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Filing date: **03/09/2005**

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

<b>Proceeding</b>	92043152
<b>Party</b>	Plaintiff ARTURO SANTANA GALLEGO ,
<b>Correspondence Address</b>	GEORGE W. FINCH VAN ETEN SUZUMOTO & BECKET LLP 1620 26TH ST. SUITE 6000 NORTH TOWER SANTA MONICA, CA 90404
<b>Submission</b>	Notice of Errata With Respect to Petitioner's Motion for Summary Judgment and Memorandum in Support
<b>Filer's Name</b>	M. Cris Armenta (Maria C. Armenta)
<b>Filer's e-mail</b>	carmenta@vsblaw.com
<b>Signature</b>	/M. Cris Armenta/(signed on pdf)
<b>Date</b>	03/09/2005
<b>Attachments</b>	NoticeErrata92043152.pdf ( 13 pages )

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

10  
11 ARTURO SANTANA GALLEGO,

12 Petitioner,

13 vs.

14 SANTANA'S GRILL, INC.,

15 Registrant.  
16

CASE NO. Cancellation Nos. 92043152  
92043160  
92043175

NOTICE OF ERRATA WITH RESPECT TO  
PETITIONER'S MOTION FOR SUMMARY  
JUDGMENT AND MEMORANDUM IN  
SUPPORT

17 PLEASE TAKE NOTICE that in order to avoid a tangential dispute with respect to the  
18 wording of the Motion for Summary Judgment ("Motion") submitted by the Petitioner Arturo  
19 Santana Gallego ("Petitioner") withdraws and corrects the following statements made in the  
20 Motion. Petitioner does not believe that the Motion was inaccurate, but would prefer to focus the  
21 issues on the law and evidence rather than the Rule 11 motion threatened by Registrant. Because  
22 Petitioner received the letter and proposed Rule 11 motion attached hereto as Exhibit A, Petitioner  
23 "corrects" and "withdraws" certain matters as follows:  
24

25 1. On Page 6 at lines 24-25, regarding the SANTANA'S MEXICAN FOOD service  
26 mark, the Motion states that "Abelardo admits that his father never transferred him the goodwill  
27 associated with the Point Loma Restaurant. (Abelardo Tab 10 Depo 61:15-18.) The "correction"  
28

1 offered by Petitioner is to explain that the Motion should state instead, "Abelardo admits that he  
2 never had any discussions with his father concerning the goodwill associated with the Point Loma  
3 Restaurant. (Abelardo Tab 10 Depo. 61:15-18.) However, a correction is likely not necessary  
4 since the word "admits" was used more as a verb than a wholesale legal admission as suggested by  
5 the Registrant. Moreover, the Board is competent to look at the evidence and determine whether  
6 the total absence of any agreement or discussion of the subject of goodwill suggests the failure to  
7 transfer the mark or otherwise.  
8

9         2.         On Page 13, lines 20-23, regarding the statement "Even after the transfer of the  
10 physical operations of two of his restaurants, the Point Loma Restaurant and the Yucca Valley  
11 Restaurant, Mr. Santana Gallego retained ownership of the marks. See Castaneda Tab 7 Decl. p. 5  
12 (maintaining control over and conditions under which marks may be used); Abeldardo Depo.  
13 76:15-24 (sale of physical operations and not mark)." This is a legal conclusion offered by the  
14 Petitioner, and argument made based on the cited and other supporting evidence. If Petitioner  
15 disagrees with this conclusion, then such disagreement should be set forth in the Opposition to the  
16 Motion.  
17

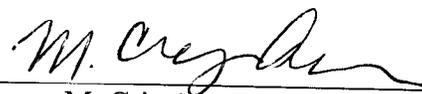
18         3.         On Page 27, lines 24-25, Petitioner argues that "Santana's Grill, Inc. has no  
19 evidence to rebut the presumption" that the entity first filing the Fictitious Business Name  
20 Statement has the exclusive right to use the name set forth on the statement. Registrant argues that  
21 "[o]ther than the assertion that Claudia and Abelardo helped his brother 'set up' the restaurant, and  
22 the amorphous and vague suggestion that the two brothers would run their restaurants 'the same,'  
23 there are no facts to suggest that Santana's Grill, Inc. owns the exclusive right to the name."  
24 Registrant claims that it has provided Petitioner with evidence to rebut that presumption.  
25 Petitioner disagrees that that "evidence" works to rebut the presumption, but leaves the matter to  
26 the proper determination of the Board upon a review of the Motion.  
27  
28

1           4.       At Page 16, at lines 13-15, Petitioner states that "Claudia also submitted a  
2 declaration to the effect that no one was using the marks, and that the use of others by any similar  
3 marks would not cause confusion or mistake among the public." Registrant claims that the  
4 declaration was simply a "standard declaration" in which Claudia's only obligation was to disclose  
5 the rightful use of others, not the actual use. Again, Petitioner disagrees that Claudia was relieved  
6 from an obligation to report the existing and rightful uses of her brother-in-law, and her father-in-  
7 law's business associate, Arturo Castaneda.  
8

9           5.       At Page 11, at lines 23-24, Petitioner states that either Ms. Kaiser "was provided  
10 misinformation and failed to determine the information she was given was correct, *or* was a party  
11 to the frauds." (Emphasis added). Petitioner cannot "correct" this allegation, because Petitioner  
12 does not know which of these two scenarios contributed to the making of the false application.  
13

14 DATED: March 9, 2005

VAN ETTEN SUZUMOTO & BECKET LLP

15 By:   
16 M. Cris Armenta  
17 Attorneys for Petitioner, Arturo Santana Gallego  
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# TAB A

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February 28, 2005

**VIA FACSIMILE AND FIRST CLASS MAIL**

M. Cris Armenta, Esq.  
VAN ETTEN SUZUMOTO & BECKETT LLP  
1620 26<sup>th</sup> Street, Suite 6000 North  
Santa Monica, CA 90404

Re: Santana's Grill, Inc. v. Arturo Casteneda et al.  
Our Reference: SANTL.007L

Dear Cris:

Enclosed pursuant to Rule 11 of the Federal Rules of Civil Procedure and T.B.M.P. § 527.02 is Registrant's Motions for Sanctions Under Rule 11 in connection with Petitioner's recently filed summary judgment motion. This is being served but not filed pursuant to the requisite 21-day waiting period during which Petitioner may voluntarily withdraw or correct the challenged factual contentions and unsupported allegations contained in Petitioner's summary judgment motion as set forth in the Motions for Sanctions.

Very truly yours,



Frederick S. Berretta

Enclosure

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022805

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San Francisco  
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Los Angeles  
310-551-3450

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Attorneys for Registrant  
SANTANA'S GRILL, INC.

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

ARTURO SANTANA GALLEGO,

Petitioner,

v.

SANTANA'S GRILL, INC.

Registrant.

Cancellation Nos. 92043152  
(Consolidated) 92043160  
92043175

**REGISTRANT'S MOTION FOR SANCTIONS UNDER RULE 11**

**A. Introduction**

Pursuant to Rule 11 of the Federal Rules of Civil Procedure, and §527.02 of the Trademark Trial and Appeal Board Manual of Procedure ("T.B.M.P."), Registrant respectively submits this Motion for Sanctions in connection with Petitioner's Motion For Summary Judgment And Memorandum In Support ("Petitioner's Motion"), which was filed on February 11, 2005 by M. Cris Armenta, or Van Etten Suzumoto & Becket LLP. This Motion for Sanctions is being filed because Petitioner's Motion contains many blatant misrepresentations or mischaracterizations of the record, forcing Registrant to respond to these baseless contentions.

Rule 11(b)(3) of the Federal Rules of Civil Procedure, reprinted in §527.02 of the T.M.B.P., requires that all factual contentions in a written motion presented to the

tribunal have evidentiary support. Rule 11(c) authorizes the imposition of sanctions when Rule 11(b) has been violated. The provisions of Rule 11(b) are applicable to proceedings before the Trademark Trial and Appeal Board ("the Board"), and accuracy in factual representations made before the Board is expected. *T.B.M.P* §527.02, *The Clorox Co. v. Chemical Bank*, 40 USPQ2d 1098, n9 (T.T.A.B. 1996). Petitioner's various misstatements of fact and mischaracterization of the testimony of Registrants's officers are clear violations of the requirements of F.R.C.P. Rule 11(b)(3) and so merit sanctions as discussed below.

**B. Registrant Did Not Make The "Admissions" Claimed By Petitioner**

Regarding the SANTANA'S MEXICAN FOOD service mark, Petitioner's Motion states that "Abelardo admits that his father never transferred him the goodwill associated with the Point Loma restaurant. (Abelardo Tab 10 Depo 61:15-18)" *Petitioner's Motion, Page 6*. This is false. In fact, in the cited deposition testimony Abelardo merely replied "No." when asked whether he had "any discussion with Petitioner concerning whether or not [he] was purchasing the goodwill associated with the Rosecrans restaurant." This is hardly an "admission" that the goodwill was not transferred. "When a business is sold as a going concern, the intent to transfer goodwill and trademarks to the buyer is presumed." See *J. T. McCarthy, McCarthy on Trademarks and Unfair Competition*, §18:37 (4<sup>th</sup> ed. 2004) ("*McCarthy*") The intent to transfer goodwill and trademarks is presumed even if the trademarks and goodwill are not expressly mentioned in a written agreement. *Naclox, Inc. v. Lee*, 231 U.S.P.Q. 395, 399 (T.T.A.B. 1986). Thus, Abelardo's response cannot in good faith be construed as an "admission" that Abelardo's father never transferred the goodwill associated with the Point Loma restaurant to Abelardo. Petitioner's assertion that Abelardo's testimony constitutes an admission has no evidentiary support and grossly mischaracterizes the record, and so is a violation of F.R.C.P. Rule 11(b)(3).

Petitioner's Motion also asserts that "Even after the transfer of the physical operations of two of his restaurants, the Point Loma Restaurant and the Yucca Valley Restaurant, Mr. Santana Gallego retained the ownership of the marks. See *Castafieda Tab 7 Decl. ¶ 5* (maintaining control over and conditions under which marks may be used); *Abelardo Depo. 76:15-24* (sale of physical operations and not mark)." *Petitioner's*

*Motion, Page 13.* Again, Abelardo's cited testimony does not provide evidentiary support for Petitioner's assertion. Specifically, Abelardo's cited testimony only provides that he never asked Petitioner to give him or his corporation the exclusive right to use the mark. The record is clear that the two parties, being unsophisticated in these matters and not represented by counsel, did not specifically discuss trademarks at this time. This cannot be construed as an admission that the sale of the restaurant did not include the mark. Registrant's recently filed Motion for Summary Judgment explains why the mark's were transferred as a matter of law given all the relevant facts and circumstances.

Petitioner also alleges that "Mr. Santana Gallego frequents the restaurants and provides conditions under which the restaurants can be operated using the marks **SANTANA'S MEXICAN FOOD** and **SANTANA'S MEXICAN FOOD ... ES MUY BUENO!** and (Castafieda Tab 7 Decl. ¶ 5; Abelardo Tab 10 Depo. 46:18-47:24)." *Petitioner's Motion, Pages 13-14.* In the cited portion of Abelardo's deposition, however, he merely states that he has seen Petitioner at two of Registrant's restaurants in the time since Registrant acquired the Point Loma restaurant, and that he is unsure whether or not Petitioner actually entered one of the locations, and is unsure whether Petitioner ate at either of these restaurants. This is another gross mischaracterization of Abelardo's testimony. Petitioner was merely a customer of Registrant at best, not a controlling licensor of the marks.

In sum, Registrant never made the "admissions" alleged by Petitioner with respect to ownership or transfer of the subject mark, and it was violative of Rule 11 to suggest otherwise.

**C. Registrant Has Produced Evidence That It Owns All The Marks**

With respect to the **SANTANA'S MEXICAN GRILL** mark, Petitioner argues that "Santana's Grill, Inc, has no evidence to rebut the presumption" that the entity first filing the Fictitious Business Name Statement has the exclusive right to use the name set forth on the statement. *Petitioner's Motion, Page 17.* Petitioner goes on to say that "[o]ther than the assertion that Claudia and Abelardo helped his brother 'set up' the restaurant, and the amorphous and vague suggestion that the two brothers would run their restaurants 'the same,' there are no facts to suggest that Santana's Grill, Inc. owns the exclusive right to the name." *Petitioner's Motion, Pages 17-18.*

On the contrary, Registrant has provided Petitioner with a great deal of evidence which would serve to rebut this presumption and it is highly deceptive for Petitioner to suggest otherwise. For example, Registrant has already provided evidence that: Arturo Santana Lee was an employee of Registrant when he signed the Fictitious Business Name Statement for the restaurant at 411 Broadway. Ex. 12.<sup>1</sup> Registrant also guaranteed the lease for the restaurant located at 411 Broadway. Ex. 13. Registrant also arranged for insurance at the 411 Broadway restaurant from Framers Insurance Group, the company it had already been using at its other restaurants. Ex. 14. Registrant filled out the Fictitious Business Name form for Arturo Santana Lee to sign and used Registrant's original address on the form, 2067 Cecelia Terrace in San Diego. Ex. 15. Even the menus used at the 411 Broadway restaurant were prepared by Registrant, and were uniform with the menus used at Registrant's other restaurants. Ex. 18. Thus, Petitioner's statement that Registrant has no evidence to rebut the presumption is a clear misstatement of the facts, and is completely lacking in evidentiary support. Petitioner could not in good faith file his Motion and ignore all this evidence.

**D. Petitioner's Fraud Allegations Have No Factual Support**

Regarding his fraud allegations, Petitioner states that "Claudia [Vallarta Santana] also submitted a declaration to the effect that no one was using the marks, and that the use of others by any similar marks would not cause confusion or mistake among the public." *Petitioner's Motion, Page 16*. The declaration which Claudia Vallarta Santana submitted is the standard declaration, which includes the following language:

"to the best of my knowledge and belief, no other person, firm, corporation or association has the right to use the mark in commerce either in the identical form or in such near resemblance thereto as to be likely, when used on or in connection with the goods or services of any other person, to cause confusion or to cause mistake, or to deceive..."

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<sup>1</sup> Exhibits referenced herein were previously produced in discovery and are attached to Registrant's recently filed Motion for Summary Judgment or, In the Alternative, Summary Adjudication of Issues. In that Motion, Registrant explains why Arturo Santana Lee, a third party to this Cancellation, was a licensee of Registrant as a matter of law, and how Petitioner can have no ownership interest in the SANTANA'S MEXICAN GRILL service mark.

Petitioner's characterization of this declaration is a clear misrepresentation of the facts. The actual declaration is phrased in terms of a good faith belief on the part of the declarant, and discusses only her belief whether others have the *right* to use the mark, not whether any others are *using* the mark, as stated by Petitioner. In addition, the declaration does not state that use by others would not cause mistake or confusion, but rather that the declarant does not *believe* that others have the *right* to use a mark in such a way as to cause confusion. The deceptive mischaracterization of Claudia Vallarta Santana's declaration is totally unsupported by the evidence, and is also a violation of Rule 11.

Also regarding his fraud allegations, Petitioner states that "clearly Ms. Anne Marie Kaiser, attorney from Knobbe Martens Olson & Bear LLP should have been informed as to the circumstances of early use by the time of the Declaration of 10-20-03, and either was provided misinformation and failed to determine the information she was given was incorrect, or was a party to the frauds." *Petitioner's Motion, Page 11*. Petitioner made a similar statement in the Petition to Cancel Registration No. 2,682,978. Petitioner's allegation that AnneMarie Kaiser, a partner at Knobbe Martens Olson & Bear LLP, an attorney registered to practice before the Patent Office, and a trademark attorney with more than 12 years of experience, may have been a party to any alleged fraud is baseless and merits sanctions. "An allegation of fraud in the application oath is a serious charge which is not easily proven. The application oath is specific and narrow in scope and applicants and registrants should not be subjected to harassment by loosely framed and ill-considered charges of fraud." *McCarthy*, §31:77 In particular, the Trademark Board has repeatedly held that for a use-based application, an erroneous date of first use does not constitute fraud so long as there was some valid use of the mark prior to filing. *Western Worldwide Enter. Group, Inc. v. Qingdao Brewery*, 17 USPQ2d 1137, 1141 (T.T.A.B. 1990). Petitioner has offered no evidence regarding AnneMarie Kaiser's potential involvement in the alleged fraud, and given the difficulty of proving fraud, such statements, being totally unsupported by the evidence and by the law, are inappropriate and improper under Rule 11.

**E. Conclusion**

For the foregoing reasons, Registrant respectfully requests that the Board impose sanctions against Petitioner under Rule 11(c), in the form of striking Petitioner's Motion for Summary Judgment in its entirety. *See* 37 C.F.R. § 10.18(c); T.M.B.P. § 527.02.

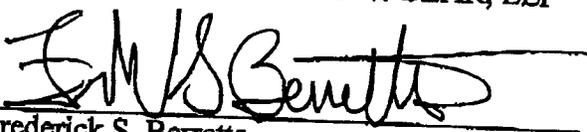
In the alternative, Registrant respectfully requests that the Board impose sanctions under Rule 11(c) by striking those factual contentions of Petitioner's Motion, outlined above, which have been shown to have no evidentiary support, and which were made in violation of Rule 11(b). *Id.*

Registrant also respectfully requests monetary sanctions for the reasonable fees incurred in bringing this Motion for Sanctions because Registrant was forced to respond to Petitioner's numerous misrepresentations and mischaracterizations of fact. *Id.*

Respectfully submitted,

KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: February 28, 2005

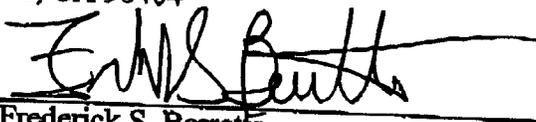
By:   
 Frederick S. Berretta  
 AnneMarie Kaiser

Attorneys for Registrant  
 SANTANA'S GRILL, INC.

**CERTIFICATE OF SERVICE**

I hereby certify that I served a copy of the foregoing **REGISTRANT'S MOTION FOR SANCTIONS UNDER RULE 11** upon Petitioner's counsel by facsimile and by depositing one copy thereof in the United States Mail, first-class postage prepaid, on February 28 2005, addressed as follows:

M. Cris Armenta, Esq.  
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 Frederick S. Berretta



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