Trademark Trial and Appeal Board Electronic Filing System. http://estta.uspto.gov

ESTTA Tracking number: **ESTTA233571**

Filing date: **08/28/2008**

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

Proceeding	92043152
Party	Plaintiff ARTURO SANTANA GALLEGO
Correspondence Address	M. CRIS ARMENTA THE ARMENTA LAW FIRM 11900 Olympic Blvd, Ste 730 Los Angeles, CA 90064 UNITED STATES cris@crisarmenta.com
Submission	Rebuttal Brief
Filer's Name	M. Cris Armenta
Filer's e-mail	cris@crisarmenta.com
Signature	/M. Cris Armenta/
Date	08/28/2008
Attachments	Petitioner's Reply Brief Final.pdf (15 pages)(1003244 bytes)

THE ARMENTA LAW FIRM APC
M. CRIS ARMENTA #177403
11900 Olympic Boulevard, Suite 730
Los Angeles, California 90065
Telephone: (310) 826-2826 x 14
Facsimile: (310) 826-5456
cris@crisarmenta.com

Attorneys for Petitioner

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

ARTURO SANTANA GALLEGO, Petitioner, vs. SANTANA'S GRILL, INC. Registrant.	Cancellation Nos.: (Consolidated) 92043152 92043160 92043175 **PETITIONER'S REPLY BRIEF**

REPLY BRIEF

Petitioner Arturo Santana Gallego respectfully submits this Reply Brief to the Board for its consideration.

I. PRELIMINARY STATEMENT

In its trial brief, Registrant argues that the three service marks should not be cancelled because, among other things, Petitioner has not shown he was the senior user of **SANTANA'S MEXICAN FOOD . . . ES MUY BUENO.** Registrant claims that when it purchased one of Petitioner's two restaurants, it somehow acquired exclusive use of the trademark. Registrant concedes that, even after the purported sale, Petitioner continued to own and operate another restaurant, but fails to explain how it is possible that Petitioner handed all trademark rights to Registrant and *yet continued to use the mark* himself. Registrant's argument that the Yucca Valley Restaurant, the one that Petitioner continued to own, was a "junior intermediate user," lacks merit. The "user" was Petitioner. *Petitioner* was not a "junior intermediate user." He was, as Registrant concedes, *the very first user* of the mark **SANTANA'S MEXICAN FOOD . . .ES MUY BUENO.**

Registrant also opposes the cancellation of **SANTANA'S MEXICAN GRILL** claiming that it licensed the mark to the brother of the President of Registrant. Incredibly, Registrant argues that there "would have been no reason" for Registrant's President to assist his own brother in establishing a restaurant with the name **SANTANA'S MEXICAN GRILL** if the "El Cajon Restaurant were not to be run as a licensee of Registrant." Registrant offers no documentation and no proof that a license ever existed between Registrant and its President's brother, Arturo Santana Lee. It claims that the act of one brother helping another leads to the inescapable conclusion that a license must have existed. Registrant ignores the similarity between **SANTANA'S MEXICAN GRILL** and **SANTANA'S MEXICAN FOOD** and also ignores the testimony of Petitioner Arturo Santana

Gallego where he testified that it was *he* that gave his eldest son, Arturo Santana Lee, the right to open the El Cajon Restaurant and use the same family name that had been on Petitioner's restaurants for more than ten years.

Registrant also claims that Petitioner had no involvement in the creation of the '978 mark and design. Registrant, however, ignores the testimony of Petitioner in which he stated that he was involved in the original, crude design that was the predecessor to the design shown in '978. Registrant also ignores the testimony of Petitioner in which he explained that he first used the phrase **SANTANA'S MEXICAN FOOD . . . ES MUY BUENO** in a radio announcement. Petitioner even sang the tune to the radio advertisement during his testimony. Petitioner also showed that his own signs even contained the same color scheme that Registrant now claims as its own, contained within the '978 mark and design.

One of the primary questions the Board must resolve involves the credibility of the witnesses. Mr. Santana Gallego is over 70 years old and founded the very first Mexican food bearing the mark **SANTANA'S MEXICAN FOOD.** Unfortunately and certainly not be choice, Mr. Santana Gallego was sued by his youngest son after his youngest son's company, Registrant Santanas Grill, Inc., applied for and obtained a federal registration. That federal action precipitated these cancellation proceedings. Mr. Santana Gallego should be enjoying the sunset of his life, rather than having to mount expensive and protracted legal proceedings in order to attempt to set the record straight and leave the matters between his sons organized and settled. Mr. Santana Gallego has nothing to gain by seeking cancellation of the marks and by seeking cancellation, other than the sincere desire to obtain the right resolution for his sons before he passes on. By contrast, Registrant's agents, Abelardo Santana and his ex-wife Claudia Vallarta, have always maintained that their motives are financial in nature – they wish to expand their restaurant business and will even sue brothers and fathers to achieve that goal. In addition, Abelardo

and Claudia's testimony is quite pat. They have an answer for everything. By contrast, Mr. Santana Gallego, at times, honestly testified that he simply could not remember certain things – like whether he owned one of his sons some money. Looking at the evidence as a whole, Mr. Santana Gallego's testimony is simply more credible than that of Abelardo Santana and Claudia Vallarta.

In addition, Registrant makes several arguments that are not supported in the law. The law does not provide, as Registrant claims, that the owner of a business necessarily transfers the goodwill and associated trademarks when he sells or transfers only a part of a business. In this case, Petitioner transferred one of two locations, and retained the Yucca Valley restaurant. Registrant argues that this event somehow resulted in Petitioner's passing of *all* trademark rights to Registrant. This is simply not the law. Registrant also claims that Petitioner has failed to adequately prove fraud.

II. ARGUMENT

A. Registration '458 for SANTANA'S MEXICAN FOOD Should Be Cancelled

1. Registrant Did Not and Could Not Have Acquired the Rights to Exclusively Use '458 When it Acquired the Point Loma Restaurant

The parties agree on the following facts: Petitioner Arturo Santana Gallego owned by the Yucca Valley Restaurant and the Point Loma Restaurant as early as the late 1980's. Petitioner used the mark **SANTANA'S MEXICAN FOOD** in connection with the two restaurants. The Point Loma Restaurant was located in San Diego. The Yucca Valley Restaurant was located in Yucca Valley. Both locations were in Southern California. In or around January of 1992, Abelardo Santana and Claudia Vallarta Santana became the owners of the Point Loma Restaurant. There was no written agreement concerning the transfer of ownership. Even after

Abelardo and Claudia acquired the Point Loma Restaurant in 1992, Petitioner continued to own and operate the Yucca Valley Restaurant and to use the mark **SANTANA'S MEXICAN FOOD.** Petitioner has not yet completed the sale of the Yucca Valley Restaurant and retained his trademark rights with respect to his business.

Registrant claims that under these facts, Abelardo and Claudia necessarily acquired the trademark **SANTANA'S MEXICAN FOOD**. Registrant claims that since the business transferred to Abelardo and Claudia, so did the associated goodwill and trademark. Registrant's argument is flawed on numerous levels.

First, Registrant fails to explain how Abelardo and Claudia could have obtained exclusive rights to the mark if Petitioner continued to operate an identical restaurant bearing the mark **SANTANA'S MEXICAN FOOD** in Southern California. Indeed, in *every one* of the cases cited by Registrant, the *entire* business was transferred. The party that sold the business did not retain any part of the business nor any other locations, nor did the seller continue to use the trademark. Accordingly, none of the cases cited by Registrant applies to the instant case. See Registrant's Trial Brief at 30:4-12. Where the seller of part of a business continues to use a mark and the buyer and the seller then concurrently use the mark. See, e.g., Century Distilling Co. v. Ph. Schneider Brewing Co., 26 F. Supp. 936 (D. Co. 1938) (explaining that business buyer obtained exclusive use because buyer "took over, bag and baggage, everything [seller] had when forced out of business."); cf. Haviland & Co. v. Johann Haviland China Corp., 269 F. Supp. 928 (S.D. N.Y. 1967) (concurrent user by competing factions of Haviland family on chinaware enough meant no superior use.)

Second, Registrant's explanation that the Yucca Valley restaurant was merely an "intermediate junior user" is nonsensical. The "user" was Petitioner, Arturo Santana Gallego. The *location* where he continued to use the name that he used

before anyone else was in Yucca Valley, located in Southern California. Petitioner Arturo Santana Gallego cannot be an "intermediate junior user," because he was, in fact, the *very first user* of **SANTANA'S MEXICAN FOOD**. See Registrant's Trial Brief at 31 n. 6. So, Petitioner Arturo Santana Gallego's use was neither "intermediate," nor was it "junior."

2. This is Not a Secondary Meaning Case

Registrant argues that Petitioner has the burden to produce evidence that the '458 mark first acquired secondary meaning through Petitioner's senior use. Registrant argues that the petitioner in a cancellation proceeding must establish secondary meaning. In support, Registrant cites to state law and to federal cases, but not to a single case decided by the Board. See Registrant's Trial Brief at 32:27-33:4.) Not one of the cases cited by Registrant supports its recitation of the law. In fact, it is only where the mark is "merely descriptive" that proof of secondary meaning is required before the Board. In this case, the mark **SANTANA'S MEXICAN FOOD** is not "merely descriptive."

Since this is not a case where cancellation is sought on the grounds that the marks are merely descriptive, secondary meaning does not come into play. See, e.g., Mark-Tex Corp. v. La-Co Indus., Inc., 2000 TTAB LEXIS 875 (Cancellation No. 27,165 Nov. 30, 2000); see also Cashflow Technologies, Inc. v. NetDecide, Cancellation Nos. 30,363 and 30,364, 2002 TTAB LEXIS 438 (July 10, 2002). Further, the marks are *not* merely descriptive in any event.

3. Petitioner Did Not Engage in Uncontrolled Licensing

Registrant claims that even if Mr. Santana Gallego was the first user of the mark **SANTANA'S MEXICAN FOOD**, that he has lost any rights by engaging in uncontrolled licensing. Registrant argues that Petitioner failed to exercise control over its licensees. Registrant ignores the critical fact that Petitioner is the father of the licensees. This is significant, because "[t]here need not be formal quality control

where the particular circumstances of the licensing arrangement [indicate] that the public will not be deceived." Moore Bus. Forms, Inc. v. Ryu, 960 f.2d 486, 22 U.s.P.Q. 2d 1773 (1992) (quoting Taco Cabana Int'l v. Two Pesos, Inc., 932 F.2d 1113, 1121 (9th Cir. 1991). Indeed, "[c]ourts have ulpheld licensing agreements where the licensor is familiar with and relies upon the licensee's own efforts to control quality." Morgan Creen Productions, Inc. v. Capital Cities/ABC, Inc., 22 U.S.P.Q.2d 1881, 1884 (C.D. Cal. 1991) (quoting Transgo, Inc. v. Ajac Transmission Parts Cop., 768 F.2d 1001, 1017-18, 227 U.S.P.Q. 598 99th Cir. 1985) (licensor had ten-year affiliation with licensee and was familiar with his ability and expertise)); see, e.g., Taffy Original Designs, Inc. v. Taffys, Inc., 161 U.S.P.Q. 707, 713 (N.D. Ill. 1966) (licensor and licensee were sisters in business together for seventeen years, licensee's business as a continuation of the licensor's prior business, licensor visited licensee's store from time to time and was satisfied with the quality of merchandise offered).

In this case, Mr. Santana Gallego is the father of Abelardo Santana, the owner of Registrant. Petitioner trained Abelardo in the business, employed him and then they together, owned the Point Loma Restaurant, for some time. During that period of co-ownershiup, Petitioner certainly had ample involvement to satisfy himself with the quality of the food and services provided by Abelardo. Further, Mr. Santana Gallego testified that Abelardo and Claudia have run the restaurant well and he is satisfied with the quality of food and services. In such a case, as the United States Supreme Court has observed, there is no need for a formal quality control program.

B. The Registration for '978 for the Mark and Design Should Be Cancelled

1. The Registration Contains the '458 Mark

Registrant argues that it owns the '978 mark and design because Claudia Vallarta first created the service mark that included the saw tooth design. Registrant ignores two uncontrovertible facts. The '978 mark includes the '458 mark, **SANTANA'S MEXICAN FOOD**. As Petitioner has already demonstrated, it was *he* that first used those words in connection with the provision of restaurant services. Registrant cannot maintain a mark that contains or includes this trademark, if Arturo Santana Gallego prevails in the '458 cancellation proceeding.

In this case, the first part of the '978 mark is identical in every respect to Petitioner's **SANTANA'S MEXICAN FOOD** MARK. As the Board has observed, "it is often the first part of a mark which is most likely to be impressed upon the minds of a purchaser and remembered." Presto Products Inc. v. Nice-Pak Products Inc., 9 U.S.P.Q2d 1895, 1897 (TTAB 1988) (KIDWIPES confusingly similar to KID STUFF). The inclusion of the design and additional words does not obviate the confusing similarity between the '78 and the '458 marks. See also Mother's Restaurant, Inc. v. Mother's Other Kitchen, Inc., 218 U.S.PQ. 1046, 1049 (TTAB 1983) (MOTHER'S OTHER KITCHEN confusingly similar to MOTHER'S PIZZA PARLOR).

The design element of the '978 mark does not diminish the confusing similarity. The design is essentially is just a set of triangles, which, as explained below, were originated anyway by Petitioner. Even Claudia Vallarta and Abelardo Santana admit that all the public cares about is the word "SANTANA's." This is how they explain that some of Registrant's restaurants bear the name **SANTANA'S MEXICAN FOOD** and others bear the name **SANTANA'S MEXICAN GRILL**. They explain that there is no different to the public. What the public cares about is

the word **SANTANA'S**. See In re Wilson, 57 U.S.P.Q. 2d 1863, 1865 (TTAB 2001) (PINE CONE BRAND & design confusingly similar to PINE CONE).

In marks consisting of both words and a design element, the word portion generally is the dominant feature because purchasers will refer to the word portion when calling for the goods. In re Mango Records, 189 U.SP.Q. 126 (TTAB 1975). "There is consistent authority both at the Board and elsewhere that the mere addition of a term to a mark will not avoid likelihood of confusion. See, e.g., Lilly Pulitzer, Inc. v. Lilli Ann Corp., 153 U.S.P.Q 406 (CCPA 1967) (finding THE LILLY and LILLI ANN confusingly similar).

2. Petitioner Has Shown That He Was the Source of the Crude Design and the Colors Contained in the Design

Petitioner provided evidence that it was he that directed his son, Benito Santana, to create the triangle design that was the genesis of the saw tooth pattern. Registrant claims that because Claudia Vallarta hired a graphic designer to update the logo, that Registrant therefore owns the entire mark and design. This cannot be the law. Crude as it may have been, Mr. Santana Gallego and two of his sons, cut out foam triangles and used them to adorn the Yucca Valley restaurant and sign. The methodology may not have been sophisticated, but it certainly constitutes Petitioner's first use of the genesis of the design.

3. Petitioner Also Showed He First User the Phrase "Es Muy Bueno" On Radio Advertising

Petitioner testified that he purchased radio advertising for his Yucca Valley Restaurant. He provided evidence that this radio advertising was broadcast around 1989. Petitioner even sang the jingle during his testimony, recalling that lyrics and that it contained the words "Es Muy Bueno." In addition, those words also appeared on the external signage to the Yucca Valley Restaurant. Photographs of those signs have been provided to the Board.

C. The Registration for '978 for SANTANA'S MEXICAN GRILL Should Be Cancelled

1. The Mark is Confusingly Similar to '458 SANTANA'S MEXICAN FOOD

The mark **SANTANA'S MEXICAN GRILL** is confusingly similar to **SANTANA'S MEXICAN FOOD** and should be cancelled. As explained above, it is the word **SANTANA's** that the public cares about.

2. Registrant Was Never Arturo Santana Lee's Licensor

Registrant claims that it was Arturo Santana Lee's licensor when Arturo Santana Lee began to use the mark **SANTANA'S MEXICAN GRILL** at his El Cajon Restaurant. Registrant claims that because its owners, Abelardo Santana and Claudia Vallarta, assisted Arturo Santana Lee in setting up the El Cajon Restaurant, then Registrant must have been Arturo Santana Lee's licensor. Registrant points to the guarantee that Abelardo Santana provided for his brother and the insurance policy as proof. Callously, Registant argues that that there "would have been no reason" for Abelardo to help his own brother establishing a restaurant with the name **SANTANA'S MEXICAN GRILL** if the "El Cajon Restaurant were not to be run as a licensee of Registrant." As Arturo Santana Lee testified, it was merely a situation of one brother helping another. Arturo Santana Lee barely spoke English and was living in Mexico just before he opened the El Cajon Restaurant. Registrant's recitation of the law – that a license can arise out of the conduct of the parties – is correct, but its application is wholly wrong. In this case, the facts are that Abelardo Santana and Arturo Santana Lee are brothers. A reasonable person would not believe that Arturo Santana Lee, by accepting help from his younger brother in the mechanics of opening a business, agreed to permit his youngest brother to control all aspects of his business in perpetuity. A "reasonable" person

would not believe that, particularly since their father founded the first restaurant and was involved with both sons in launching each of their respective businesses.

Registrant claims that the facts of this case are similar to those presented in Woodstock's Enter. Inc. (California) v. Woodstock's Enter. Inc. (Oregon), 43 U.S.P.Q. 2d 1440 (T.T.A.B. 1997). Indeed. In Woodstock, the founder of the restaurant started several branches of Woodstock restaurants in different locations and different states. After he died in a plane crash, his widow took over the businesses. Ultimately, the Board decided that it was the *original business in Oregon* that held the license through a relationship that was "akin to an informal, implied license." Id. At 1447. If anything, Woodstock supports the Petitioner's claim that he, as the original owner and as a participant in the launch of each of the various breaches of the Santana's restaurants remains the original licensor. Registrant's use of the Woodstock case to suggest that it controls the El Cajon Restaurant, simply ignores the fact that the *original* use of the word **SANTANA** was by Petitioner Arturo Santana Gallego. Just as in Woodstock, the various **SANTANA'S** restaurants "ha[ve] the appearances of being a chain of [restaurants' with common ownership." Id. at 1447. Just as in Woodstock, the restaurants use the same colors, same signage, same recipes, same menus and even purchase their key ingredient – tortillas – from the same vendor. Id.

Registrant offers no documentation and no proof that a license ever existed between Registrant and its President's brother, Arturo Santana Lee. It claims that the act of one brother helping another leads to the inescapable conclusion that a license must have existed. Registrant ignores the similarity between **SANTANA'S MEXICAN GRILL** and **SANTANA'S MEXICAN FOOD** and also ignores the testimony of Petitioner Arturo Santana Gallego where he testified that it was *he* that gave his eldest son, Arturo Santana Lee, the right to open the El Cajon Restaurant

and use the same family name that had been on Petitioner's restaurants for more than ten years.

D. All the Registrations Were Procured By Fraud

Registrant claims that it did not defraud the USPTO when it submitted declarations that: (a) claimed a date of first use before Registrant was even incorporated or existed; (b) failed to advise the USPTO that the Yucca Valley Restaurant used the name **SANTANA'S MEXICAN FOOD** and the phrase **ES MUY BUENO**. Registrant explains that, with respect to the date, it was perfectly acceptable to claim a date of first use of 1988, even though Registrant was not formed until April of 1998. Both dates are wrong, since Registrant's predecessor did not first use the mark in commerce until 1992 when Abelardo and Claudia obtained the Point Loma Restaurant from Arturo Santana Gallego.

With respect to the failure to disclose the use by Mr. Santana Gallego and Arturo Castaneda at the Yucca Valley Restaurant, Registrant claims that it held a subjective, even if mistaken, belief that Registrant owned the marks. While cancellation for fraud is not frequently ordered, it is appropriate given the unrebutted testimony. Cecil v. Enterprise Automation, Inc., Cancellation No. 30,783, 2003 LEXIS 228 (TTAB May 13, 2003). In Cecil, the Board cancelled a trademark based on fraud when the evidence showed that the petitioner's predecessor used the mark long before respondent did. Similarly, in this case, the mark **SANTANA'S MEXICAN FOOD** and **SANTANA'S MEXICAN FOOD . . . ES MUY BUENO** were used at the Yucca Valley Restaurant by Petitioner by 1987 or 1988. By contrast, Abelardo Santana and Claudia Vallarta obtained *no rights at all* and did not even *use the marks* until 1991 or 1992. Clearly, Claudia knew that Petitioner had used the mark continuously long before Registrant or Registrant's predecessors did. Given the unrebutted evidence on this point, cancellation for

fraud is in order. See Cecil, supra (cancelling mark for fraud where Registrant's affiant knew of prior use by Petitioner).

E. The Testimony of Arturo Santana Gallego is More Credible than that of Registrant's Witnesses

One of the primary questions the Board must resolve involves the credibility of the witnesses. Mr. Santana Gallego is over 70 years old and founded the very first Mexican food bearing the mark **SANTANA'S MEXICAN FOOD.** Unfortunately and certainly not be choice, Mr. Santana Gallego was sued by his youngest son after Registrant Santanas Grill, Inc., applied for and obtained a federal registration. That federal action precipitated these cancellation proceedings.

Mr. Santana Gallego should be enjoying the sunset of his life, rather than having to mount expensive and protracted legal proceedings in order to attempt to set the record straight and leave the matters between his sons organized and settled. Mr. Santana Gallego has nothing to gain by seeking cancellation of the marks and by seeking cancellation, other than the sincere desire to obtain the right resolution for his sons before he passes on. By contrast, Registrant's agents, Abelardo Santana and his ex-wife Claudia Vallarta, have always maintained that their motives are financial in nature – they wish to expand their restaurant business and will even sue brothers and fathers to achieve that goal. In addition, Abelardo and Claudia's testimony is quite pat. They have an answer for everything. Mr. Santana Gallego, at times, honestly testified that he simply could not remember certain things – like whether he owned one of his sons some money. Looking at the evidence as a whole, Mr. Santana Gallego's testimony is simply more credible than that of Abelardo Santana and Claudia Vallarta.

F. Petitioner's Notice of Reliance Was Timely

Petitioner's Notice of Reliance was mailed on January 31, 2008 and was deemed filed on February 4, 2008. Petitioner's opening testimonial period extended

through January 31, 2008, and the rebutting testimonial period extended from May 1, 2008 through May 15, 2008. So, either the Notice of Reliance was one day late and caused no prejudice, or it was filed more than three months before the last day, May 15, 2008, on which Petitioner could have filed its Notice of Reliance as a rebuttal to Registrant's testimony and evidence.

III. CONCLUSION

Based on the foregoing, and all the papers, pleadings and evidence before the Board, Petitioner Arturo Santana Gallego respectfully requests that the Board cancel Registration No. 2,631,458, No. 2,682,978 and No. 2,634,976.

Dated: August 28, 2008

THE ARMENTA LAW FIRM APC

By:

M. Cris Armenta

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to the within action. My business address is 11900 Olympic Boulevard, Suite 730, Los Angeles, California 90065.

On August 28, 2008 I served the following document(s) described as:

(1) PETITIONER'S REPLY BRIEF
(2) PETITIONER'S OPPOSITION TO MOTION TO STRIKE AND MOTION FOR RELIEF

on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes addressed as follows:

Michael Sandstrum, Esq.
BREMER WHYTE BROWN & O'MEARA, LLP
20320 S.W. Birch Street, 2ND Floor
Newport Beach, California 92660
Facsimile: 949 221-1001

☑ BY MAIL: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing with the United States Postal Service. Under that practice, it would be deposited with the United States Postal Service that same day in the ordinary course of business. Such envelope(s) were placed for collection and mailing with postage thereon fully prepaid at Los Angeles, California, on that same day following ordinary business practices. (C.C.P. § 1013 (a) and 1013a(3))

I declare under penalty of perjury under the law of the United States of America that the above is true and correct and that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

Executed on August 28, 2008 in Los Angeles, California.

Heather Rowland