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

Proceeding	92053501
Party	Defendant Del Taco, LLC
Correspondence Address	APRIL L BESL DINSMORE SHOHL LLP 255 EAST FIFTH STREET CINCINNATI, OH 45202 UNITED STATES april.besl@dinsmore.com
Submission	Brief on Merits for Defendant
Filer's Name	April L Besl
Filer's e-mail	april.besl@dinsmore.com
Signature	/april l besl/
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Reg. No.: 1,043,729  
Reg. Date: July 13, 1976

**CHRISTIAN M. ZIEBARTH**

Petitioner,

**DEL TACO, LLC**

Registrant.

Cancellation No. 92053501

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**REGISTRANT DEL TACO, LLC'S TRIAL BRIEF**

Dated: September 29, 2014

/ April L Besl /

April L. Besl  
Joshua A. Lorentz  
DINSMORE & SHOHL LLP  
255 East Fifth Street  
Cincinnati, Ohio 45202  
(513) 977-8527-direct  
(513) 977-8141-fax  
april.besl@dinsmore.com

*Attorneys for Respondent  
Del Taco, LLC*

**REDACTED PUBLIC VERSION FOR FILING PURSUANT TO PROTECTIVE ORDER**

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## I. PRELIMINARY STATEMENT

Contrary to Petitioner’s posturing and unsubstantiated allegations, this is not a case about the supposed abandonment by Registrant Del Taco, LLC (“Del Taco”) of its NAUGLES trademark over a decade ago. Rather, at its core, this is a case about an individual, Petitioner Christian M. Ziebarth (“Petitioner”), who believed he had identified an opportunity to make money by stealing from Del Taco and attempting to capitalize on over 30 years of rights, goodwill, and recognition in the NAUGLES trademark owned by Del Taco. Unfortunately for Petitioner, Del Taco’s continued use and ownership of its NAUGLES trademark stood in the way of Petitioner’s plans, thus leading to the filing of Petitioner’s baseless Cancellation Petition, and this four-year proceeding, all in an attempt to justify Petitioner’s blatant and willful infringement of Del Taco’s rights in its NAUGLES mark.

Petitioner bears the burden in this proceeding of not only proving that Del Taco has abandoned its registration for NAUGLES, Registration No. 1,043,729 for *restaurant services* (the “Registration”) with no intent to resume use, but also that Petitioner even has standing to bring this proceeding. Even a cursory review of the evidence of record demonstrates clearly that Petitioner has failed to meet his burden on both elements.

### A. **Del Taco Never Abandoned Use of Its NAUGLES Mark.**

First and foremost, Petitioner has patently failed to set forth any evidence whatsoever establishing that Del Taco has abandoned its NAUGLES trademark and Registration. Petitioner’s entire claim of abandonment rests on a *single* 1989 newspaper article. The remainder of Petitioner’s “evidence” in support of Petitioner’s allegations of abandonment is nothing more than the unabashed hearsay of Petitioner and his handful of witnesses’ completely unsupported statements. Specifically, the single piece of actual evidence produced by Petitioner in support of his case states that Del Taco

converted two of its NAUGLES branded restaurants to Del Taco restaurants, with plans to convert other locations then “underway.” What Petitioner conveniently ignores though, is the explicit statement in this very same article that an advertising campaign promoting the quality of the Del Taco and Naugles brands would continue. As such, Petitioner’s sole piece of evidence in support of Petitioner’s allegation of abandonment actually expressly contradicts his claims that the article establishes that Del Taco has abandoned all use of its NAUGLES mark.

Indeed, continuously since the closure of the NAUGLES branded restaurants by Del Taco, which occurred six years later in 1995, Del Taco has made consistent and ongoing use of its NAUGLES trademark through various means including: 1) advertising and marketing materials; 2) on its website; and 3) on clothing sold in connection with Del Taco’s *restaurant services*. All of these ongoing uses of Del Taco’s NAUGLES mark are directly connected to, and in furtherance of the *restaurant services* offered by Del Taco, and are and have been openly made to the public. As such, Petitioner’s completely baseless claim of abandonment is patently false and Petitioner has clearly failed to meet his burden of proof.

Furthermore, the evidence of record definitively establishes that there is considerable goodwill in Del Taco’s NAUGLES mark and ongoing recognition by the public of the NAUGLES mark as belonging to and associated with Del Taco. In particular, Del Taco has offered and continues to offer a NAUGLES “secret” menu, where customers can find items originally sold only in NAUGLES branded restaurants. It is beyond debate that the public associates the NAUGLES mark and the “secret” menu with Del Taco *and its restaurant services*, due to Del Taco’s continued use of its NAUGLES mark.

Indeed, it is this very goodwill and public recognition in the NAUGLES mark that Petitioner has openly admitted in his cross-examination as being the reason he brought the cancellation

proceeding. Petitioner wants to be associated with Del Taco's NAUGLES brand. Petitioner has in fact admitted that the consuming public associates the NAUGLES mark with Del Taco, yet he has also stated his goal of obtaining the NAUGLES mark for his own competing use. Petitioner has even gone so far as to create a Twitter account under the NAUGLES mark where he is still, to this day, attempting to correct consumer confusion by repeatedly telling consumers that he is not Del Taco despite the abandonment Petitioner now alleges took place years earlier. The fact that two decades after Del Taco allegedly abandoned the NAUGLES trademark consumers still recognize the mark as being associated with Del Taco is highly probative of not only Del Taco's continued use of the mark, but also the ongoing, longstanding and considerable goodwill in the NAUGLES mark owned by Del Taco.

Predictably, and no doubt in recognition of the weakness of his case, Petitioner dedicates the majority of his trial brief to a fruitless attempt to discredit, refute, and/or outright dismiss the extensive evidence of continued use of the NAUGLES mark. However, Petitioner cannot establish any reasonable basis upon which to exclude or disregard Del Taco's clear evidence of its continued use of its NAUGLES mark presented by Del Taco during its trial period.

**B. Petitioner Lacks Standing to Bring This Cancellation Petition.**

Finally, Petitioner lacks standing to bring this proceeding before the Board. Petitioner's standing is based on his filing of an intent to use application for the mark NAUGLES on May 17, 2010, under Serial No. 85/040746 for *cafeteria and restaurant services* (hereafter "Petitioner's Application" or the "Application"). This Application was refused registration due to a likelihood of confusion with Del Taco's Registration for its NAUGLES mark. Setting aside Petitioner's self-serving statements and unsupported hearsay, the actual evidence of record and documentation reveals that Petitioner had **no** *bona fide* intent to use the NAUGLES mark in commerce at the time

he filed the Application and that in fact, Petitioner's Application was filed in bad faith. Petitioner had no financing, no business plans, no partners, no physical real estate, no location leases, no prior experience in the restaurant industry, no capital, no suppliers or supply chain network, no planned promotional materials, no corporation or company, no established channels of trade, and no contracts for goods or services. In addition, Petitioner was well aware of Del Taco's ownership of its NAUGLES mark for restaurant services at the time of filing of Petitioner's Application. Petitioner's desire to infringe on the known rights of Del Taco and use this Cancellation proceeding to justify his blatant and willful infringement of Del Taco's NAUGLES mark do not constitute the required *bona fide* intent to use to support the filing of the Application. Accordingly, Petitioner has no standing to bring this proceeding and this Cancellation proceeding should also be dismissed on this basis.

In short, Petitioner has failed to meet his burden of proof to establish: 1) that Del Taco in fact abandoned use of its NAUGLES mark without an intent to resume use; and 2) that Petitioner even has appropriate standing to bring this proceeding.

## **II. PROCEDURAL HISTORY**

Del Taco's NAUGLES trademark has been registered with the US Trademark Office since July 13, 1976. In 1988, the NAUGLES brand, trademark, business and all assets were purchased by the predecessor company that eventually became Del Taco, LLC.

On May 17, 2010, Petitioner, as an individual, filed an intent to use application for the word mark NAUGLES, Serial No. 85/040746, for *cafeteria and restaurant services* in Class 43. An Office Action refusing registration of Petitioner's Application was issued on September 3, 2010 on the basis of a likelihood of confusion with Del Taco's Registration as well as a refusal that the mark as identified in the intent to use Application is primarily merely a surname. Petitioner waited until December 20, 2010 to file his petition to cancel the Registration on the sole allegation that Del Taco

had abandoned all use of its NAUGLES mark, with no intent to resume use. A Final Office Action issued on Petitioner's Application on January 10, 2011 and the Application was later suspended on June 3, 2011 in light of this proceeding. In the four years since the petition was first filed, the parties have conducted discovery, including the exchange of interrogatories and production of documents.

Throughout this proceeding, Petitioner has been deliberately uncooperative in all aspects of his dealings with Registrant, particularly with respect to discovery. Petitioner's intentional withholding of documents and information in discovery relating to his standing forced Del Taco to file several motions requesting that the Board order Petitioner to adhere to and participate in discovery in good faith under the Trademark Rules and the Federal Rules of Evidence.

In January 2012, the Board first ordered Petitioner to provide full responses to Del Taco's interrogatories relating to his standing as set forth in Del Taco's discovery requests. *See* Board Order on Motion to Compel issued on January 21, 2012, Doc. 17. After further deliberate noncompliance by Petitioner, Del Taco ultimately filed a Motion for Sanctions against Petitioner on August 22, 2012 seeking redress for Petitioner's willful evasiveness and non-compliance. *See* Motion for Sanctions filed August 22, 2012, Doc. 29. The Board once again agreed that certain of Petitioner's objections and conduct in response to Del Taco's discovery requests were insufficient and improper. *See* Board Order on Motion for Sanctions issued on December 12, 2012, Doc. 33. Petitioner was specifically advised that "the interposing of objections to [Registrant's] discovery requests after the Board's ruling that these requests were relevant is improper" and that Petitioner's inconsistent responses to certain discovery requests represent "an attempt by petitioner to evade his discovery obligations." *Id.*

After receiving Petitioner's Pretrial Disclosures, Del Taco was shocked to discover that Petitioner had willfully withheld additional information and witnesses from his discovery responses,

forcing Del Taco to file yet **another** Motion for Sanctions seeking protection against Petitioner's evasive and noncompliant discovery tactics. *See* Motion for Sanctions filed on March 22, 2013, Doc. 45. The Board **again** partially granted the motion on the grounds that Petitioner's pretrial disclosures were insufficient and that Petitioner failed to name certain witnesses until after the close of discovery. As a result, the Board struck Petitioner's pretrial disclosures entirely with respect to one witness. *See* Board Order on Motion for Sanctions issued on August 12, 2013, Doc. 49. The Board also instructed Del Taco to notify the Board in its brief if Petitioner's evidence and arguments at trial exceeded the scope of information provided by Petitioner during discovery. *Id.*

The parties then proceeded with their respective trial testimony periods during which Del Taco was once again astounded to discover during its cross-examination of Petitioner that there were **yet additional** relevant documents, including several email exchanges, that had been deliberately withheld by Petitioner from his discovery responses, yet subsequently referenced and relied upon by Petitioner in his testimony.

### **III. THE EVIDENCE OF RECORD**

The record before the Board consists of the following evidence submitted by the parties:

#### **A. Petitioner's Evidence.**

1. **Testimony.** Affidavit of Petitioner Christian M. Ziebarth and Exhibits A-Q thereto, Confidential Exhibit R to Ziebarth Affidavit (hereinafter "Ziebarth Aff."); (Docs. 57, 58); Affidavit of Robert Hallstrom and Exhibit H thereto (Doc. 59) (hereinafter "Hallstrom Aff."); Affidavit of Daniel Dvorak (Doc. 60) (hereinafter "Dvorak Aff."); Cross Examination Testimony of Noah Chillingworth and Exhibits thereto, [confidential portion of Cross-Examination Testimony from Noah Chillingworth] and Exhibits 30-31 (Docs. 85-86) (hereinafter "Chillingworth Cross Exam").

2. **Discovery Documents.** Del Taco's Answers to Interrogatories and Del Taco's Answers to Requests for Admissions (Docs. 50-54.)

3. **Other.** "Adios to Naugles" Orange County Register Newspaper Article (Doc. 55.)

**B. Del Taco's Evidence.**

1. **Testimony.** Cross Examination Testimony of Petitioner Christian M. Ziebarth and Exhibits thereto, [confidential portion of Cross Examination Testimony of Ziebarth and Exhibit R thereto] (Docs. 76-77) (hereinafter "Ziebarth Cross Exam"); Cross Examination Testimony of Robert Hallstrom and Exhibits thereto (Doc. 64) (hereinafter "Hallstrom Cross Exam"); Cross Examination Testimony of Daniel Dvorak and Exhibits thereto, [Confidential portion of Cross Examination testimony of Daniel Dvorak and Exhibit R thereto] (Doc. 73, 74) (hereinafter "Dvorak Cross Exam"); Affidavit of Noah Chillingworth and Exhibit 29 thereto, [confidential portion of Cross Examination Testimony of Noah Chillingworth and Exhibits 30-31 thereto] (Docs. 78-79) (hereinafter Chillingworth Aff.)

2. **Discovery Documents.** Petitioner's Answers to Interrogatories and Requests for Production of Documents and Petitioner's Answers to Requests for Admission (Docs. 65-72).

3. **Other.** NAUGLES Trademark Registration No. 4,261,951 for clothing (Doc. 63) (hereinafter "Del Taco's Clothing Registration"); Screenshots from Del Taco's web pages (Doc. 77).

**IV. STATEMENT OF THE ISSUES**

There are two issues before the Board in this proceeding:

- 1) Whether Del Taco's NAUGLES Registration No. 1,043,729 and trademark for "restaurant services" has been abandoned under 15 U.S.C. §1127 without an intent to resume use, and therefore should be cancelled; and

- 2) Whether Petitioner has standing to seek cancellation of Registrant's NAUGLES mark, Registration No. 1,043,729.

**V. RECITATION OF THE FACTS**

**A. Del Taco's Ongoing and Continuous Use of the NAUGLES Trademark Since Taking Ownership of the Mark Two Decades Ago.**

Registrant Del Taco, LLC is the owner and operator of a chain of well-known and successful Mexican restaurants operating under the DEL TACO name and based in California with locations throughout the United States. In 1988 Del Taco acquired the business and all assets of a smaller restaurant chain then doing business under the NAUGLES trademark and brand. *See Chillingworth Aff.* ¶ 2. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Del Taco's NAUGLES trademark has been used in connection with *restaurant services* by Del Taco and its predecessors in interest since at least as early as December 19, 1970, as averred as the date of first use in the Registration. *See Registrant's NAUGLES Registration No. 1,043,729.* The Registration issued on July 13, 1976. *Id.* Del Taco acquired the NAUGLES assets, business, trademark and all accompanying goodwill in 1988, and Del Taco has continued to this day to use its NAUGLES mark in connection with Del Taco's *restaurant services*. The Registration was most recently renewed by Del Taco on May 22, 2006 and is not due for renewal until May of 2016. *See Registrant's NAUGLES Registration No. 1,043,729.*

Though Del Taco's actual use of its NAUGLES trademark has evolved over the last two decades, Del Taco has continuously used its NAUGLES trademark directly in connection with its *restaurant services*. *See generally, Chillingworth Aff. and Exhibits thereto; Chillingworth Cross*

Exam. When Del Taco first acquired the NAUGLES business assets, trademark and goodwill, the NAUGLES mark was used as the name of free-standing restaurants, as well as on marketing and advertising materials in connection with *restaurant services*. Del Taco eventually closed the last NAUGLES branded restaurant in October 1995. Chillingworth Aff. ¶ 2. However, and despite Petitioner’s unsupported claims, this closure of NAUGLES branded restaurants did not in any way represent the cessation of all usage of the NAUGLES mark for *restaurant services*. *Id.*

On the contrary, Del Taco continued to use its NAUGLES trademark in advertising and marketing for Del Taco’s *restaurant services* immediately following the closure.<sup>1</sup> *See, e.g.*, Doc. 77; Doc. 85 at Exhibit 11; Chillingworth Aff. ¶ 2, 4, 6-8; Chillingworth Cross Exam 58:8-59:14, [REDACTED] [REDACTED] Even in the lone article cited by Petitioner as Petitioner’s single piece of evidence of Del Taco’s supposed abandonment, Del Taco explicitly states that it “will continue” to use an ad campaign focusing on the “quality of Del Taco and Naugles food” and that many items from the Naugles menu will continue to be served. Doc. 55 at p. 2. Del Taco did indeed move forward with such advertising for its *restaurant services* including campaigns using the phrase VIVA NAUGLES VIVA DEL TACO. Doc. 85 at Exhibit 11; Chillingworth Cross Exam 58:8-59:14. Chillingworth Aff. ¶ 3. Del Taco also ran commercials featuring its NAUGLES trademark and promoting its connection with Del Taco and its *restaurant services*. Chillingworth Cross Exam 130:9-20. Del Taco further incorporated other aspects of the NAUGLES restaurants throughout its Del Taco branded restaurants as part of its use of its NAUGLES trademark following the closure of the NAUGLES branded restaurants. Chillingworth Cross Exam 58:8-59:14, [REDACTED] 130:9-20; Chillingworth Aff. ¶ 6-8.

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<sup>1</sup> Petitioner claims in his brief that Del Taco Exhibit 11 is unsubstantiated by Mr. Chillingworth’s testimony. *See* Petitioner’s Brief, pg. 36-37. However, this Exhibit was also filed with the Trademark Office in 1996 with the required Section 8 and 9 renewal thereby making it of record in this proceeding. *See* Registrant’s NAUGLES Registration No. 1,043,729.

Indeed, among one of Del Taco's most popular aspects of its *restaurant services* is its "secret" NAUGLES menu, which allows customers to ask for and purchase NAUGLES food items, such as the "bun taco." Chillingworth Aff. ¶¶ 6-7; Chillingworth Cross Exam 103:17-104:17, [REDACTED] 130:21-131:6. This is one of the most successful examples of the ongoing use and consumer recognition of the NAUGLES trademark, brand, and business as part of Del Taco's *restaurant services* that has continued through to the present **even after closure of the NAUGLES branded restaurants**. As Mr. Chillingworth testified in his cross-examination, the concept of a "secret" menu is a popular way for restaurant chains like Del Taco to capitalize on the "viral" marketing aspect of the menu in connection with the associated trademark. Chillingworth Cross Exam 88:18-89:21, 103:17-104:17, 107:12-17, 114:24-115:2, [REDACTED], 130:21-131:6, 131:23-132:3. [REDACTED]

In addition to its standard marketing efforts, Del Taco also has used its NAUGLES trademark on its website to promote Del Taco's *restaurant services*. Doc. 77, Exhibits 16-28 thereto; Chillingworth Cross Exam 37:20-39:4. In fact, it was a screenshot of this website usage that was recognized and accepted by the Trademark Office in the most recent renewal of the Registration by Del Taco on May 22, 2006. *See* Registrant's NAUGLES Registration No. 1,043,729. In addition to this website advertising, Del Taco also has offered NAUGLES branded clothing for sale in connection with its *restaurant services* to further heighten public awareness of its NAUGLES brand and Del Taco's connection with its NAUGLES trademark. Chillingworth Aff. ¶ 2; Chillingworth Cross Exam 11:15-24, 14:4-15:8, 21:22-22:24. Del Taco also has an active federal registration for

its NAUGLES trademark in connection with clothing, namely, shirts, t-shirts, hats, and jackets based on its ongoing use of the mark. *See* Del Taco’s Clothing Registration.

Simply put, Del Taco’s continued use of its NAUGLES trademark as described herein has resulted in one undisputable fact: Del Taco is synonymous with NAUGLES in the minds of the public. *Chillingworth Aff.* ¶ 8.

**Del Taco’s Planned Use of the NAUGLES Trademark Going Forward.**

In addition to the extensive and ongoing use detailed above, since 2009 Del Taco has been planning larger, more interactive marketing campaigns prominently featuring its NAUGLES trademark. *Chillingworth Cross Exam 88:18-89:21.* [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] All of

this evidences not only ongoing use by Del Taco of its NAUGLES trademark, but also an ongoing intent by Del Taco to continue and further expand such use. Simply put, Petitioner has fallen woefully short of meeting his burden of establishing abandonment, while Del Taco has presented evidence that is more than sufficient to establish its continued use and intended future use of its NAUGLES trademark. [REDACTED]

**Petitioner’s Interest in Del Taco’s NAUGLES Trademark and Alleged Bona Fide Intent to Use the Mark in Commerce.**

Petitioner is a web developer and blogger with no experience whatsoever in the restaurant industry. *Ziebarth Cross Exam 12:12-16:16.* Petitioner has written blog posts about Del Taco, the NAUGLES trademark, and Del Taco’s ownership of the NAUGLES trademark, but has never

worked in a Del Taco or a Naugles restaurant. *Id.* Indeed, it was through his blog that Petitioner first identified what he believed to be a lucrative business opportunity to capitalize on the goodwill and recognition in the NAUGLES trademark owned by Del Taco. *Id.* at 16:17-18:18.

Just five months before filing Petitioner’s Application on May 17, 2010, Petitioner has admitted he was openly recognizing Del Taco’s continued ownership of the NAUGLES trademark. Ziebarth Cross Exam 75:13-18. For example, Petitioner claims that he met with Barbara Caruso, an outside Del Taco public relations representative, with the express intention of pitching his ideas to Del Taco regarding a marketing campaign for the NAUGLES brand, which, unbeknownst to Petitioner, Del Taco was already independently developing.<sup>2</sup> Ziebarth Aff. ¶¶ 2-3, 5, 10-18; Ziebarth Cross Exam 61:9-62:12, 81:12-17; Chillingworth Cross Exam 93:16-25, 98:20-99:2.

When Petitioner ultimately realized that Del Taco did not intend to hire him or otherwise engage him as a consultant for Del Taco, Petitioner decided to proceed without Del Taco and attempt to capitalize on the goodwill in Del Taco’s NAUGLES trademark on his own. Ziebarth Aff. ¶¶ 12-14. As stated in his affidavit, Petitioner “learned the legal concept of abandonment” and simply “decided” that Del Taco had abandoned the NAUGLES trademark on the sole basis that Del Taco no longer had restaurants named NAUGLES. *Id.*; *see also* Chillingworth Aff. ¶¶ 3, 8, 12; Petitioner’s Response to Interrog. No. 4 (Doc. 67); Petitioner’s Trial Brief at 10-11 (Doc. 89). Petitioner concluded on this single fact that he could take the NAUGLES trademark from Del Taco and capitalize on the goodwill Del Taco’s predecessors in interest had created, that Del Taco had legally

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<sup>2</sup> Though Petitioner claims he thought the meeting went well and that Barbara Caruso, the Del Taco representative he met with, was receptive to his ideas, correspondence from Ms. Caruso to other Del Taco employees suggests otherwise. Ziebarth Cross Exam 71:7-72:13, Exhibit 4 thereto. This is just one of many inconsistencies in Petitioner’s hearsay filled testimony without any documentation or substantiation to support his statements and claims.

acquired, and that Del Taco subsequently had maintained and built up in the NAUGLES trademark since 1988.

Petitioner made this determination on his own, based entirely on the fact that he sent an unsolicited email to Mr. Chillingworth on LinkedIn (to which Mr. Chillingworth did not respond) and had a conversation with Ms. Caruso. Ziebarth Aff. ¶ 7, 12; Exhibit E thereto; Ziebarth Cross Exam 79:17-25. (Q: Essentially, what I'm asking is: You based your determination as to Del Taco's lack of interest in using the mark based on your experiences with Ms. Caruso and your one e-mail to Mr. Chillingworth; is that correct? A: At least on those two things. Q: But those are the only two things you reference in your affidavit; correct? A: Yes, I believe. Maybe.") Petitioner conducted no actual investigation and made no inquiries as to Del Taco's usage of the NAUGLES mark, nor has he taken such actions to date. *See id.*

Petitioner ultimately filed Petitioner's Application on an intent to use basis on May 17, 2010. Ziebarth Aff. ¶ 4, Exhibit A thereto. The Application was filed personally by Petitioner without assistance of an attorney and named Petitioner in an individual capacity as the owner of the mark. *Id.* Despite claiming to have a *bona fide* intent to use the mark as of May 17, 2010, and despite Del Taco's repeated requests for relevant information throughout discovery in this proceeding, Petitioner has not produced a single shred of evidence demonstrating his *bona fide* intention to use Del Taco's NAUGLES mark. As of May 17, 2010, Petitioner had: 1) no funding or capital to open a restaurant; 2) no corporation or company formed to operate a business; 3) no employees; 4) no planned menu or restaurant concepts; 5) no locations under contract or lease; 6) no operating agreements; 7) no contracts for operation of a restaurant; 8) no partners; 9) no financing; 10) no formalized business or marketing campaigns; and 11) no documentation whatsoever to evidence his claim of a *bona fide*

intent to use the NAUGLES mark in connection with *cafeteria and restaurant services*. *Id.* at 45:4-47:18, 119:21-120:11; *see also* Doc. 33 at p. 8.

In short, as of May 17, 2010, Petitioner had no documented plans, proof, or evidence of any kind to support a *bona fide* intent to use the NAUGLES mark aside from Petitioner's stated intention to infringe and capitalize on Del Taco's ownership of and recognized goodwill in the NAUGLES trademark, which Petitioner admittedly knew to be owned by Del Taco. Ziebarth Aff. 45:4-47:18, 119:21-120:11; *see also* Doc. 33 at p. 8.

All that Petitioner has submitted to support his alleged *bona fide* intent to use the NAUGLES mark are his unsupported claims of vague "conversations" with various individuals regarding his hopes to use Del Taco's NAUGLES trademark. *See e.g.* Ziebarth Aff. ¶ 5. Notably, only **3** of these conversations actually took place **prior to the filing of Petitioner's Application** and one of the conversations was Petitioner's initiation of a discussion about Petitioner's desire for a **potential partnership with Del Taco regarding its NAUGLES brand**. *Id.* at ¶¶ 6, 8, and 12. Moreover, all but two of these claimed conversations are completely unsubstantiated and not supported by any actual evidence or corroborated testimony. For example, Petitioner claims to have spoken with Barbara Caruso, William "Bill" O'Dell, Jeff Naugle, Josh Maxwell, and Nancy Luna regarding his alleged hopes to use Del Taco's NAUGLES mark, yet **not a single one of these individuals submitted an affidavit to support** Petitioner's unabashed hearsay as to these alleged "conversations." Ziebarth Aff. ¶ 5; Ziebarth Cross Exam 25:2-26:18.

In fact, only two of the individuals Petitioner claims to have had these conversations with submitted affidavits in this proceeding, namely, Charles Robert Hallstrom and Daniel Dvorak. *See* Docs. 59-60. Yet even these affidavits provide little support for Petitioner's self-serving statements. For example, Mr. Hallstrom on cross-examination admitted that all of his discussions with Petitioner

were extremely vague and not specific in any way. Hallstrom Cross Exam 17:4-14, 22:3-23:3. Moreover, though Petitioner claims Mr. Hallstrom offered financing during their discussions in 2010, Mr. Hallstrom **denies ever agreeing to provide any financing**. Ziebarth Aff., ¶ 14; Hallstrom Cross Exam 33:22-24 (“Q: Did you ever agree to provide financial backing for Mr. Ziebarth's Noggles [sic] venture? A: No”). Therefore, Petitioner has provided no credible evidence, and in fact, his own witnesses have directly contradicted his hearsay testimony, and Petitioner has produced absolutely no documentation to support his alleged *bona fide* intent to use the NAUGLES mark in commerce as of May 17, 2010.

**D. Petitioner’s Willful Infringement of Del Taco’s NAUGLES Mark and the Substantial Goodwill in the NAUGLES Trademark Owned by Del Taco to Date.**

Since filing his petition for cancellation, Petitioner has engaged in a campaign to willfully infringe Del Taco’s NAUGLES mark through a website at [www.nauglestacos.com](http://www.nauglestacos.com) and operation of a Twitter account using the handle “Senor Naugles.” See Ziebarth Aff. ¶ 18; Ziebarth Cross-Exam 84:20-86:14, 91:21, 92:8-93:15, 95:24- 96:8, 100:21-103:24, Exhibits 5-10 thereto. The intent behind this campaign is to further the lucrative (but ultimately unlawful) business opportunity Petitioner identified based on the substantial goodwill in Del Taco’s NAUGLES mark which Petitioner now conveniently alleges Del Tao abandoned two decades earlier. See Ziebarth Cross-Exam 84:20-86:14, 91:21-93:15, 95:24-96:8, 100:21-103:24; Exhibits 5-10 thereto.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Petitioner also openly admitted in his cross examination that he wants the public to believe that he is associated with the NAUGLES restaurants that were previously owned

and operated by Del Taco, and the branding and elements of which are still used and incorporated in Del Taco's business today. Ziebarth Cross Exam 103:22-24. ("Q: So when people think of NAUGLES, you want them to think of your venture; is that correct? A; Yes.").

Yet, the very reason that the NAUGLES trademark has such valuable goodwill is due to the continued use and promotion by Del Taco of its NAUGLES mark, as discussed above. Petitioner admits that there is a public association with the NAUGLES trademark for restaurant services, while also admitting that he himself has not actually offered any restaurant services under the NAUGLES trademark or otherwise. Accordingly, no such "public recognition" could be associated with Petitioner in any event. Even as of 2014, four years after the filing of Petitioner's cancellation petition and **two decades** after Petitioner claims Del Taco abandoned all use of its NAUGLES trademark, Petitioner admits that consumers are still openly recognizing the NAUGLES mark and brand as belonging to and associated with Del Taco, even on Petitioner's own Twitter account. See Ziebarth Cross-Exam 84:20-86:14, 91:21-93:15, 95:24-96:8, 100:21-103:24; Exhibits 5-10 thereto.

## VI. ARGUMENT

### A. **Petitioner Bears the Burden of Proof and Petitioner Has Failed to Meet This Burden.**

Petitioner bears the burden of proof in a cancellation proceeding. See *On-line Careline Inc. v. America Online Inc.*, 56 U.S.P.Q.2d 1471, 1476 (Fed. Cir. 2000) (because the registration is presumed to be valid, the party claiming abandonment must rebut this presumption by a preponderance of the evidence). Petitioner must prove, by a preponderance of the evidence, **both**: 1) that Registrant abandoned use of its mark; and 2) that Registrant has no intent to resume use of the mark. *Id.*; 15 U.S.C. §1127.

Because a finding of abandonment works as an involuntary forfeiture of rights, courts uniformly agree that parties asserting abandonment face a 'stringent,' 'heavy,' or 'strict burden of

proof.’ See e.g. *Stilson & Assocs. v. Stilson Consulting Group, LLC*, 129 Fed. Appx. 993, 995 (6th Cir. 2005); *Cumulus Media, Inc. v. Clear Channel Communications, Inc.*, 304 F.3d 1167, 1175 (11th Cir. 2002); *Electro Source, LLC v. Brandess-Kalt-Aetna Group, Inc.*, 458 F.3d 931, 935 n.2 (9th Cir. 2006). Both prongs of the abandonment analysis **must** be strictly proved by the party alleging abandonment in order to find a mark owner has abandoned its mark. *United States Jaycees v. Philadelphia Jaycees*, 639 F.2d 134, 139 (3d Cir. 1981).

Use of a mark is defined as “the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in the mark.” *Id.* While nonuse for three consecutive years is prima facie evidence of abandonment, courts have held that the specific factual circumstances of a particular case can preclude abandonment (even after long periods of non-use). See, e.g., *Crash Dummy Movie, LLC v. Mattel, Inc.*, 94 U.S.P.Q.2d 1315 (Fed. Cir. 2010). If the party claiming abandonment establishes a prima facie case of abandonment, then the burden of proof shifts to the registrant to rebut that prima facie case by producing evidence showing either that it in fact had used the mark during the relevant time in question, or that it intended to resume use of the mark. *Id.* However, the party claiming abandonment bears the ultimate burden of proving abandonment by a preponderance of the evidence. *Id.*

Here, Petitioner has wholly failed to meet his burden to prove that Del Taco has abandoned use of the NAUGLES trademark without an intent to resume use. Petitioner’s sole piece of admissible evidence in support of Petitioner’s allegation of abandonment is a single newspaper article about the closure of NAUGLES branded restaurants. However, this same article further states that Del Taco intends to continue using the NAUGLES brand. In addition, Del Taco has established (and thus rebutted any evidence of alleged abandonment) by a preponderance of the evidence that it

has not abandoned its NAUGLES mark, and that it has always had an intent to continue and expand use of its NAUGLES mark.

**B. The Evidence Demonstrates that Del Taco Has Not Abandoned Use of its NAUGLES Trademark with No Intent to Resume Use.**

**1. Del Taco Has Continuously Used Its NAUGLES Mark Since 1988 in Connection with Its Restaurant Services.**

Not only does Petitioner’s claim of abandonment fail because Petitioner has failed to meet his burden of proof, but it also fails because Del Taco has provided more than sufficient evidence of its continued use of its NAUGLES trademark since obtaining the mark in 1988. Use in commerce means “the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in the mark.” 15 U.S.C. § 1127. If use of a trademark is made in good faith, “even minor or sporadic uses of [the mark] will defeat” an abandonment claim. *Electro Source*, 458 F.3d at 935 (“even a single instance of use is sufficient against a claim of abandonment of a mark if such use is made in good faith”).

As detailed herein, Del Taco has continued to use and capitalize on the goodwill of its NAUGLES mark since 1988 by using it in advertising, in commercials, on the Del Taco website, and through sales of clothing bearing the NAUGLES trademark, all such promotional activities done in connection with Del Taco’s *restaurant services*. Chillingworth Cross Exam 11:15-24, 37:20-39:4, 130:9-20; Chillingworth Aff. ¶¶ 2. These undisputed facts alone are sufficient to defeat Petitioner’s claim of abandonment, yet there is even more evidence of use of Del Taco’s NAUGLES mark in connection with its *restaurant services* through Del Taco’s well-known and popular NAUGLES “secret” menu offered and promoted by Del Taco in its restaurants and well recognized by the public. Chillingworth Aff. ¶¶ 6-7; Chillingworth Cross Exam 103:17-104:17, 130:21-131:6.

Petitioner would have the Board hold that because Del Taco closed the last NAUGLES branded restaurant in 1995, such action constitutes full abandonment of Del Taco's NAUGLES trademark sufficient to justify cancellation of the Registration. According to Petitioner, all other uses apart from use of the mark as the name of a restaurant are insufficient to show trademark use for restaurant services. *See* Petitioner's Trial Brief at 17-20. However, Petitioner's proposition simply is not supported by well established case law.

Courts are clear that continued use of a mark to keep up the goodwill associated with the mark goes against a finding of abandonment. In *Cumulus Media, Inc. v. Clear Channel Communications, Inc.*, the Eleventh Circuit rejected a claim of abandonment based solely on the fact a radio station had changed its name and ceased referring to itself as THE BREEZE. 304 F.3d at 1169. The court found that the trademark owner had sufficiently continued to use THE BREEZE simply by using the mark on radio station materials including an outdoor sign at its headquarters, business cards, and promotional materials. *Id.* at 1174. This use alone was sufficient to cause consumers to maintain "a continuing association" of the mark with the trademark owner. *Id.* In short, the court found that "considerable goodwill" accrued to the trademark owner as a result of their continued usage in this manner such that the abandonment claim was negated. *Id.*

Other circuits and courts have also declined to find abandonment in similar situations, especially in cases where an entity has changed its name or primary mark but still referred to itself as the "former" entity or built up the history surrounding the use of the former name. *See, e.g., Am. Ass'n for Justice v. Am. Trial Lawyers Ass'n.*, 698 F. Supp.2d 1129, 97 U.S.P.Q.2d 1614 (D. Minn. 2010) (finding that when plaintiff changed its name from ATLA to AAJ that plaintiff had not abandoned use of ATLA because it identified itself as "formerly" the ATLA on its website, and in advertising; court held that use of the designation "formerly" to capitalize on the goodwill of the

mark constituted bona fide use); *Allian Energy Corp. v. Alltel Corp.*, 344 F.Supp.2d 1176, 1187 (S.D. Iowa 2004) (“[d]espite a name change, a trademark may still possess significant goodwill and remain a valuable asset to a company... [Even] where there are extensive efforts to notify the public of [a] name change, there is still the possibility that goodwill remains in the marks”).

Moreover, in the restaurant context specifically, use of a trademark as the name of the business is not required to demonstrate use of a mark in connection with *restaurant services*. For example, menus or bags for carrying food used in restaurants have been found to be sufficient use of a mark for *restaurant services*. See *In re Azteca Restaurant Enterprises, Inc.*, 50 U.S.P.Q.2d 1209, 1211 (T.T.A.B. 1999) (menu specimen accepted as use of mark for restaurant services); *In re Kentucky Fried Chicken Corporation*, 170 U.S.P.Q. 51, 54 (T.T.A.B. 1971) (usage of mark on bags carrying food identifies restaurant services).

Just as the radio station in *Cumulus Media*, it is undisputed that Del Taco has continued to use and capitalize on the goodwill of its NAUGLES mark by using it in advertising, commercials, the Del Taco website, and through sales of clothing bearing the NAUGLES trademark in connection with Del Taco’s *restaurant services*. Chillingworth Cross Exam 11:15-24, 37:20-39:4, 130:9-20; Chillingworth Aff. ¶ 2. The recognition of the NAUGLES “secret” menu by the public and the “viral” nature of the campaign further demonstrates the continued goodwill and recognition in the NAUGLES mark owned exclusively by Del Taco. Chillingworth Aff. ¶¶ 6-7; Chillingworth Cross Exam 103:17-104:17, 130:21-131:6. Consumers know to “ask” for the secret NAUGLES menu items not in other restaurants, **but only in Del Taco restaurants**. *Id.* The fact that Del Taco closed the last NAUGLES branded restaurant in 1995 does not in any way establish the abandonment of its NAUGLES trademark, especially in light of the continuous and ongoing use of the NAUGLES trademark by Del Taco since that time.

Recognizing the deficiency in his arguments, Petitioner predictably attempts to discredit each of these instances of actual use by Del Taco as “token” use. Token use is the use of a mark made “merely to reserve a right” in the mark. *Emergency One, Inc. v. American FireEagle, Ltd.*, 228 F.3d 531, 56 U.S.P.Q.2d 1343 (4th Cir. 2000) (holding that one recycled American Eagle truck with an AMERICAN EAGLE nameplate over the course of three years is token use). However, minor use of a trademark made in good faith without intent to abandon the mark does not constitute token use. *See Electro Source, LLC* 458 F.3d at 938. The evidence of Del Taco’s use since 1995 in this proceeding is hardly “token.” Del Taco’s advertising materials and references on its website are not “trivial” or token usages.<sup>3</sup> Chillingworth Aff. ¶ 2; Chillingworth Cross Exam 37:20-39:4. Del Taco’s commercials featuring the NAUGLES mark as testified to by Mr. Chillingworth are not “token” uses. Chillingworth Cross Exam at 130:9-20. Del Taco’s sales of clothing in connection with its *restaurant services* bearing the NAUGLES trademark are not “token” uses. *See, e.g.*, Chillingworth Aff. ¶ 2; Chillingworth Cross Exam 12:13-14:15. Finally, Del Taco’s NAUGLES “secret” menu is not a token use.

Contrary to Petitioner’s suggestion, Del Taco’s uses, as detailed herein and as established by the evidence of record, provide concrete examples of the means by which Del Taco is continuing to use its NAUGLES trademark. This ongoing use, by Petitioner’s own admission, has resulted in

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<sup>3</sup> Petitioner’s half-hearted attack on the amount of advertising evidence submitted by Del Taco as proof of abandonment is disingenuous and illogical. *See* Petitioner’s Trial Brief, pg. 35. Petitioner would require Del Taco to keep records of all marketing and advertising campaigns for two decades and produce web evidence from before Del Taco even had a website. Such a requirement is illogical given the decades of time at issue and disingenuous given Petitioner’s deliberate withholding of documents in discovery. That Del Taco can produce evidence of advertising and web usage from each decade in which it allegedly had abandoned the NAUGLES mark speaks “volumes” when compared to the paltry evidence submitted by Petitioner to support his allegations of abandonment.

significant consumer recognition and the extensive goodwill associated with Del Taco's NAUGLES mark in the minds of the consuming public.

Del Taco's ongoing use of its NAUGLES trademark is also demonstrated by the public's reaction to Petitioner's deliberate infringement of the NAUGLES trademark on his Twitter account. *See* Ziebarth Cross Exam 89:4-91:21, 92:8-93:15, 95:24- 96:8, 100:21-103:24 ("Q: So when people think of Naugles, you want them to think of your venture; is that correct? A: Yes."). The fact that consumers still recognize and associate the NAUGLES trademark with Del Taco in 2014, two decades after Petitioner claims Del Taco abandoned its NAUGLES mark, demonstrates the strength and ongoing goodwill in the mark owned by Del Taco. *Id.* Such was also the case in *Cumulus Media*, where the party claiming abandonment had used the mark THE BREEZE as the name for a competing radio station. *Cumulus Media*, 304 F.3d at 1174. The court found that the use by the newcomer was actually confusing consumers because the public still associated the mark with its original owner. *Id.* Here, Petitioner is intentionally confusing consumers through his infringing use of Del Taco's NAUGLES mark on his Twitter account and through his false claims of connection to the NAUGLES restaurants previously owned and operated by Del Taco. *See* Ziebarth Cross Exam 89:4-91:21, 92:8-93:15, 95:24- 96:8, 100:21-103:24. His goal in these actions is simple: to steal for his profit and benefit all of the goodwill and strength in the NAUGLES mark established and maintained by Del Taco and its predecessor in interest and recognized by the public as belonging to Del Taco. The goodwill and strength of NAUGLES only exist today due to Del Taco's ongoing use of its mark as detailed herein.

By his own acknowledgement of the evidence of use presented by Del Taco, Petitioner is expressly admitting that Del Taco has continued to use its NAUGLES trademark in commerce since 1995. The evidence of use set forth herein by Del Taco consists of concrete evidence of

longstanding and ongoing use by Del Taco of its NAUGLES trademark that is far from “token” or even “minor.” Petitioner has patently failed to meet **his** burden to demonstrate that Del Taco has abandoned all use of its NAUGLES trademark, and while Del Taco, in fact, has established its ongoing use of its NAUGLES mark. As such, Petitioner has failed to establish the first prong of the abandonment analysis.

**2. Even if the Del Taco Had Stopped Use of Its NAUGLES Trademark, Petitioner Has Failed to Meet His Burden of Proving that Del Taco Did So With No Intent to Resume Use.**

The second required prong of the abandonment analysis focuses on whether there was an intent to resume use of the mark. 15 U.S.C. § 1127; *see also, e.g., Cumulus Media, Inc.*, 304 F.3d at 1173. A general allegation is not enough to prove this second prong, there must be evidence of definite acts indicating an intention to permanently stop using the mark. *See, e.g., Acme Valve & Fittings Co. v. Wayne*, 386 F. Supp. 1162, 183 U.S.P.Q. 629 (S.D.Tex. 1974) (intent not to resume use found from discontinuance of manufacture, sale of inventory and failure to renew registration). The question of intent to not resume use is an “intensely factual question that depends on both the industry or market in which the [product] is used and the particular circumstances of the trademark owner.” MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 17:21. Assuming, *arguendo*, that Petitioner could somehow prove that Del Taco had abandoned all use of its NAUGLES trademark; his claim for abandonment still fails because he cannot prove that any such abandonment was done with the intent to not resume use.

As noted above, Petitioner’s **sole** piece of legitimate evidence<sup>4</sup> in support of his claim of abandonment is a newspaper article from 1989 stating that Del Taco was converting two NAUGLES branded restaurants, with plans underway to convert others. *See* Doc. 55; Ziebarth Aff. ¶¶ 19-20;

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<sup>4</sup> Apart from the self-serving, unsubstantiated, and unverified claims of Petitioner and his witnesses in their affidavits.

Petitioner’s Trial Brief at 9. The actual text of the article, though explicitly states that an ad campaign focusing on the quality of Del Taco **and** Naugles would continue. Doc. 55 at p. 2. Therefore, Petitioner’s **own** evidence establishes Del Taco’s intention to continue using its NAUGLES trademark. That Del Taco did, in fact, continue using the NAUGLES mark in the manner described **in the article submitted by Petitioner** further demonstrates the actual intentions of Del Taco with respect to its NAUGLES trademark.

[REDACTED]

The case of *Exxon Corp. v. Humble Exploration Co.*, 592 F. Supp. 1226 (N.D. Tex. 1984) is instructive and helpful in this regard. In *Exxon Corp* the court found that Exxon had not abandoned use of its HUMBLE trademark where Exxon presented evidence that its marketing department had developed proposals for using the HUMBLE mark in advertising campaigns. *Exxon Corp*, 592 F.Supp. at 1227-30. Specifically, the court stated that the proposals showed “Exxon’s intent to make more than token use of HUMBLE.” *Id.* at 1230.

Similarly, the Federal Circuit in *Crash Dummy Movie* found that Mattel had always intended to resume use of its CRASH DUMMIES mark, even though Mattel had clearly not used the mark in commerce for a number of years. 601 F.3d at 1391. Specifically, the court was persuaded by the



the goodwill therein; the court noted that although the owner's advertising was not necessarily sufficient to establish "technical trademark use," it was enough to establish intent to use the mark in the future).

In fact, the Board has previously held that mere use of a mark on various brochures over several years "negates any intent to abandon the mark" by the trademark owner. *Loren Cook Co. v. The Acme Engineering and Mfg. Corp.*, 216 U.S.P.Q. 517, 519 (T.T.A.B. 1982). The Board in *Loren Cook* noted that while the mark owner may have not made "technical" trademark use of the mark, the use on promotional items was certainly enough to draw an inference that the owner never intended to abandon the mark. *Id.* at 520. Similarly, the Fourth Circuit held that even though the use and promotion of a mark on hats, t-shirts, and other merchandise was not enough to establish use for fire trucks, such use and promotion of the mark on clothing was persuasive evidence of the mark owner's intent to resume use. *Emergency One, Inc. v. Am. FireEagle, Ltd.*, 228 F.3d 531, 535 (4th Cir. 2000).

Even assuming for the sake of argument that Del Taco's use as described herein is somehow not sufficient to defeat Petitioner's claim of abandonment outright, Del Taco's use of its NAUGLES trademark in advertising, on clothing, and its use of NAUGLES on its website most certainly establish Del Taco's intentions to resume use with respect to its NAUGLES mark. *See, e.g.*, Chillingworth Cross Exam 37:20-39:4. Simply put, there is **no** evidence that Del Taco ever abandoned its NAUGLES mark with an intent not to resume use.

While Petitioner would erroneously have the burden placed on Del Taco,<sup>6</sup> the law is clear that Petitioner must prove the ultimate facts pertaining to the alleged abandonment. *Otto*

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<sup>6</sup> "Del Taco has produced no testimony nor documentary evidence establishing that it has made any attempt to incorporate the brand NAUGLES into its current restaurants or restaurant services." Petitioner's Trial Brief at 9.

*International Inc. v. Otto Kern GmbH*, 83 U.S.P.Q. 1861, 1863 (T.T.A.B. 2007). The only evidence Petitioner has set forth to support his claim of abandonment are self-serving statements in three affidavits, including one from Petitioner, and a single newspaper article published in 1989. Petitioner's statements are filled with rampant hearsay and speculation. *See* Registrant's Separate Statement of Objections attached as Appendix A, *infra*. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Petitioner even admitted that he based his conclusion of abandonment solely on the closure of a handful of NAUGLES branded restaurants near him without any further investigation. Therefore, in terms of concrete evidence, Petitioner is left only with the newspaper article from 1989 to support his claim of abandonment.

The newspaper article supposedly quoted the CEO of Del Taco at the time, stating that Del Taco had converted two NAUGLES locations into Del Taco's and was planning on similarly converting other NAUGLES restaurants in the future. *See* Doc. 55; Ziebarth Aff. ¶ 19-20; Petitioner's Trial Brief at 9. From this, Petitioner has improperly and illogically extrapolated that simply because Del Taco had converted two restaurants in 1989 and was planning to convert others that Del Taco intended to forever abandon its NAUGLES mark. *Id.* This one newspaper article is hardly evidence of a "publicly declared" intent to abandon the mark as suggested by Petitioner. Doc. 55; Petitioner's Trial Brief at 32. Instead, Petitioner has only established that in 1989 Del Taco closed two NAUGLES branded restaurants while still operating numerous others, with the express intention to continue using its NAUGLES mark in advertising and in other aspects of Del Taco's ongoing restaurant services. (See Doc. 55 at p. 2 specifically stating "items from Naugles' menu

will either survive or be reformulated for the Del Taco menu” and that Del Taco was currently planning “an ad campaign focusing on the quality of Del Taco and Naugles food will continue.”) Therefore, Petitioner’s evidence falls far short of the stringent burden placed on Petitioner to prove abandonment. *See Cumulus Media*, 304 F.3d at 1175.

Instead of presenting credible evidence to support his claim of abandonment, Petitioner devotes the majority of his brief to a futile attempt to discredit Del Taco’s evidence of continued use of its NAUGLES trademark. These arguments, while creative, are wholly unfounded and not supported by the law or evidence.

For instance, Petitioner argues that Del Taco’s web pages showing use of NAUGLES are not “concrete, commercial use” and have limited probative value. Petitioner’s Trial Brief at 16-17. Yet courts have held that such usage in reference (even as part of the “history” of the mark) is sufficient to show at least an intent to resume use of the mark. *See, e.g., Am. Ass’n for Justice*, 97 U.S.P.Q.2d at 1616 (plaintiff identified itself as “formerly” the old trademark on its website, in advertisements and in advertisements even constituted bona fide use); *Cumulus Media*, 304 F.3d at 1175.

Petitioner also argues that Del Taco’s clothing registration for NAUGLES is “token use” and cannot cure “past abandonment.” *Id.* at 23. Again, courts have found that use of a mark on clothing indicates an intent to resume use of the mark in another class. *See, e.g., Emergency One, Inc.*, 228 F.3d at 535 (finding that plaintiff’s “continuous promotion of the brand by using it on hats, T-shirts, tote bags, and souvenir nameplates” was evidence of some intent to resume use for firetrucks and rescue vehicles).

Petitioner then argues that Del Taco’s next renewal of the NAUGLES mark in 2006 is “not probative.” Petitioner’s Trial Brief at 39-40. Again though, courts have found evidence of intent to resume use when a mark owner updates its registration (since a mark owner presumably would not

concern itself with a registration if it indeed intended to abandon use of the mark completely). *Crash Dummy Movie, LLC*, 601 F.3d at 1391 (finding that Defendant would not have recorded a trademark assignment at the USPTO unless it intended to use the registered mark in commerce “within the foreseeable future”).

Petitioner even argues (despite evidence to the contrary) that there is “no such thing” as the NAUGLES “secret” menu available at Del Taco, that Del Taco’s internal marketing presentations from 2009 and 2010 are not “probative” and were never “green lighted,” yet Petitioner has no way of knowing or proving the veracity of his baseless suppositions. Petitioner’s Trial Brief at 26-29.

Finally, Petitioner argues that Del Taco’s testimony regarding ongoing use and advertising, answers to discovery, and various other evidence of use is “self-serving” and not probative to whether Registrant abandoned use of the mark. *Id.* at 30-39. Unfortunately for Petitioner, the fact that the concrete evidence presented by Del Taco does not support Petitioner’s case does not mean it is “not probative” to the question of abandonment. This is especially true given the dearth of actual concrete evidence set forth by Petitioner to meet his burden of proving his baseless claim.

Instead, by arguing against every piece of evidence offered by Del Taco based on bald allegations that they are not “probative” or are “self-serving” or “do not actually exist,” Petitioner essentially has conceded that Del Taco has provided evidence of the continuing use to date of its NAUGLES trademark. But ultimately, it is not Del Taco’s burden to bear. Petitioner has the sole burden of proving that Del Taco has abandoned its NAUGLES mark without intent to resume usage by a preponderance of the evidence. *On-line Careline Inc.*, 56 U.S.P.Q.2d at 1476. Simply put, Petitioner has put forth no evidence that establishes that Del Taco has abandoned use of its NAUGLES trademark. *See Cumulus Media*, 304 F.3d at 1175. Therefore, this cancellation proceeding should be dismissed in its entirety in favor of Del Taco.

**C. Petitioner Does Not Have Standing to Bring this Cancellation Proceeding.**

Alternatively, the Board can dismiss this proceeding on the grounds that Petitioner has failed to demonstrate sufficient standing to bring this proceeding at all. Standing is an issue which must be established by a petitioner in every inter partes case. *See Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 U.S.P.Q. 185, 189 (C.C.P.A. 1982) (“The facts regarding standing... must be affirmatively proved. Accordingly, [petitioner] is not entitled to standing solely because of the allegations in its [pleading]”). Standing is a threshold inquiry directed solely to establish a plaintiff’s interest in the litigation. *See Frank Salacuse v. Ginger Spirits, Inc.*, 44 U.S.P.Q.2d 1415 (T.T.A.B. 1997). Here the evidence is clear that Petitioner did not have a *bona fide* intent to use NAUGLES as a trademark when Petitioner’s Application was filed on May 17, 2010. Therefore, Petitioner’s Application is void *ab initio* and Petitioner does not have standing to bring this proceeding. *See* 15 U.S.C. §1051(b).

Trademark Act Section 1(b), 15 U.S.C. §1051(b), states that a person who has a “bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce” may apply for registration of the mark. *Id.* A determination of whether an applicant has a bona fide intention to use the mark in commerce is an objective determination based on all the circumstances. *Lane Ltd. v. Jackson International Trading Co.*, 33 U.S.P.Q.2d 1351, 1355 (T.T.A.B. 1994). The **absence of any documentary evidence** on the part of an applicant regarding such intent **constitutes objective proof** that is sufficient to prove that the applicant lacks a bona fide intention to use its mark in commerce. *See Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1507 (T.T.A.B. 1993); *Honda Motor Co. v. Winkelmann*, 90 U.S.P.Q.2d 1660 (T.T.A.B. 2009); *Boston Red Sox Baseball Club LP v. Sherman*, 88 U.S.P.Q.2d 1581 (T.T.A.B. 2008); *L.C. Licensing Inc. v. Berman*, 86 U.S.P.Q.2d 1883 (T.T.A.B. 2008). The Board has stated

that an applicant must have a bona fide intent to use the mark in commerce, which includes the intent to use the mark “in the ordinary course of trade, and not made merely to reserve a right in the mark.” *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1507 (T.T.A.B. 1993).

Early in this proceeding the Board in this case ruled that Petitioner “may be required to go beyond the mere pendency of his applications and establish his entitlement to file the application upon which his standing claim is based.” Doc. 16, pp. 3-4. In response, Petitioner merely argues that he has taken multiple “concrete” steps to get his proposed NAUGLES restaurants off of the ground prior to the filing of Petitioner’s Application, but this is not supported by any evidence or testimony.<sup>7</sup> Petitioner’s Trial Brief at 41.

Petitioner has produced **no** documentary evidence to support his contention that as of May 17, 2010 he had a good faith intention to actually use the NAUGLES mark in commerce. Petitioner had **no** business plans, **no** prior experience in the restaurant industry, **no** capital, **no** financing, **no** contracts for services, **no** leases for locations, **no** businesses formed to support a venture, **no** partners, **no** identified employees or types of employees, and **no** recipes to even make food in his supposed restaurant. Ziebarth Cross Exam 45:4-47:8, 21:16-22:2, 118:1-7, 119:21-120:11. In fact, when Petitioner filed his application he did not even know whether he was going to be offering restaurant services despite the fact that his application **was for restaurant services**. See Ziebarth Cross Exam 116:6-23.

The Board is clear that a mere application or statements that a party has a *bona fide* intent to use absent further documentation **is not enough** to show “intent to use” the mark in commerce. *SmithKline Beecham Corp. v. Omnisource DDS LLC*, 97 U.S.P.Q.2d 1300 (T.T.A.B. 2010); *Swatch*

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<sup>7</sup> The only document Petitioner has produced regarding his supposed “business plans” were created in 2012, well after the filing date of Petitioner’s application and the start of this cancellation proceeding. See Doc. No. 57-58, Exhibit R.

*AG (Swatch SA) (Swatch Ltd.) v. M.Z. Berger & Co.*, 108 U.S.P.Q.2d 1463, 1471-77 (T.T.A.B. 2013) (documentary evidence, testimony and other record evidence do not support applicant’s claimed bona fide intent to use); *Spirits International B.V. v. S. S. Taris Zeytin Ve Zeytinyagi Tarim Satis Kooperatifleri Birliđi*, 99 U.S.P.Q.2d 1545, 1548-49 (T.T.A.B. 2011) (lack of a bona fide intent to use found where there was no documentary evidence, an affirmative statement that no such documents exist, and no other evidence to explain lack of documentary evidence). Evidence bearing on bona fide intent is “objective” in the sense that it is evidence in the form of real life facts and by the actions of the applicant, not solely by applicant’s uncorroborated testimony as to its subjective state of mind. The issue is not resolved simply by Petitioner testifying “I did truly intend to use the mark at some time in the future.” MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, §19:14 (4th ed. 2009).

In the instance case, all Petitioner can show as of the filing date of Petitioner’s Application is that he had an intention to profit from the extensive goodwill and recognition in Del Taco’s NAUGLES trademark and intentionally infringe on Del Taco’s rights. Further, given Petitioner’s actual prior knowledge of Del Taco’s rights and ownership of its NAUGLES mark as expressly admitted by Petitioner, the Board can also find that Petitioner lacked a *bona fide* intent to use the mark identified in his Application, because the Application was filed in bad faith, with an intent not to make *bona fide* use of the mark in commerce, but rather, to steal the NAUGLES mark from Del Taco to support his unlawful infringing conduct. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Given that no documentary evidence exists to support Petitioner’s alleged *bona fide* intent to use the NAUGLES mark, Petitioner relies instead only on alleged conversations and uncorroborated hearsay with third parties in his brief and affidavit. Petitioner claims to have had “conversations” with several individuals regarding his “intent” to open a restaurant under Del Taco’s NAUGLES trademark. *See, e.g.,* Ziebarth Aff. ¶ 5. Yet only two of these reported individuals actually filed affidavits in support of Petitioner’s claims. Moreover, the testimony of these individuals **does not actually support** the statements Petitioner claims they made. For example, Mr. Robert Hallstrom on cross-examination admitted that all of his discussions with Petitioner were extremely vague and not specific in any way. Hallstrom Cross Exam 17:4-14, 22:3-23:3. Moreover, though Petitioner claims Mr. Hallstrom offered financing during their discussion in 2010, Mr. Hallstrom denies any such offer was made. *Id.* at 33:22-34:2. Mr. Hallstrom also repeatedly stated no concrete plans were ever made with Petitioner, and all conversations were extremely vague. Hallstrom Cross Exam 17:4-14; 22:3-23:3. (“Q: And to date do you have any official involvement with Mr. Ziebarth’s [Naugles] venture? A: No. Q: And why is that? A: It’s just never materialized. Nothing ever came about of it. Q: The [Naugles] venture or your interest? A: Anything.”).

Recognizing the deficiencies in his proof of standing, Petitioner attempts to use the infringing registration of the website [www.nauglestacos.com](http://www.nauglestacos.com) in January 2010 to support the fact that he “intended” to use the mark. Ziebarth Cross Exam 84:1-87:10; Ziebarth Aff. ¶ 17, Exhibit K, L thereto; Petitioner’s Trial Brief at 10-13, 41. However, just one month before registering the website and five months before filing his intent-to-use Application, Petitioner was claiming to have discussions with Del Taco representatives regarding a partnership between Petitioner and Del Taco

using Del Taco's NAUGLES trademark, which by the nature of such discussions, Petitioner was acknowledging Del Taco owned. Ziebarth Cross Exam 75:13-18. (“Q: So in December 2009 you were still reaching out to Del Taco; is that correct? A: Yes.”). In fact, Petitioner’s website simply consisted of an “introductory paragraph” that stated that the NAUGLES fast food chain was once owned by Dick Naugle in 1970 and that “plans are being made to bring the chain back.” Based on Petitioner’s own admissions, at this time, Petitioner believed that it was Del Taco who may “bring the chain back”—hopefully with Petitioner’s involvement. Ziebarth Cross Exam 84:1-87:10; Ziebarth Aff. ¶ 17, Exhibit K, L thereto. Again, case law is clear that simply stating one’s subjective intent, **no matter how “sincere,”** does not amount to showing evidence that there is a *bona fide* intent to use the mark. *See, e.g., SmithKline Beecham Corp. v. Omnisource DDS LLC*, 97 U.S.P.Q.2d 1300 (T.T.A.B. 2010).

Petitioner also points to his Twitter page as evidence of his “intent to use” NAUGLES for restaurant services. Ziebarth Aff. ¶ 18. The Twitter page, as discussed herein, constitutes nothing more than a blatant and willful infringement of Del Taco’s rights in the NAUGLES trademark and a deliberate attempt to confuse the public. *See* Ziebarth Cross Exam 89:4-91:21, 92:8-93:15, 95:24-96:8, 100:21-103:24 (“Q: So when people think of Naugles, you want them to think of your venture; is that correct? A: Yes.”). Petitioner cannot manufacture a *bona fide* good faith intent to use a mark from a *bona fide* bad faith intent to pirate and infringe Del Taco’s rights.

In sum, the evidence of record is devoid of a single shred of documentary evidence demonstrating a good faith *bona fide* intent by Petitioner to use the NAUGLES mark in commerce. The record is replete with evidence of Petitioner’s intended infringement of Del Taco’s rights, but this is not a *bona fide* intent to use a mark in commerce. In short, as of the date of filing of Petitioner’s Application, May 17, 2010, Petitioner had **no** business plans, **no** capital, **no** financing,

**no** contracts for services, **no** leases for locations, **no** businesses formed to support a venture, **no** partners, **no** identified employees or types of employees, and **no** recipes to even make food in his supposed restaurant. Ziebarth Cross Exam 45:4-47:8, 21:16-22:2, 118:1-7, 119:21-120:11. Petitioner therefore had **no** *bona fide* intent to use the NAUGLES mark in commerce as of the filing of Petitioner's Application, and Petitioner's Application therefore is void *ab initio*. Accordingly, Petitioner has no standing to bring this proceeding and the Board can also dismiss this petition for cancellation on this basis.

## VII. CONCLUSION

As demonstrated herein, this is not a case regarding the alleged abandonment of the NAUGLES mark by Del Taco two decades ago. Rather, it is an unlawful attempt by one individual to profit from the extensive goodwill and recognition in the NAUGLES mark owned by Del Taco and justify his own blatant and willful infringement of Del Taco's rights. The undisputed facts in this case establish that not only does Petitioner lack standing to even bring this proceeding, but more importantly, that Petitioner has wholly failed to meet the stringent burden placed upon him to prove abandonment in this proceeding. The only single piece of concrete evidence presented by Petitioner is a lone newspaper article which expressly contradicts Petitioner's own claims. In contrast, Del Taco has presented numerous pieces of evidence demonstrating its continued and ongoing use of its NAUGLES mark to date, as well as its extensive marketing plans for its intended use of the NAUGLES mark moving forward. Petitioner's unlawful attempt to use this proceeding to steal from Del Taco its valuable intellectual property simply cannot stand.

Therefore, for the reasons set forth herein, Registrant Del Taco, LLC respectfully requests that the Board deny this petition for cancellation and dismiss Petitioner's claims and this proceeding in their entirety.

Dated: September 29, 2014

/ April L Besl /

April L. Besl  
Joshua A. Lorentz  
DINSMORE & SHOHL LLP  
255 East Fifth Street  
Cincinnati, Ohio 45202  
(513) 977-8527-direct  
(513) 977-8141-fax  
april.besl@dinsmore.com

*Attorneys for Respondent  
Del Taco, LLC*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing was sent by certified first-class mail, with courtesy copy via email, on this 29th day of September, 2014, to Kelly K. Pfeiffer, Amezcua-Moll Associations PC, Lincoln Professional Center, 1122 E. Lincoln Ave. Suite 203, Orange, CA 92865.

*/ April L Besl /*  
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# **APPENDIX A**

## **DEL TACO'S OBJECTIONS TO PETITIONER'S TESTIMONY AND EVIDENCE**

## APPENDIX A

### **DEL TACO'S OBJECTIONS TO PETITIONER'S TESTIMONY AND EVIDENCE**

Pursuant to TBMP § 707.03(c), a party may raise substantive objections to testimony and evidence in or with a party's trial brief. TBMP § 801.03 provides that evidentiary objections raised in a party's trial brief must be presented in a separate appendix. Accordingly, Del Taco hereby submits the following objections to Petitioner's testimony and exhibits. Del Taco also maintains the objections raised in its trial brief, during the cross-examination of Mr. Noah Chillingworth, and during the redirect examinations of Mr. Ziebarth, Mr. Hallstrom, and Mr. Dvorak.

#### OBJECTIONS

##### **1. Objections Related to Alleged Statements Made by Third Parties to Petitioner.**

Del Taco objects to all testimony by Petitioner as to alleged statements made by third parties to Petitioner as these statements constitute inadmissible hearsay under Federal Rules of Evidence 801 and 802. The Rules provide that a "statement, other than the one made by the declarant while testifying at trial or hearing, offered in evidence to prove the truth of the matter asserted," is inadmissible hearsay. Fed. R. Evid. 801(c). Del Taco addresses each of the alleged conversations in turn below.

##### **a. Alleged Statements by Barbara Caruso.**

Petitioner has provided testimony as to an alleged conversation with Barbara Caruso in July 2008 where Ms. Caruso supposedly made statements in support of his ideas for Del Taco's NAUGLES mark and agreed to advocate to Del Taco on his behalf. Ziebarth Aff. ¶ 6. Petitioner's testimony regarding these alleged statements is offered for the truth of the matter asserted, namely, that Ms. Caruso supported his ideas for Del Taco's NAUGLES mark and had reached out to Del Taco on his behalf. *Id.* Ms. Caruso has not provided any testimony in this proceeding, whether by

live testimony or affidavit.<sup>8</sup> Therefore, Petitioner’s testimony regarding her alleged statements is hearsay under the Federal Rules and this testimony should be stricken from the record as inadmissible.

**b. Alleged Statements by Jeff Naugle.**

[REDACTED]

Petitioner also has entered into evidence emails allegedly, between him and Mr. Jeff Naugle. *See* Ziebarth Aff. ¶¶ 9-11; Exhibit G thereto. The prohibition against the admission of hearsay under the Federal Rules of Evidence does not just apply to testimony; it applies to documents as well. *See, e.g., Exxon Corp. v. Fill-R-Up Sys., Inc.*, 182 U.S.P.Q. 443, 445 (T.T.A.B. 1974). Petitioner has offered the emails allegedly from Mr. Jeff Naugle as evidence directly for the truth of the statements contained therein, namely, the opinions and intended assistance from Jeff Naugle to Petitioner. Ziebarth Aff. ¶¶ 9-11; Exhibit G thereto.

Mr. Naugle has not provided any testimony himself in this proceeding, whether by live testimony or affidavit. Therefore, Petitioner’s and Mr. Dvorak’s testimony regarding the alleged statements of Mr. Naugle and the emails submitted as Exhibit G are hearsay under the Federal Rules and this testimony as well as Exhibit G should be stricken from the record as inadmissible.

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<sup>8</sup> Petitioner requested that Ms. Caruso testify on his behalf in this regard personally, noting that if he won he would want to talk to her about PR work for his new venture. *See* Docs. 75-76, Exhibit 4 thereto. However, Ms. Caruso declined his request. *Id.*

**c. Alleged Statements by John Joseph Naugle.**

Petitioner has also submitted testimony regarding statements allegedly made by Mr. John Joseph Naugle regarding support for his infringing venture using Del Taco's NAUGLES trademark. Ziebarth Aff. ¶ 15. Specifically, Petitioner claims that Mr. John Joseph Naugle has made statements regarding recipes for Petitioner's infringing business venture. *Id.* These alleged statements are again offered for the truth of the matter asserted therein; namely, the support and provision of recipes by Mr. John Joseph Naugle.

Mr. John Joseph Naugle has not provided any testimony himself in this proceeding, whether by live testimony or affidavit. Therefore, Petitioner's testimony regarding the alleged statements of Mr. John Joseph Naugle is hearsay under the Federal Rules and this testimony should be stricken from the record as inadmissible.

**d. Alleged Statements by Bill Naugle.**

Petitioner has also submitted testimony regarding alleged statements made by Mr. Bill Naugle as to additional support for Petitioner's infringing venture using Del Taco's NAUGLES trademark. Ziebarth Aff. ¶ 16; Exhibit J thereto. Petitioner claims in his testimony and in emails submitted into evidence that Mr. Bill Naugle has made statements to Petitioner via email regarding his alleged support of Petitioner's venture including providing recipes, a website, and Petitioner's intentions in wresting ownership of Del Taco's NAUGLES mark for his profit. *Id.*; *see* also Exhibit J. Petitioner again offers these statements for the truth of the matter asserted therein and for no other purpose.

Mr. Bill Naugle has not provided any testimony himself in this proceeding, whether by live testimony or affidavit. Therefore, Petitioner's testimony regarding the alleged statements of Mr. Bill Naugle and the emails submitted as Exhibit J are hearsay under the Federal Rules and his testimony, as well as Exhibit J, should be stricken from the record as inadmissible.

## **2. Objections Related to Testimony Regarding Petitioner’s Alleged Conversations with Mr. O’Dell.**

Del Taco objects to testimony by Petitioner regarding his alleged conversations with Mr. O’Dell in light of the Board Orders on December 12, 2012 (Doc. 33) and on August 12, 2013 (Doc. 49). Ziebarth Aff. ¶ 8. In the December 12, 2012 Order, the Board specifically forbid Petitioner from exceeding the “information provided during discovery” in his evidence and argument at trial. *See* Doc. 33. The Board later held on August 12, 2013 that Petitioner had failed to properly disclose Mr. O’Dell’s identity during the discovery period and therefore an estoppel sanction to prevent Mr. O’Dell from testifying was warranted. *See* Doc 49.

In the Ziebarth Affidavit, Petitioner provides testimony as to at least five conversations with Mr. O’Dell as evidence to support not only his alleged standing but also the alleged abandonment by Del Taco of its NAUGLES trademark. Ziebarth Aff. ¶ 8. Under the Board Orders of December 12, 2012 and August 12, 2103, because Petitioner’s testimony regarding Mr. O’Dell is relying on evidence that has already been found to have been improperly withheld from discovery, it should therefore be stricken from the record as inadmissible.<sup>9</sup>

## **3. Objections to “Adios to Naugles” Orange County Register Newspaper Article (Doc. 55.)**

Del Taco objects to Petitioner’s reliance on “Adios to Naugles” Orange County Register Newspaper Article (Doc. 55.), for the truth of the matters asserted therein. The Board has held that Internet evidence is admissible only for what it shows on its face, *i.e.*, that the information was available to the public at the time accessed, and not as evidence for truth of the statements made therein. *See Raccioppi v. Apoggee, Inc.*, 47 U.S.P.Q.2d 1368, 1371 (T.T.A.B. 1998); *see also* TMBP §704.08(b) (“They can be used to demonstrate what the documents show on their face; however,

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<sup>9</sup> In the December 12, 2012 Board Order the Board requested that Del Taco provide copies of its discovery requests and Petitioner’s responses to those requests if Petitioner’s evidence and testimony exceeded the scope of his discovery responses. *See* Doc. 33. Del Taco has filed these documents with the Board under a Notice of Reliance. *See* Docs. 65-72. Therefore, because these documents are already of record before the Board, Del Taco will not burden the Board by reproducing them as an attachment to these objections.

documents obtained through the Internet may not be used to demonstrate the truth of what has been printed”); TMBP § 704.08(c) (“Even if properly made of record, however, such materials are only probative of what they show on their face, not for the truth of the matters contained therein, unless a competent witness has testified to the truth of such matters”).

Here, Petitioner is not using the article to show that such information was available to the public as of the date of the publication. Instead, he is relying on the newspaper article “Adios to Naugles” for the truth of the matter asserted therein, namely, that Del Taco has abandoned its NAUGLES trademark.<sup>10</sup> Accordingly, the Board should not consider “Adios to Naugles” Orange County Register Newspaper Article (Doc. 55) as proof of Del Taco’s alleged abandonment of its NAUGLES trademark.

#### **4. Objections to Improper Opinion Testimony by Petitioner.**

Del Taco objects to all testimony given by Petitioner regarding his conclusions as to the legal abandonment of Del Taco’s NAUGLES trademark by Del Taco and sufficiency as Del Taco’s 2006 renewal of the Registration as improper opinion testimony under Federal Rule of Evidence 701. Ziebarth Aff. ¶¶ 3, 21. Rule 701 provides that lay witnesses may only provide opinions that are rationally based on their personal perception, helpful to the jury, and **not based on specialized knowledge**. See Fed. R. Evid. 701; *Interwoven, Inc. v. Vertical Computer Sys.*, 2013 U.S. Dist. LEXIS 100790 (N.D. Cal. July 18, 2013).

It is well established that laypersons cannot interpret statutes or give legal opinions. See e.g., *United States v. El-Mezain*, 664 F.3d 467, 511 (5th Cir. 2011); *United States v. Ahmed*, 472 F.3d 427, 434 (6th Cir. 2006); *Cowden v. BNSF Ry. Co.*, 980 F. Supp. 2d 1106, 1117 (E.D. Mo. 2013). Here, Petitioner has offered testimony regarding his analysis and conclusions regarding Del

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<sup>10</sup> This is in stark contrast to the Twitter accounts offered by Del Taco which are not offered to prove that the public clearly believes NAUGLES is still owned and used by Del Taco, but to show statements by Petitioner, a party opponent, and to show that the impact of his statements are meant to counteract public sentiment. Ziebarth Cross Exam 88:5-93:15, 95:24-96:8, 101:13-106:6; Exhibits 5-10 thereto.

Taco's use of its NAUGLES trademark **based on the law of abandonment and the rules of the Trademark Office**. Ziebarth Aff. ¶¶ 3, 21-22. Indeed, Petitioner in fact states in his Affidavit that he learned "legally" that "Del Taco had most likely abandoned its use of the NAUGLES mark." *Id.* at ¶ 3. Petitioner further offers specific opinion testimony as to his analysis and conclusions regarding the legal legitimacy and sufficiency of Del Taco's renewal of its Registration in 2006. *Id.* at ¶¶ 21-22. These opinions are legal opinions that require interpretations of statutes and rules that are not based on Petitioner's general personal perception.

Therefore, Petitioner's testimony regarding his opinions as to the legal sufficiency of Del Taco's use and potential abandonment of its NAUGLES mark as well as the sufficiency of Del Taco's renewal of the Registration in 2006 is improper lay witness testimony and should be stricken under Rule 701 as inadmissible.

**5. Objections to Testimony Regarding Jeff Naugles Based on Evidence Not Disclosed in Discovery and in Violation of the Board Order of December 12, 2012.**

Del Taco further objects to all testimony by Petitioner based on documents and evidence not disclosed during discovery. As noted previously, the Board issued an Order on December 12, 2012 on Del Taco's Motion for Sanctions specifically forbidding Petitioner from exceeding the "information provided during discovery" in his evidence and argument at trial. *See* Doc. 33. The Board noted that if Petitioner did exceed his bounds, Del Taco was to advise the Board of such actions with its trial brief<sup>11</sup>.

Petitioner has offered testimony regarding alleged conversations and interactions with Jeff Naugles that are based on documents and evidence that was never produced to Del Taco. *See* Ziebarth Aff. ¶ 9; Ziebarth Cross Exam 28:17-29:11. Indeed, Petitioner's own affidavit testimony claims that Mr. Jeff Naugle contacted him via written correspondence through his blog. Ziebarth

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<sup>11</sup> As noted above, all copies of Del Taco's discovery requests and Petitioner's responses to those requests have been filed with the Board under a Notice of Reliance by Del Taco for the Board's review. *See* Docs. 65-72.

Aff. ¶9. However, Petitioner produced no such blog post even though it is still in the possession and control of Petitioner. Ziebarth Cross Exam 28:17-29:11.

Petitioner further admitted on cross-examination that the emails attached to the Ziebarth Affidavit did not constitute all emails allegedly between him and Mr. Jeff Naugle. *Id.* at 34:6-19, 35:16-37:9, 38:10-23, 39:21-25. Additional emails exist discussing potential operators and the transfer of recipes to Petitioner allegedly between him and Mr. Jeff Naugle. *Id.* Petitioner admitted that these unproduced emails have not been destroyed and did in fact discuss his intended NAUGLES branded venture. *Id.* at 34:5-19.

Del Taco's discovery requests specifically sought information regarding Petitioner's intent to use the NAUGLES mark; sources of sponsorship, funding or support; communications with third parties relating to Del Taco; communications with third parties relating to Petitioner's use of NAUGLES; communications with third parties relating to Petitioner's intended products under the NAUGLES mark; communications and documents relating to recipes; all documents relating at all to Petitioner's intended use of NAUGLES, and all documents relating to the basis for Petitioner's allegations in his cancellation petition. *See* Document Requests Nos. 5, 10, 22-27, available at Docs. 65, 67-68, 71-72. Therefore, these emails should have been produced to Del Taco. Petitioner's reliance on these emails in forming his testimony via Affidavit therefore exceeds the scope of information provided during discovery.

Based on the Board Order of December 12, 2012, all testimony by Petitioner regarding Mr. Jeff Naugle relying on the documents and evidence not produced in discovery should be stricken from the record as inadmissible.

### **RESPONSES TO OBJECTIONS RAISED BY PETITIONER**

Evidentiary objections to trial evidence must be raised in a party's main brief. TBMP §§ 707.03(c) and 801.03. The failure to raise such objections in the party's main brief will constitute a waiver of such objections. *Id.*; *see also Productos Lacteos Tocumbo S.A. de C.V. v. Paeteria La*

*Michoacana Inc.*, 98 U.S.P.Q.2d 1921, 1928 (T.T.A.B. 2011) (objection on the basis that the witness had not been previously disclosed waived where not renewed in main brief and raised for first time in rebuttal brief); *Kohler Co. v. Baldwin Hardware Corp.*, 82 U.S.P.Q.2d 1100, 1104 (T.T.A.B. 2007) (objection raised at trial waived when petitioner waited until its reply brief to renew objections). Here, Petitioner has only objected to the following evidence: 1) cross-examination testimony of Petitioner regarding his knowledge of Del Taco’s use of NAUGLES on clothing, and 2) the content of Twitter posts made after Petitioner filed his intent to use application. All other objections have therefore been waived and Del Taco will respond to each of these objections in turn.<sup>12</sup> See *Wet Seal Inc. v. FD Mngmt. Inc.*, 82 U.S.P.Q.2d 1629 (T.T.A.B. 2007).

**A. Testimony Elicited During the Cross Examination of Petitioner Christian Ziebarth Regarding Del Taco’s Clothing Registration and Del Taco’s Offer for Sale of NAUGLES Clothing.**

Petitioner objects to the inclusion of all testimony by Petitioner in his cross-examination regarding Del Taco’s registration of the NAUGLES mark for clothing goods and Del Taco’s contention that it is offering for sale NAUGLES on the basis that such testimony is allegedly “outside the scope of direct examination.” Petitioner’s interpretation of the Federal Rules of Evidence on this point is disingenuous and inaccurate.

Federal Rule of Evidence 611(b) states that cross-examination “should not go beyond the subject matter of the direct examination and matters affecting the witness’s credibility.” Federal Rule Evid. 611(b). The subject matter of this litigation is alleged abandonment of the NAUGLES trademark by Del Taco. In particular, Petitioner testified in numerous places throughout his direct testimony introduced by affidavit about: 1) Petitioner’s belief that Del Taco had “most likely abandoned its use of the NAUGLES mark;” 2) Petitioner’s investigation into the use and/or alleged

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<sup>12</sup> Because Petitioner has improperly filed his objections as part of his Motion to Strike, in an abundance of caution Del Taco submitted these responses as part of its Opposition to Petitioner’s Motion to Strike. See Doc. No. 90. Del Taco also includes these responses as part of this Appendix A, as is the normal course of response under the Trademark Rules and Trademark Board Manual of Procedure.

abandonment of the NAUGLES mark by Del Taco; and 3) the extent and ways in which Petitioner intends to use the NAUGLES mark for restaurant services. *See e.g.* Ziebarth Aff. ¶¶ 3, 5, 8, 12, 19, 21-22. The scope of cross-examination is measured by the **subject matter** and the topics covered under the direct examination rather than specific exhibits introduced during testimony. 45 A.L.R. Fed. 639. Implicit in Rule 611(b) is that **all** evidence relevant to the **subject matter** of direct examination is **within** the scope of cross-examination. *Id.*; *see also, e.g., United States v. Beechum*, 582 F.2d 898 (5th Cir. 1978) (stating all evidence that is relevant to the subject matter of the direct examination is within the scope of cross-examination, provided the evidence is admissible).

Sustaining Petitioner’s objection and allowing Petitioner to exclude highly relevant evidence because Petitioner did not specifically reference the exact registration or reference Del Taco’s ongoing use of its NAUGLES trademark on clothing in his affidavit would inappropriately limit the cross-examination and cause undue prejudice to Del Taco. Even though Petitioner did not specifically discuss Del Taco’s clothing registration in his affidavit, the line of questioning regarding Del Taco’s use of NAUGLES on clothing speaks to the supposed “knowledge” by Petitioner of the alleged abandonment and the extent of the investigation conducted by Petitioner regarding Del Taco’s ongoing use of its NAUGLES mark. Counsel for Del Taco specifically stated during Petitioner’s cross-examination testimony that it was important to explore the knowledge of Petitioner as to the extent of Del Taco’s use of NAUGLES in connection with various goods and services. *See Ziebarth Cross Exam 112:7-113:9*. If Petitioner did not want information introduced regarding the nature of his beliefs, his investigation into Del Taco’s use of its NAUGLES trademark, and his beliefs regarding the alleged abandonment of the NAUGLES mark by Del Taco, Petitioner should not have made these subjects part of his direct testimony. Del Taco’s cross-examination in this case merely further explored subject matter, which was first introduced by Petitioner in his direct testimony.

Essentially, Petitioner’s testimony regarding Del Taco’s ongoing use of its NAUGLES trademark on clothing is highly relevant to this proceeding. Petitioner’s objection is nothing more than an attempt to exclude relevant and damaging evidence that directly refutes Petitioner’s contention that Del Taco has abandoned use of its NAUGLES mark thereby justifying cancellation of the registration. Del Taco therefore asserts that this objection is improper and unfounded and therefore, should be overruled.

**B. All Testimony Elicited During Cross-Examination Concerning the Content of Twitter Posts Made after Petitioner filed Petitioner’s Application.**

In an attempt to exclude evidence highly relevant to the continuing goodwill in Del Taco’s NAUGLES mark, Petitioner objects to the relevancy of all testimony regarding Petitioner’s “Señor Naugles” Twitter account and various pages associated therewith that were posted or published after Petitioner filed his intent-to-use application. Petitioner is correct that, under Federal Rule of Evidence 401, evidence is relevant if “(a) it has any tendency to make a fact more or less probable than it would be without the evidence and (b) the fact is of consequence in determining the action.” Fed. Rule Evid. 611(b). However, what Petitioner fails to recognize is that the Twitter pages **are** highly relevant to the issue of abandonment. In fact, the Twitter pages illustrate that consumers are still publicly recognizing the goodwill associated with Del Taco’s NAUGLES mark, and that the consuming public (even in 2013—many years after the alleged abandonment) **still** associates the NAUGLES mark with Del Taco. This is **direct** evidence of the fact that Del Taco has **not** abandoned its NAUGLES trademark.

Petitioner’s Twitter pages are highly relevant to this proceeding as they clearly demonstrate that goodwill in Del Taco’s NAUGLES mark continues (and has continued since long before Petitioner filed Petitioner's Application) and that goodwill is directly associated with Del Taco as the source. The marketplace perception and recognition by consumers is highly relevant to the ultimate question of whether abandonment has taken place. *See, e.g., Defiance Button Machine, Co. v. C&C Metal Products Corp.*, 225 U.S.P.Q. 797 (2d Cir. 1985); MCCARTHY ON TRADEMARKS AND UNFAIR

COMPETITION § 17:15. Consumer perceptions of Del Taco’s NAUGLES trademark and its association with Del Taco are highly probative in this proceeding given the allegations of abandonment by Petitioner. The evidence is highly relevant to demonstrate the continuing goodwill in the mark held by Del Taco and that consumers “may well mistakenly think that a new use of that mark by another is a renewed use by the former user,” which is exactly what is happening with Petitioner’s infringing Twitter account pages. MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 17:15.

Ultimately, there is no prejudice to Petitioner, nor has Petitioner sufficiently articulated any such prejudice, which is likely to result from the inclusion of the Twitter pages into evidence, except for the fact that this evidence tends to help Del Taco’s case. This is not a sufficiently basis upon which to exclude this evidence. Petitioner should not be permitted to exclude this evidence as irrelevant simply because it support’s Del Taco’s position and the Board should overrule Petitioner’s objection to this evidence.

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/ April L Besl /

April L. Besl  
Joshua A. Lorentz  
DINSMORE & SHOHL LLP  
255 East Fifth Street  
Cincinnati, Ohio 45202  
(513) 977-8527-direct  
(513) 977-8141-fax  
april.besl@dinsmore.com

*Attorneys for Respondent  
Del Taco, LLC*