by Section 45 of the Lanham Act as “bonafide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark; for example, mere advertising of a restaurant trademark in the United States, standing alone, even though the restaurant trademark owner may be doing business under the mark in a foreign country, does not constitute “use in commerce” within the meaning of the Lanham Act absent proof that the trademark owner offered any restaurant services in the United States. See, e.g., United Drug co. v. Theodore Rectanus Co., 248 U.S. 90,97, 39 S.Ct. 48, 50-51, 63 L.Ed.141 (1918); Linville v. Rivard, 41 U.S.P.Q. 1731, 1735-37, 1996 WL 795315 (TTAB 1997); Mother’s Restaurants Inc. v. Mother’s Other Kitchen, Inc., 218 U.S.P.Q. 1046, 1983 WL 51992 (TTAB 1983); Techex Ltd. v. Dvorkovitz 220 U.S.P.Q. 81, 83, 1983 WL 51872 (TTAB 1983).

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing was served by U.S.

Mail and Facsimile this 27 day of January 2006, upon:

Paul Williamson, Esq.  
Fulbright & Jaworski, L.L.P.  
801 Pennsylvania Avenue, NW  
Washington, DC 20004

  
\_\_\_\_\_  
ROBERT J. BECERRA

prior to Opposer using the Pardo's Chicken name in the United States. However, neither of these discovery responses establishes a date for Opposer's knowledge and is vague on this issue.<sup>2</sup> Applicant, as movant, has the burden to establish no genuine issue of material fact as to Opposer's knowledge in order to obtain summary judgment on priority. Based on this record, it cannot establish that no genuine issue of material fact exists. Opposer's motion for summary judgment should be denied.

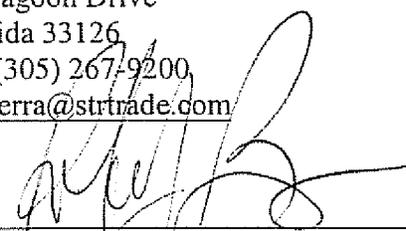
**WHEREFORE**, Opposer MARIO DIAZ respectfully requests that Applicant's Motion for Summary Judgment on the issue of priority be denied in all respects.

Respectfully submitted,

**SANDLER, TRAVIS & ROSENBERG, P.A.**

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<sup>2</sup> In addition, Opposer denied that he knew that Applicant's restaurants offered rotisserie chicken and denied that his restaurant has a similar menu to Applicant's restaurants. See Opposer's responses to Applicant's Requests for Admission nos. 17 and 18, attached to Applicant's motion as Attachment C.

# EXHIBIT A

1 MR. BECERRA: Thank you, sir.

2 DIRECT EXAMINATION

3 BY MR. BECERRA:

4 Q. I will now start asking questions through  
5 the interpreter.

6 Mr. Wu, would you state your full name for  
7 the record?

8 A. Arnold Henry Wu Wong.

9 Q. How are you currently employed, sir?

10 A. I am the general manager.

11 Q. Exactly what company are you the general  
12 manager for?

13 A. Servicios De Fraquicia Pardo's SAC.

14 Q. Is that the same company that owns a  
15 number of restaurants in the the country of Peru  
16 known as Pardo's Chicken?

17 A. Yes. It is the company that owns the  
18 trademark, Pardo's Chicken.

19 Q. Are the restaurants in Peru owned by your  
20 company or are they franchises?

21 A. They are franchises, and the franchises  
22 belong to us.

23 Q. When you say, the franchises belong to  
24 you, your company has an ownership interest in the  
25 franchises or are they owned by third parties?

1           A.    They belong to the person, the natural  
2 person.  That is, people, relatives, my relatives.

3           Q.    Does your company own a restaurant in  
4 Santiago, Chile as well?

5           MR. BARREDA:  Mr. Becerra, let me  
6 interrupt.  The translation into English is not  
7 adequate.  That was not the answer.

8           MR. BECERRA:  In what way was it  
9 different?

10          MR. BARREDA:  The translation was the  
11 franchises were, are you not owned by Servicios De  
12 Fraquicia, and they are, most of them are owned by  
13 individuals who belong to the family, relations of  
14 Mr. Wu, who also owned different--(Inaudible.)

15 BY MR. BECERRA:

16          Q.    So it would be my understanding that the  
17 restaurants are owned by people as opposed to  
18 companies; would that be correct?

19          A.    Yes.

20          Q.    Is that the same for the restaurant in  
21 Santiago, Chile?

22          A.    Yes.

23          Q.    Prior to opening a franchise, and let's  
24 use for example the restaurant in Chile, what type of  
25 market research, if any, did your company engage in

1 INTERPRETER: Interpreter doesn't  
2 understand that question, at what location.

3 MR. BECERRA: I'll repeat the question.

4 BY MR. BECERRA:

5 Q. At what point in time did that web site  
6 contain material in the English language?

7 A. That information was contained in the web  
8 site in both English and Spanish from approximately  
9 1999 to approximately 2002.

10 Q. Isn't it a fact, Mr. Wu, that since that  
11 point in time, your web site for Pardo's Chicken has  
12 been exclusively in the Spanish language?

13 A. That is correct.

14 Q. For example, if I were to access your  
15 company's web site today, the web site would be in  
16 the Spanish language in its entirety?

17 A. Yes, that is correct, for reasons--yes,  
18 that is correct.

19 Q. Would I also be correct in saying that if  
20 I were to look at your company's web site today,  
21 there would be no mention whatsoever of your  
22 company's intent on opening an restaurant in the  
23 United States?

24 MR. WILLIAMSON: Objection to the form of  
25 the question.

1 saying that your company does use its web site as a  
2 manner to attract people who may want to obtain  
3 Pardo's Chicken franchises?

4 A. No, that is not correct. It only provides  
5 initial information.

6 Q. That would be the initial information  
7 about obtaining a Pardo's Chicken franchise?

8 A. Yes, that is correct, on initial  
9 information.

10 Q. Nothing in that web site indicates that  
11 your company is currently looking for franchisees in  
12 the United States?

13 A. It doesn't indicate that we are looking  
14 for franchises in any country including in Peru.  
15 That is to say, that it is general for all countries.

16 Q. In regards to the United States market,  
17 has your firm hired any marketing research companies  
18 to assist you in investigating the United States  
19 market?

20 A. No.

21 Q. Has your firm hired any realtors to assist  
22 you in finding your company a location for a  
23 franchise in the United States?

24 A. We have contacted and visited different  
25 offices and sites of real estate people.

1 providers, construction and others.

2 Q. Did you enter into any contracts with any  
3 construction companies in the United States in the  
4 year 2002?

5 A. We didn't sign any contracts. We just  
6 received information for the project.

7 Q. Did you enter into any contract or  
8 agreement for providers of restaurant equipment in  
9 the United States for the year 2002?

10 A. We didn't sign any contract. We did the  
11 necessary work for the project.

12 Q. Did you enter into any arrangement with  
13 either shopping centers or owners of restaurant sites  
14 in 2002 in the United States?

15 MR. WILLIAMSON: Object to the form of the  
16 question.

17 MR. BECERRA: You may answer the question,  
18 sir.

19 THE WITNESS: We have signed no contract.

20 BY MR. BECERRA:

21 Q. In 2002, for the purpose of opening a  
22 restaurant--strike that.

23 In the year 2002, for the purposes of  
24 investigating whether you would open a restaurant in  
25 the United States, did you visit any other cities

1 said.

2 BY MR. BECERRA:

3 Q. Strike that.

4 During you or your company's trip to the  
5 United States in 2001, did you or your company  
6 interview any employees--strike that.

7 Let me draw your attention to your trip in  
8 2001, you or your employees in 2001.

9 Were any U.S. persons interviewed for  
10 positions as employees at any of your restaurants?

11 A. No.

12 Q. Did you even obtain quotations or bids  
13 from restaurant suppliers for equipment for a  
14 restaurant in the United States?

15 MR. WILLIAMSON: Ever or in 2001?

16 MR. BECERRA: 2001.

17 MR. BARREDA: One question, Mr. Becerra.  
18 My understanding of the word quotation is different  
19 than your understanding in the United States. When  
20 you enter into a bid, when you are really entitled to  
21 open and you are going to chose the best supplier.

22 Quotations--

23 MR. BECERRA: Yes, I will rephrase the  
24 question. Good point, Mr. Barreda.

25 BY MR. BECERRA:

1 Corporation ever obtained any licenses from any  
2 governmental body to permit you to operate a  
3 restaurant?

4 A. No.

5 Q. Has your company even applied for any such  
6 licenses?

7 A. No.

8 Q. Would I be correct in stating that your  
9 company currently has no authorized distributors or  
10 licensee in the United States?

11 MR. WILLIAMSON: Object to the form of the  
12 question.

13 THE WITNESS: That is correct. That is  
14 correct. There is no one in the United States  
15 licensed under the name of Pardo's Chicken.

16 BY MR. BECERRA:

17 Q. During the last four years, has your  
18 company issued any reports to its executives  
19 describing or explaining the market for chicken  
20 restaurants in the United States?

21 A. In the chicken business, we are always  
22 having internal reports to and from the executives.

23 MR. BARREDA: The chicken business is too  
24 broad. He used the words--

25 INTERPRETER: I'm sorry the interpreter

1 A. No.

2 MR. BECERRA: Let's just take a two-minute  
3 break.

4 Off the record.

5 (Thereupon a recess was taken after which  
6 the following proceedings were had:)

7 MR. BECERRA: Back on the record.

8 BY MR. BECERRA:

9 Q. In your previous testimony, Mr. Wu, you  
10 had indicated that executives of your company had  
11 received pricing from restaurant supply companies; is  
12 that correct?

13 A. Yes, that is correct.

14 Q. Am I also correct in that no purchase  
15 orders whatsoever were issued by your company to  
16 order any restaurant supplied products in the United  
17 States?

18 A. That is correct.

19 Q. Have you received pricing from any other  
20 restaurant equipment or--strike that.

21 Have you received pricing from any other  
22 potential providers of restaurant services in the  
23 United States during the past four years?

24 MR. WILLIAMSON: Object to the form of the  
25 question.