

ESTTA Tracking number: **ESTTA711567**

Filing date: **11/30/2015**

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

Proceeding	92057023
Party	Defendant John "Giovanni" Aragona
Correspondence Address	JAMIE N PITTS THE LAW OFFICE OF JAMIE N PITTS 887 WEST MARIETTA STREET NW, SUITE M105 ATLANTA, GA 30318 UNITED STATES jamiempitts@jnplawfirm.com
Submission	Brief on Merits for Defendant
Filer's Name	Jamie N. Pitts
Filer's e-mail	jamiempitts@jnplawfirm.com
Signature	/Jamie N. Pitts/
Date	11/30/2015
Attachments	R TRIAL BRIEF FINAL (Nov 30 2015).pdf(2204926 bytes)

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

In the matter of Trademark Registration No. 4,220,686

Mark: GIOVANNI'S ALOHA FOODS

Registration date: October 9, 2012

In the matter of Trademark Registration No. 4,224,400

Mark: GIOVANNI'S SCAMPI MARINADE

Registration date: October 16, 2012

In the matter of Trademark Registration No. 4,232,569

Mark: GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK

Registration date: October 30, 2012

In the matter of Trademark Registration No. 4,248,595

Mark: GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE

Registration date: November 27, 2012

LuckyU Enterprises, Inc., dba Giovanni's
Original White Shrimp Truck :

Petitioner, :

v. :

John "Giovanni" Aragona :

Respondent. :

Cancellation No. 92057023

RESPONDENT'S FINAL TRIAL BRIEF

Jamie N. Pitts
The Law Office of Jamie N Pitts, Esq., PA
887 West Marietta Street, NW
Suite M-105
Atlanta, GA 30318
(941) 893-7751
jamiempitts@jnplawfirm.com
Attorney for Respondent, John "Giovanni" Aragona

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STATUTES

Hawaii Codes Volume 8 TITLE 23A §428-601 [L 1996, c 92, pt of §1]

Trademark Act § 2(a), 15 U.S.C. § 1052(a)

Trademark Act § 45, 15 U.S.C. § 1127

Trademark Act § 2(d), 15 U.S.C. § 1052(d)

Trademark Act § 14

Trademark Act § 5, 15 U.S.C. § 1055

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Black's Law Dictionary 743 (7th ed.1999)

3 Callmann on Unfair Competition, Trademarks and Monopolies (4th Ed. 2005 Supplement), §20:54

2 Jerome Gilson, Trademark Protection And Practice § 6.01[2]; §6.03[7] (2000)

3 McCarthy on Trademarks and Unfair Competition §18:1, §18:43, § 18.63, § 18:82 (4th ed. 2007)

Restatement (3rd) of Unfair Competition (1995 and 2005 cum. supp.) §33 Comment d, §204, comment b

III. DESCRIPTION OF THE RECORD ¹

A. Respondent's Evidence and Testimony

1. Respondent's Notice of Reliance (hereinafter "RNOR" at TTABVue Docket Entry No. [39](#) and Confidential No. 38), submitted on December 11, 2014, includes the following:

Ex. A: Various articles, advertisements, and Printed Publication excerpts (39 TTABVue 15-25)

Ex. B: Official Records as described in 37 CFR § 2.122(e) (39 TTABVue 26-79)

Ex. C: Petitioner's Responses to Respondent's Interrogatories (39 TTABVue 81-110)

Ex. C: Petitioner's Responses to Respondent's Requests for Admissions (39 TTABVue 111-149)

Ex. D: Web page printouts (39 TTABVue 150-169)

Confidential Ex. E: Excerpts from the John Aragona discovery deposition transcript pursuant to the Trademark Rules ("Aragona DD" or 38 TTABVue 3-33)

¹ Citations to documents or testimony in the record not designated confidential will be made to the TTABVue docket entry number and the electronic TTABVue page number as the document or testimony appears online in the following format: [Docket No.] TTABVue [Page]. Citations to documents or testimony in the record designated confidential will include the designations as defined in this section and the TTABVue docket number whenever possible.

Confidential Ex. F: Documents produced by Respondent during discovery by stipulation of the parties (38 TTABVue 34-108)

2. Respondent submitted the following testimonial deposition transcripts and accompanying exhibits:

1. Deposition of Alex Sonson taken December 3, 2014 (TTABVue Docket Entry No. [43](#)): This testimonial deposition was the only third-party deposition taken in this case. The testimony of Mr. Sonson is particularly helpful as he was an attorney that was involved in drafting two Agreements between the Parties, was a regular customer of Respondent, and has been a regular customer of Petitioner since Petitioner began operations.

2. Deposition of Troy Nitsche taken December 3, 2014 (“Nitsche TD2” or TTABVue Docket Entry No. [46](#) and Confidential No. 47)

3. Deposition of John Aragona taken December 11, 2014 (“Aragona TD” or TTABVue Docket Entry No. [44](#) and Confidential No. 45)

B. Petitioner’s Evidence and Testimony

1. Petitioner’s Notice of Reliance (hereinafter “Petitioner’s Notice of Reliance” or “PNOR” at TTABVue Docket Entry Nos. 30-34), submitted on October 6, 2014, includes the following:

Ex. 1: Respondent’s registrations at issue in this case and the accompanying file histories. Registration Nos. 4,220,686; 4,232,569; 4,248,595; 4,224,400 (30-31 TTABVue)

Ex. 2: Petitioner’s Applications asserted in Cancellation No. 92057023. Application Serial Nos. 85/897,872; 85/897,861 (31 TTABVue 146)

Ex. 2: Petitioner’s Applications abandoned in 2012, and the accompanying file histories. Application Nos. 85/219,370; 85/219,363; 85/201,288; 85/201,288 and 85/201,283 (31 TTABVue 272)

Ex. 3: Various articles, advertisements, and Printed Publication excerpts (33 TTABVue)

Ex. 4: Respondent’s Objections and Responses to Petitioner’s Requests for Admissions (34 TTABVue)

Ex. 5: Respondent’s Objections and Responses to Petitioner’s Interrogatories (34 TTABVue 71)

Ex. 5: Respondent’s Supplementary Responses to Petitioner’s Interrogatories (34 TTABVue 99)

Ex. 6: Documents produced by Respondent during discovery by stipulation (Confidential)

Ex. 7: Excerpts from the John Aragona discovery deposition transcript pursuant to the Trademark Rules (Confidential) (“Aragona DD”)

Ex. 8: Stipulations of the Parties (34 TTABVue 125)

Ex. 9: Web page printouts (34 TTABVue 130)

2. Petitioner’s Rebuttal Notice of Reliance (hereinafter “PRNOR” or “Petitioner’s Rebuttal Notice of Reliance” at TTABVue Docket Entry No. [41](#) and Confidential No. 40), submitted on January 13th 2015, includes the following:

Confidential Ex. 1: Additional excerpts from the John Aragona discovery deposition transcript pursuant to the Trademark Rules (Aragona DD)

Ex. 2: State of Hawaii Department of Commerce and Consumer Affairs Official Records

3. Petitioner submitted the testimonial deposition transcripts and accompanying exhibits of Troy Nitsche taken September 17, 2014 (“Nitsche TD1”) (TTABVue Docket Entry No. [25](#))

IV. ISSUES PRESENTED

1. Whether Petitioner’s claims are barred under the doctrine of Estoppel.
2. Whether Respondent is the prior user of the Marks.
3. Whether Petitioner has established claims validly raised in the Petition for Cancellation.

V. RECITATION OF THE FACTS

A. The Parties and Entities Licensed to Use the Marks

1. Respondent

Respondent the is the individual who first adopted and used the “GIOVANNI’S ALOHA SHRIMP,” “GIOVANNI’S ORIGINAL WHITE SHRIMP TRUCK,” “GIOVANNI’S SCAMPI MARINADE,” “GIOVANNI’S HOT & SPICY WE REALLY MEAN IT! SAUCE,” and “GIOVANNI’S ALOHA FOODS” marks (collectively referred to as the “GIOVANNI’S Marks”) in connection with goods and services within the food industry. Respondent’s use of all but one of the GIOVANNI’S Marks started in approximately 1993 or 1994. It was in 1997 that Respondent first adopted and started using the name “GIOVANNI’S ALOHA FOODS” in connection with sales of bottled versions the same

“GIOVANNI'S SCAMPI MARINADE” and “GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE” Respondent had been selling since 1993-1994. It is undisputed that Giovanni is Italian for John, and that Respondent is the specific “Giovanni” referred to in each of the GIOVANNI’S Marks. (43 TTABVue at 6; 25 TTABVue at 89-90; 46 TTABVue at 73-74; 44 TTABVue at 43).

2. Petitioner

Nitsche Enterprises, Inc. = LuckyU Enterprises, Inc. = Troy Nitsche

Petitioner, LuckyU Enterprises, Inc. is the direct successor of Nitsche Enterprises, Inc., which was a company created and wholly owned by Mr. Troy Nitsche (collectively referred to as “Petitioner”). (25 TTABVUE at 10). Mr. Nitsche transferred all the assets and rights owned by Nitsche Enterprises, Inc. into LuckyU Enterprises, Inc. (25 TTABVUE 54 “We just transferred all the --all the --you know, all the assets, rights, any you know, everything basically to --to LuckyU Enterprises.”). Mr. Nitsche is the majority owner and president of LuckyU Enterprises. (25 TTABVUE at 8).

Throughout its existence, Petitioner has never registered to do business as “GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK,” or anything similar to the business name, in Hawaii or elsewhere. Petitioner has gone as far in the other direction as representing the opposite. For example, state of Hawaii Annual Report forms filed on behalf of LuckyU Enterprises, Inc. include the following handwritten cross out: “~~DBA: GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK~~” along with the initials of the party who made the correction. The instructions on the same Annual Report forms state that in order “to correct line out and print the correction to the right.” (46 TTABVUE at 433-434).

Petitioner was granted a limited license to use Respondent’s preexisting Marks when the Parties entered into a series of agreements in 1997. From the time this license was granted through the date it was terminated in 2013, Petitioner’s use of the preexisting GIOVANNI'S Marks has been continuous and pursuant to the license Respondent granted.

3. The Hawaiian LLC’s

In 1999, two years after Respondent started selling bottled sauce and marinade under the name “Giovanni’s Aloha Foods” in his individual capacity, Respondent formed, owned, and controlled

operations of two separate corporate entities he named Giovanni's Aloha Shrimp, LLC and Giovanni's Aloha Foods, LLC. (44 TTABVUE 248). Respondent granted each entity a license to use the preexisting GIOVANNI'S Marks. Mr. Nitsche's testimony on the subject: "Q. What was Giovanni's Aloha Foods? A. Giovanni's Aloha Foods was the entity that was responsible and had the rights to bottle Giovanni's sauces. Basically, it was the--it was what John wanted to do. He wanted to take the company and bottle --take his company and bottle the sauces." (25 TTABVUE at 48).

Mr. Nitsche became a member of the Giovanni's Aloha Foods, LLC entity by investing money into it in October of 1999, when he signed an Operating Agreement in connection with this transaction. The Operating Agreement had terms detailing its purpose was manufacturing and selling bottled sauces, each member's ownership and contribution, how ownership could be transferred, and what would happen in the event of the LLC's dissolution, among other things relevant to this proceeding. This agreement did not change Petitioner's pre-existing status as a licensee of the Marks, nor did it transfer ownership of the pre-existing Marks to the LLC. The Hawaiian limited liability company Giovanni's Aloha Foods, LLC was administratively dissolved in 2005.

B. Background

Respondent first entered into the food industry in 1991 and started operating under the name "Giovanni's Italian Deli," from a restaurant he leased in Haleiwa, Hawaii on the North Shore. (Aragona DD at 25-30). Respondent's notoriety in the food industry began with his operation of Giovanni's Italian Deli, when the little storefront gained attention for giving away free food and was featured in the news. (Aragona DD at 30). Two years later in 1993, when Respondent was unable to finalize efforts to obtain a master lease for the property he was forced to close Giovanni's Italian Deli. (Aragona DD at 26). It was at this point in time when Respondent came across a food truck advertised for rent while driving along the same road as the shrimp farms in Kahuku that Respondent had the idea of starting a new Giovanni's food truck business and selling shrimp using family sauce recipes. (Aragona DD at 27). This Giovanni's back-story has been featured everywhere from books, newspaper articles, to television shows over the past two decades. (33 TTABVUE 253, 254, 256, 257).

Respondent named the new shrimp truck business “Giovanni’s Aloha Shrimp,” however, it has always been popularly known by patrons as “Giovanni’s Original White Shrimp Truck.” (43 TTABVUE 6, 23-25; 37-40, 42). This was due to the fact that it was first started and run by a guy named “Giovanni,” it was also the first shrimp truck on the North Shore, making it the “original,” and it was in fact a white truck. (43 TTABVUE 6; 46 TTABVUE at 73; 25 TTABVUE 90). It was also because Respondent built large wooden signs to advertise the business and stenciled the words “Giovanni’s Original White Shrimp Truck” onto them. (43 TTABVUE at 25-26, 37-40; Aragona DD at 35, 52, 57; 44 TTABVUE at 8, 15-16, Exh. 6 at 205). Giovanni is Italian for John, and Respondent is the “Giovanni” that is referred to in the name of Respondent’s first restaurant, “Giovanni’s Italian Deli,” the shrimp trucks, the bottling business, the menu items, and in names of food products. (43 TTABVUE at 6; 25 TTABVUE at 89-90; 46 TTABVUE at 73-74; 44 TTABVUE at 43).

Starting on September 1, 1996, Respondent permanently parked the food truck at 56-505 Kamehameha highway in Kahuku. Later on, Respondent opened a second food truck in Haleiwa which he operated using the same names. During the time between 1993 and 1997 the white shrimp trucks and the famous sauces they sold became a huge success and received much notoriety, from being featured in the news locally, on the mainland, and even internationally reaching as far as Japan, and tourist's guides, and travel books. (43 TTABVUE at 23, 40-41; Aragona DD at 32, 73, 139; 44 TTABVUE 194-198).

In late 1997, Respondent put together a business plan which included three companies and discussed this with his attorney Alex Sonson. (43 TTABVUE at 7-9, 12, 35-36). One company, to be named “Giovanni’s Aloha Foods,” would manufacture and sell bottled versions of the “Giovanni's "We Really Mean It" Hot and Spicy Sauce” and “Giovanni's Scampi Marinade” sauce that made Respondent’s shrimp truck business famous. The bottled sauces would be sold to patrons of the shrimp trucks as well as to other shrimp truck franchisees, licensees, distributors, and directly to consumers through a website. (43 TTABVUE at 12, 36; 44 TTABVUE 10). The second company, “Giovanni’s Aloha Shrimp,” would manufacture and sell prepared foods such as shrimp flash frozen along with either of the sauces. (43 TTABVUE at 22). The third company would continue to be operated under the name “Giovanni’s

Original White Shrimp Truck,” but would be expanded into a food truck franchise national in scope. (43 TTABVUE at 36, 50; 44 TTABVUE 10). The new food truck franchisees would be licensed to operate under the “Giovanni’s Original White Shrimp Truck” mark, they would sell the same shrimp plates made using “Giovanni’s “We Really Mean It” Hot and Spicy Sauce” and “Giovanni’s Scampi Marinade,” and they would also be required to purchase both from Respondent. During this timeframe, Respondent discussed these plans with three different attorneys, Alex Sonson, James Goodrich, and John Saccoccio, none of whom had experience in trademark law. (As to Sonson: 43 TTABVUE 9-10, 12, 22, 36; article quoting Goodrich at 39 TTABVUE 24; as to Saccoccio: 44 TTABVUE 60).

In 1997, when Respondent was ready to put his plans into motion, he went to Sonson who drafted the first and third contracts between the parties. Sonson had little to no previous experience in trademark law and had never drafted a trademark license. (43 TTABVUE at 30-32, 36). Mr. Sonson’s testimony is particularly helpful as it provides insight into the terms of the first agreements between the Parties, Respondent’s intent and future plans prior to contracting with Petitioner, Respondent’s prior use of the Giovanni’s Marks, and also the quality of the goods and services since the beginning of the shrimp truck through present date. Sonson’s testimony makes it clear that the Parties’ intended transfer was only for a portion of the assets of Respondent’s sole proprietorship and did not include the pre-existing trademarks, but rather the right for Petitioner to continue to use them in connection with its operation of the shrimp trucks in Hawaii. (43 TTABVUE at 9-13, 15-16, 21-22, 35-36, 44). Attorney Sonson’s testimony is consistent with Respondent’s, and both are and supported by substantial, objective documentary evidence.

VI. ARGUMENT

A. The Agreements Between the Parties Only Granted Petitioner an Express License to Use the GIOVANNI’S Marks

After Respondent had spent nearly a decade building his reputation within the food industry and successfully created a brand around his personal name “Giovanni,” when Respondent and Petitioner first entered into a contractual relationship. In conjunction with this transaction, Respondent agreed to sell a portion of his sole proprietorship’s assets to Petitioner and granted Petitioner the exclusive rights in the

State of Hawaii to use the GIOVANNI'S Marks previously owned and used by Respondent. At the heart of this matter are agreements between the Parties which evidence this transaction, which include an Asset Purchase and Non-Competition Agreement (hereinafter the "APA"), a License Agreement, an Amendment to the APA, and an Operating Agreement (collectively the "Agreements").

The first three Agreements between the Parties were executed consecutively in November and December of 1997. The first APA agreement had several contingencies, transferred ownership of specific itemized assets in the form of a list, and granted Petitioner "exclusive rights in the State of Hawaii, to (a) use the name "Giovanni's Aloha Shrimp" (b) use for the purposes of selling food either retail or wholesale, the Giovanni's Scampi and Giovanni's Hot and Spicy shrimp sauces and (c) sell shrimp at retail or wholesale using the present recipe that Seller has for Giovanni's Aloha Shrimp Scampi and Giovanni's Aloha Shrimp Hot and Spicy." The second agreement between the Parties is a lease agreement for the land where the shrimp truck was located (and is still to present date) that should have been assigned from Respondent to Petitioner, as this was a contingency required by the APA. The third agreement was made necessary (if for no other reason) by landlord requiring Respondent to co-sign the second agreement.

The final written agreement between the Parties is a Limited Liability Company Operating Agreement for the Giovanni's Aloha Foods, LLC sauce bottling business that was executed in October of 1999. The terms of the Operating Agreement specifically list what each member transferred to the LLC, and that Respondent only contributed recipes, existing business contracts, and certain production equipment to the LLC. Respondent signed each of the Agreements in his capacity as an individual. Additionally, Respondent never transferred his personal rights in the pre-existing Marks to a separate legal entity or individual. Ownership of Respondent's Marks and associated goodwill was not transferred pursuant to the terms of any of the four Agreements.

B. The Relevant Provisions in the Agreements

Registrant never assigned the trade names or marks to Petitioner or any other third party and any right Petitioner has to use the marks arises solely from the Parties contractual relationship. The following

provisions in the Agreements between the Parties reflect the fact that Petitioner was granted an express written license to use the Marks within the state of Hawaii.

1. The Asset Purchase Agreement (1 TTABVue 18-36)

Specific language within the APA relevant to the Marks show that Petitioner was only granted a limited license to use the GIOVANNI'S Marks and that and include the following:

- The first sentence of the preamble establishes the fact that Respondent's pre-existing business was a "sole proprietorship" (1 TTABVUE 18)
- The second sentence of the preamble establishes the fact that Petitioner (as "Buyer") was only sold a portion of the assets of the sole proprietorship: "Buyer desires to purchase and the Seller desires to sell a portion of the assets of the business operated by Seller" (Id.)
- The third sentence of the preamble establishes the fact that the rights Petitioner acquired were limited both geographically and categorically with the following specific language: "the exclusive rights in the State of Hawaii," (a) use the name "Giovanni's Aloha Shrimp" (b) use for the purposes of selling food either retail or wholesale, the Giovanni's Scampi and Giovanni's Hot and Spicy shrimp sauces and (c) sell shrimp at retail or wholesale using the present recipe that Seller has for Giovanni's Aloha Shrimp Scampi and Giovanni's Aloha Shrimp Hot and Spicy (Id.)
- Petitioner acknowledged the preexistence of the Marks and Respondent's ownership: "Seller (Respondent) is the only individual or entity that owns any rights to the Giovanni's Scampi, and Giovanni's Hot and Spicy shrimp sauces and Seller has the full right to contract with the Buyer as to any agreement regarding the sale and use of said sauces" (¶ 5 E). The fact that "Seller is the owner of that trade name "Giovanni's Aloha Shrimp"" was also stipulated in the agreement (¶ 6).
- Petitioner promised not to register or use Respondent's Marks outside of Hawaii (¶ 10 A);
- Petitioner agreed to quality control provisions that required Petitioner to sell at least a half-pound of shrimp in the plate lunches he sold, to continue to use Respondent's sauces, and purchase the sauce from Respondent or Respondent's bottler (¶ 10 A, B);

- Petitioner agreed that the above limitations were "Terms that Survive Closing (¶ 10);"
- Respondent was granted the right to terminate Petitioner's license to use the Marks in the event of Petitioner's breach of any of the above "Terms that Survive Closing" (¶ 16 and 17);
- Both Parties were represented by counsel and agreed that the APA should be construed as drafted jointly and not interpreted on behalf of one party against the other (¶ 21 D)

All of the provisions above are consistent with a trademark license agreement vs. an assignment or transfer of ownership rights. As all ownership rights in the trademarks and the goodwill appurtenant thereto belonged to, and were retained by, Respondent as Seller/licensor, all use of the marks by Petitioner has inured to the benefit of Respondent.

2. The License Agreement (46 TTABVue 159)

The second agreement between the parties is a License Agreement, which was between Kahuku Village Association, Inc., the owner of the property where the shrimp truck is located, John Aragona, and Nitsche Enterprises, Inc. The authenticity of this agreement is not disputed by either Party. (46 TTABVUE 12-15). Respondent also signed this agreement in his capacity as an individual (he was the only party to do so), and Troy Nitsche signed as President of Nitsche Enterprises, Inc. (46 TTABVUE 164). The various quality control provisions, limitations on Petitioner's use of the Marks, and key relevant terms include the following:

- A provision requiring Petitioner to maintain the premises solely for the purpose of selling shrimp and related prepared food products from GAS' lunch wagon and the structure located thereon for storage and an employee restroom, and No other uses. (Lease agreement, ¶ 1; 5).
- A provision requiring Petitioner to keep and maintain the premises in in good and safe condition, so as to keep the premises and equipment in the same condition as existed during Respondent's operation of the shrimp truck. (Lease agreement, ¶ 11).
- An obligation of the lessee to insure its compliance with all statutes, ordinances, rules and regulations of all government agencies having jurisdiction over the restaurant. (Lease agreement, ¶ 13).

- A provision requiring of Petitioner to maintain a million dollar comprehensive insurance policy insuring the existing building on the licensed area. (Lease agreement, ¶ 14).
- Finally, prior written consent was required for any installation of equipment on the premises. (Lease agreement, ¶ 8).

3. The Amendment to the APA (43 TTABVue 90-91)

The third agreement between the Parties was an Amendment to the APA (the “Amendment”), which was executed in December of 1997. Respondent was only able to obtain an unexecuted version of the Amendment and the Parties do not agree as to whether or not this agreement was ever executed. However, the unbiased testimony and documentary evidence support the authenticity of the Amendment and the fact the Parties agreed to its terms. First, the Amendment was made logically necessary by the landlord’s requirement of Respondent co-signing the License Agreement, which was counter to the Parties’ earlier agreement in Paragraph 1 and 3 of the APA, and consistent with Paragraph 1 of the Amendment. (46 TTABVUE 12; ¶1 of APA at 46 TTABVUE 121; ¶ 3 at 123; Amendment at 46 TTABVUE 156). Additionally, the License Agreement was executed by both Parties and its authenticity is not in dispute. (46 TTABVUE 11-12). Second, the state of Hawaii trademark was never transferred into Petitioner’s name as Paragraph 3 APA required, which is consistent with Paragraph 2 of the Amendment. (Id.). Finally, the unexecuted copy of the Amendment came from Alex Sonson, the attorney who drafted it and the APA and Mr. Sonson also testified as to its authenticity and the reason behind it being drafted. (43 TTABVUE 26-28).

The key relevant provisions include the following language:

- The Amendment reiterates the fact that only a portion of the assets were being transferred pursuant to the APA: “pursuant to that certain unrecorded ASSET PURCHASE AGREEMENT DATED NOVEMBER 7, 1997 (the "Agreement") Seller has sold and *Buyer has purchased a portion of the assets of Seller's business.*” (first sentence of the Preamble);
- Amended the lease transfer contingency as necessary (¶ 1); and

- Clarified the parties intent to form *trademark license* (¶ 2), replacing Paragraph 3C of the APA

4. The Operating Agreement (44 TTABVue 240; 25 TTABVUE 209)

In October of 1999, two years after Respondent began operating under the name “GIOVANNI’S ALOHA FOODS” in connection with his sales of bottled sauces, Petitioner invested in “Giovanni’s Aloha Foods, LLC,” one of two new limited liability companies formed by Respondent. (44 TTABVue 240-243). In the operating agreement that was signed in connection with Petitioner’s investment, Respondent ensured that he retained ultimate control over the day-to-day management and decision making of the company, and therefore the Marks. The Parties also do not dispute this agreement’s authenticity or that they were both bound by its terms. (25 TTABVUE 48). The terms Mr. Nitsche agreed to when entering into the LLC operating agreement include the following:

- The LLC’s field or area was limited to the manufacture and sale of the LLCs bottled sauces and bottling of third party products (¶ 4 at 44 TTABVue 240);
- Respondent’s right to operate another food business at the same location and that the operation would have no affiliation with the LLC Mr. Nitsche was investing into (¶ 4 at 44 TTABVue at 240);
- Established the control and management of the LLC would rest with Respondent and his former wife, and that the ultimate decision of Respondent would be controlling in the event of any disagreement between the two (¶ 5 and ¶ 9 at 44 TTABVue 241-241);
- Established the terms and conditions that would apply in the event of the LLC’s dissolution (¶ 13 and ¶ 14 at 44 TTABVue at 242-243);
- Execution date of October 1999, two years after Respondent’s first use of the GIOVANNI’S ALOHA FOODS Mark in connection with selling bottled sauces (44 TTABVue 243);
- Established terms under which a member’s interest could be acquired by another member.

Respondent formed the separate LLC’s and the operating agreement with the specific intent of carving out the rights each company would have in terms of *using* the pre-existing GIOVANNI’S Marks. The terms of this agreement expressly transferred various things from the parties to the LLC; but did NOT transfer Respondent’s pre-existing rights in the GIOVANNI’S Marks or their goodwill to the

business. Nor did the operating agreement alter Petitioner's pre-existing status as a licensee of the GIOVANNI'S Marks. Additionally, it would not have made logical sense for the GIOVANNI'S Marks to be transferred and owned by to this LLC alone when Respondent already had another active limited liability company (Giovanni's Aloha Shrimp, LLC) utilizing the exact same GIOVANNI'S Marks.

This operating agreement was in effect from its effective date of October 14, 1999 up until either 2004 as Petitioner testified, or 2005 at the latest when the LLC was administratively dissolved by the state of Hawaii (46 TTABVue at 32). Respondent's interest in Giovanni's Aloha Foods, LLC was never purchased or otherwise transferred to Petitioner, Nitsche Enterprises, Mr. Nitsche, or any other member, third-party individual, or separate legal entity as required and specified in the Operating Agreement. Registrant never dissociated with the LLC, nor was Respondent's interest in the company ever legally terminated or otherwise abandoned by Respondent. A member is dissociated from a Hawaiian limited liability company upon the occurrence of various events; examples include the member's expulsion by the other members pursuant to the operating agreement or by judicial determination. (Hawaii Codes Volume 8 TITLE 23A §428-601). None of the events that trigger dissociation occurred. Respondent simply moved to New York because he could not open another Giovanni's Original White Shrimp Truck location in Hawaii pursuant to the terms of his agreement not to compete with Petitioner, and he wanted to focus his efforts on doing so. Respondent chose New York because he had family there.

C. The Course of Dealing and Objective Conduct Evidences an Implied License Between the Parties and Sufficient Quality Control

Minimally, Petitioner's use of the Marks was under an implied license from Respondent. "It is irrelevant whether the parties thought of the arrangement at the time in terms of an implied license. The test for whether or not an implied license existed is based solely on the objective conduct of the parties." *Villanova University v. Villanova Educational Foundation Inc.*, 123 F. Supp.2d 293, 58 USPQ2d 1207, 1219 (E.D. Pa. 2000). Any language used by the owner of the [intellectual property] or any conduct on his part exhibited to another from which that other may properly infer that the owner consents to his use of

the [intellectual property] in making or using it, or selling it, upon which the other acts, constitutes a license and a defense to an action. *McCoy v. Mitsuboshi Cutlery, Inc.*, 67 F.3d 917, 920 (Fed. Cir. 1995).

Implied trademark licenses can be, and often are, found even in the complete absence of any related contractual provision. (See *Woodstock's Enters. Inc. (Cal.) v. Woodstock's Enters. Inc. (Ore.)*, 43 USPQ2d 1440, 1447 (TTAB 1997) (implied license existed and inured to the benefit of the licensor even without a formal, written agreement); *University Book Store v. University of Wisconsin Bd. of Regents*, 33 USPQ2d 1385, 1396 (TTAB 1994) (same). This situation is especially prevalent where (as here) the parties were represented by counsel with no experience in the relevant field, and who therefore were simply unaware of the concern. See Restatement, §204, comment b (omissions may occur if those involved in contracting "entirely fail to foresee the situation").

Because of the harsh consequences of a finding of a lack of quality control, the burden of proof on the issue is relatively stringent. *Exxon Corp. v. Oxxford Clothes, Inc.*, 109 F.3d 1070, 42 USPQ2d 1417 (5th Cir. 1977). Some courts have declined to find naked licensing where the licensor has the contractual right to quality control, even though that right was never exercised. *Ideal Toy Corp. v. Cameo Exclusive Products, Inc.*, 170 USPQ 596 (TTAB 1971); *Wolfies Restaurant, Inc. v. Lincoln Restaurant Corp.*, 143 USPQ 310 (NY Sup. Ct. 1964). In some cases, the licensor's reliance on the licensee's own quality control efforts has been held sufficient, particularly where the licensee is experienced and has an established history of trouble-free products, or where the licensee and licensor have an established relationship. *Transgo, Inc. v. Ajac Transmission Parts Corp.* 768 F.2d 1001, 227 USPQ 598 (9th Cir. 1985), *cert. denied*, 474 U.S. 1059 (1986), *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 19 USPQ2d 1253 (5th Cir. 1991), *aff'd*, 505 U.S. 763 (1992).

1. Respondent's Express Contractual Rights to Control the Nature and Quality of Use of the Marks

Starting with the APA, each agreement had a number of express "quality control" provisions related to Petitioner's right to use the GIOVANNI'S Marks. Paragraph 10 of the APA, titled "Terms that Survive Closing" has specific express terms which include the following: (1) Petitioner was obligated to

sell at least a half pound of shrimp in the plate lunches sold by Buyer; (2) obligated to use the same scampi sauce and hot and spicy sauce that the Respondent used as marination and sauces for the shrimp sold by Petitioner after acquiring the Respondent's business, (3) Respondent's provision of training, and (4) Petitioner was obligated to purchase the scampi sauce and hot and spicy sauce from Respondent or Respondent's bottler, both of which Respondent directly controlled. Further, Section 17 of the Agreement gives Respondent a means to enforce these quality control obligations by granting him the right to cancel the Agreement in the event of a breach, as such cancellation would effectively terminate the trademark license it contains as well.

The License Agreement also contained numerous express quality control provisions, which are laid out above. (Section B, Paragraph 2 of this Brief). Respondent co-signing the lease along with Petitioner's predecessor, gave him a contractual right to enter and inspect the premises to ensure Petitioner was fulfilling its contractual obligations with respect to operation of the shrimp truck. (Lease agreement, ¶ 26 and preamble). The lease was terminable upon breach of any of these provisions and there was in the agreement sufficient guarantee of access by Respondent to police Petitioner's performance. These provisions are not unimportant in view of the fact that the quality of the premises at which restaurant services are rendered is a significant aspect of quality control of such services.

The final agreement between the Parties also included various Quality control provisions. When Respondent formed the Operating Agreement with Petitioner and the Hawaiian LLC, he did so in a way that gave him the ultimate say in the day-to-day management and decision-making authority. Paragraph 5, page 1 of the Operating Agreement states that Respondent's voting rights were 25%, 50% when combined with his former wife, then and further on Page 2, that in the event of a conflict between Respondent and his former wife as to a voting decision, the vote cast by Respondent would control. Additionally, Paragraph 9 gave Respondent the right to day-to-day decisions and management of the LLC. Respondent's express rights allowed him to maintain control over operations of the LLC and, thus, maintain control over the LLC's use of the GIOVANNI'S marks.

As Respondent's permission to use the Marks was granted with attendant provisions to protect the quality of the goods and services bearing the licensed Marks, thus quality control is shown expressly through the terms of the Agreements. The express terms in the Agreements that pertain to quality control are evidence of implied license between the Parties and also preclude from meeting its burden under the stringent standard of proof to show abandonment of the trademark.

2. Respondent actually controlled the nature and quality of the use of its marks

The evidence also shows that Respondent controlled or supervised the nature and quality of the restaurant services rendered under the marks during the formative years of Petitioner's operation. Minimally, Respondent was supplying the hot sauce and scampi marinade, the key ingredients in Petitioner's Menu items, during the first three to four years after he entered into the first agreement with Petitioner. Respondent made sure he had the contractual right to do so and exercised this right as long as he possibly could. This time frame also applies to the bottling business as both Petitioner's operating the shrimp truck and the bottling business began simultaneously.

Respondent has also continued to competently monitor the quality of Petitioner's operation and compliance with these quality control provisions through (1) trips Respondent has made to Hawaii over the term of the license wherein he personally sampled the food sold by Petitioner to confirm compliance; (2) contact with locals who frequent the restaurant who have never reported issues with quality, (3) continued knowledge of the restaurant's operations has been provided to Respondent by news papers, books, magazines, and websites that have publically and consistently reported details regarding the portion size, the sauces used, the overall quality of the food and services Petitioner provides, that Petitioner uses the same menus, serves the same food as had Respondent, and has continued to use the same sauce as required; and (4) hiring a paralegal in Hawaii to go to both shrimp truck locations and monitor Petitioner's performance and usage of the Marks.

3. Respondent Reasonably Relied on Petitioner to Control the Nature and Quality of its Use of the Marks

Respondent's close relationship with Petitioner during its formative years gave him a great vantage point from which to watch Petitioner's operation of the trucks and monitor the quality of the food and service provided to customers. During these three to four years Petitioner's performance never faltered or gave Respondent any reason for concern or need to step in and provide assistance. There has also been no depreciation of the quality of the food and restaurant services rendered by Petitioner in connection with its use of the Marks. In Paragraph 14 and 15 of the Petition for Cancellation, Petitioner establishes that it is "dedicated to providing the highest quality of food and food services." Petitioner agrees that quality has continued to be maintained, if not increased during its use of the Marks, which has been throughout the period of the license. Thus, Respondent justifiably relied on the integrity of Petitioner to ensure the consistent quality of food goods and services performed under the Marks, and exercised sufficient control over Petitioner under the circumstances.

4. Petitioner's Testimony is Evidence of an Implied License Between the Parties

Further evidence that an implied license was granted by Respondent to Petitioner reflected by the testimony of Mr. Nitsche, testifying on behalf of Petitioner, as follows (46 TTABVUE 69-76):

Q. In 1997 when you entered into the asset purchase agreement, did you do so so you would be able to sell the shrimp using Giovanni's Scampi Sauce and Hot Sauce?

A. Yeah. I mean, we wanted to sell -- we wanted to sell that -- we wanted to be able to sell the scampi plates and the hot and spicy plates, and that was -- you know, that was pretty much -- that was pretty much the business.

Q. Okay, and did you receive permission to do so from Mr. Aragona?

A. I think that's what the asset purchase agreement was, that's what it was for, you know? I didn't give him \$120,000 because, you know, I liked him.

Q. All right. In 1997 when you entered into the asset purchase agreement, did you do so in part so you could continue using the same name, Giovanni's Aloha Shrimp?

A. It wasn't as important as it's -- it wasn't as important then as it is now, but, yeah, we figured we may as well -- we may as well keep the same name.

Q. Okay, and you received consent to use the name through the asset purchase agreement?

A. Yeah, yeah, I think asset purchase agreement gave me the right to use the name.

Q. Okay, and what about the Giovanni's White Shrimp Truck name, do you believe that the asset purchase agreement -- did you seek permission to use that name?

Q. Was the name Giovanni's White Shrimp Truck being used when you entered into the asset purchase agreement?

A. The only -- the only place that I could even possibly think that it was used would be on the sign, and honestly, I really don't remember what was on the sides of the sign at the time. It wasn't in use anywhere else, but Giovanni's White Shrimp Truck may have been on their original sign.

Q. Okay, and did you want to continue using that name after you signed the asset purchase agreement?

A. Yeah, sure.

Q. Giovanni's Original White Shrimp Truck or something similar to it?

A. Sure. I mean, that's what it was. That's how people knew it, the White Shrimp Truck. I think they knew White Shrimp Truck more than they knew Giovanni's at the time.

Q. Was the business popularly referred to or known as Giovanni's White Shrimp Truck before you entered into that asset purchase agreement?

A. Yeah, you know, honestly, by the time most people -- it was small and just starting out, and most people just knew it as the shrimp truck because it was the only one around, so it was just the shrimp truck, and it happened to be white, you know? So some people called it White Shrimp Truck, some people called it shrimp truck, you know? John put his name on there, you know, as far as Giovanni's goes, so some people knew it by that, but for the most part, it was just the shrimp truck.

Q. You said John put his name on there. How did John put his name on the truck? What do you mean by that?

Q. Okay. So up until the termination letter that was sent to you right before the beginning of this trial, had John ever complained or tried to stop you from using the Giovanni's White Shrimp Truck name?

A. No, not that I am aware of.

Q. Had John ever objected to you using Giovanni's Aloha Shrimp?

A. Not that I am aware of.

Q. Has John ever complained about you using the name Giovanni's Hot Sauce, Giovanni's Original Hot Sauce?

A. Not that I am aware of.

Q. Has John ever complained about you using Giovanni's Scampi Marinade?

A. Not that I am aware of.

Q. So when you entered into the asset purchase agreement, did you believe John Aragona to have the full right to transfer any right to the name Giovanni's Aloha Shrimp?

A. Yeah, I don't know legally, you know, I don't know legally how you get -- you know, apparently, this is how through patent and trademark you get to be the owner of a name, so I mean, I know he was, you know, commonly or -- what's word I'm looking for, you know? He was -- he was -- that's what he referred -- that's what they referred to their business as.

This testimony makes it clear that Petitioner acknowledges that Registrant consented to Petitioner's use of the Giovanni's Marks, that Petitioner's rights to use the Marks stem from his agreement with Registrant, that Petitioner proceeded to operate the business using the marks, and that Registrant did not withdraw his consent until 2013. As such, Petitioner's use of the Giovanni's marks is use by a licensee that inures to the benefit of Registrant. *Stetson v. Howard D. Wolf & Assoc.*, 955 F.2d 847, 21 USPQ2d 1783 (2d Cir. 1992).

5. Personal Name Marks Require Express Transfers

A Personal name mark is only transferred in a voluntary assignment when the mark is expressly included in the transaction. *Sarrazin v. W.R. Irby Cigar & Tobacco Co.*, 93 F. 624 (C.C.A. 5th Cir. 1899). An individual will not be assumed to have given up the right to do business under the individual's

personal name unless the intent is expressed clearly. *Children's Bootery v. Sutker*, 91 Fla. 60, 107 So. 345, 44 A.L.R. 698 (1926) ("Where, however, the name involved is one which is in law a personal name, and the transfer thereof is by operation of law or through judicial proceedings, a limitation exists upon the future use thereof by the purchaser to the exclusion of the person whose individual name it is."). As each of the Marks are personal name marks personal to Respondent, an express assignment that specifically included each Mark was required in order to effectively assign them. *Robinson v. Spikes*, 53 Tenn. App. 616, 385 S.W.2d 298, 144 U.S.P.Q. 510 (1964).

D. Contract Interpretation Under Hawaiian Law

Under Hawaiian law, which is applicable pursuant to the choice of law clauses in each of the Agreements, contract terms are interpreted according to their plain, ordinary, and accepted sense in common speech. *Cho Mark Oriental Food v. K & K Intern.*, 73 Hawai'i 509, 520, 836 P.2d 1057, 1064 (1992). The court's objective is to ascertain and effectuate the intention of the parties as manifested by the contract in its entirety. *Brown v. KFC Nat'l Mgmt. Co.*, 82 Hawai'i at 240, 921 P.2d at 160 (1996). Where terms are undefined, the court may resort to legal or other well-accepted dictionaries to determine their ordinary meaning. *Sierra Club v. Hawai'i Tourism Auth.*, 100 Hawai'i 242, 253, 59 P.3d 877, 888 (2002).

Apart from Petitioner's claim as to the authenticity of the Amendment to the APA, the Parties do not dispute that they are both bound by each of the Agreements and that the Agreements are relevant to determination this case. The dispute is as to how the Agreements should be interpreted, and primarily with regard to whether or not ownership of any or all of the Marks was transferred or merely licensed to Petitioner.

A license to use a mark is a transfer of limited rights, less than the whole interest which might have been transferred. *Exxon Corp. v. Oxxford Clothes, Inc.*, 109 F.3d 1070, 1076 (5th Cir.1997). Additionally, Black's Law Dictionary defines a "license" as a "revocable permission to commit some act that would otherwise be unlawful." BLACK'S LAW DICTIONARY 743 (7th ed.1999). "A trademark license is a contractual arrangement whereby a trademark owner permits another to use his trademark under circumstances where, but for the license, the other would be a trademark infringer." See 2

JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE § 6.01[2] (1998); 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 18:1 (4th ed. 2007) (“[A] ‘license’ of a mark . . . is a limited permit to another to use the mark . . .”).

When these principals are considered along side of the express terms of the Agreements it is clear that Petitioner was granted a license to use the Marks and not an assignment. Among numerous other examples outlined above, language in the APA includes terminology such as “use the name,” “use for the purposes of,” and “using the present recipe that Seller has.” Additionally, the APA provisions which limit Petitioner’s trademark use to “the exclusive rights in the State of Hawaii” and that bar Petitioner’s right to register the trademark outside of the state of Hawaii also strongly indicate a an express license vs. an assignment. Also important is the Agreement’s use of the terminology “sole proprietorship” to describe Respondent’s business. Under Hawaiian law, a sole proprietorship has no existence apart from its owner. *Credit Assocs. of Maui, Ltd. v. Carlbom*, 98 Hawai’i 462, 465–466, 50 P. 3d 431 (Ct. App. 2002) (sole proprietorship has no legal identity separate from owner.)).

2. Parol Evidence Should be Considered in this Case Under Hawaiian Law

A contract is ambiguous when its terms are reasonably susceptible to more than one meaning. *Airgo v. Horizon Cargo Transp.*, 66 Hawai’i 590, 594, 670 P.2d 1277, 1280 (1983). As a general rule, the court will look no further than the four corners of the contract to determine whether an ambiguity exists. *State Farm Fire & Cas. Co. v. Pac. Rent–All*, 90 Hawai’i 315, 324, 978 P.2d 753, 762 (1999) (noting that the parties’ disagreement as to the meaning of a contract does not render it ambiguous). This rule, however, is subject to exceptions that permit the court to consider extrinsic evidence when the writing in question is ambiguous or incomplete. *Id.* Where there is any doubt or controversy as to the meaning of the language, the court is permitted to consider parol evidence to explain the intent of the parties and the circumstances under which the agreement was executed. *Hokama v. Relinc Corp.*, 57 Haw. 470, 476, 559 P.2d 279, 283 (1977). Additionally, under law in Ninth Circuit, the test of admissibility of extrinsic evidence to explain the meaning of a written instrument is not whether it appears to the court to be plain and unambiguous on its face, but whether the offered evidence is relevant to prove a meaning to which

the language of the instrument is reasonably susceptible. *Halicki Films, LLC v. Sanderson Sales and Marketing*, 89 U.S.P.Q.2d 1001 (9th Cir. 2008).

Evidence of agreements made after the writing, collateral agreements, and separate agreements are valid exceptions to the Parol Evidence Rule applicable to this case. This exception is applicable to each of the Agreements between the Parties. The License Agreement and Amendment to the APA were made after the APA, and both modify the lease transfer contingency in the APA, which is described in Paragraph 1 of the APA as an “integral aspect” of the Agreement. The Amendment also modifies the trademark contingency in the APA. The Parties dispute whether or not the Amendment to the APA was executed and whether its terms should govern those it replaced in the APA. Additionally, the Agreements are ambiguous with respect to whether the terms constitute a license or transfer of ownership of the Marks, and in either case, which Marks were included in the transaction. Thus, it is appropriate for the Board to look beyond the four corners of the Agreements in this case and consider testimony relevant to each of the Agreements.

E. Petitioner’s Claims are Barred Under the Doctrine of Licensee Estoppel

The doctrine of licensee estoppel provides that a “licensee is estopped from claiming any rights against the licensor which are inconsistent with the terms of the license” including “asserting that he and not his licensor owns the mark....” 3 Callmann on Unfair Competition, Trademarks and Monopolies (4th Ed. 2005 Supplement), §20:54. Licensee estoppel, among other things, “prohibits the licensee from claiming ownership rights in the licensed mark,” 2 Jerome Gilson, Trademark Protection and Practice (2000), §6.03[7]. “A licensee who has used a designation under a license from another is ordinarily estopped from asserting ownership of the designation as against the licensor.” Restatement (Third) of Unfair Competition (1995 and 2005 cum. supp.) §33 Comment d.

Under the doctrine of licensee estoppel, a licensee is estopped to challenge the licensor’s rights in the licensed mark during the time that the license is in force. *Freeman v. National Association of Realtors*, 64 USPQ2d 1700, 1703 (TTAB 2002); *Estate of Biro v. Bic Corp.*, 18 USPQ2d 1382, 1386 (TTAB 1991); *Garri Publication Associates Inc. v. Dabora Inc.*, 10 USPQ2d 1694, 1697 (TTAB

1988). The licensee estoppel rule is founded on the view that a licensee should not be permitted to enjoy the use of the licensed mark while at the same time challenging the mark as being invalid. 3 McCarthy § 18.63. "Attacking the validity of the very marks she was licensed to use is the type of conduct which the doctrine of licensee estoppel is intended to prevent." *Arleen Freeman v. National Association of Realtors*, 64 U.S.P.Q.2d 1700 (T.T.A.B. 2002). The case for estoppel is strongest when the licensee's challenge rests on its own conduct under the license, such as an assertion of ownership based on the licensee's use of the mark during the term of the license or a claim of abandonment based on inadequate supervision of the licensee by the licensor. Restatement §204, comment b.

Due to the fact that a license exists between the Parties regarding use of the GIOVANNI'S marks, Petitioner is estopped from challenging the validity of the Marks based on facts which occurred during the time frame of the license. Additionally, Petitioner is estopped from challenging the validity of the agreement on the basis of a lack of quality control based on facts that occurred during the time frame of the license. As all of the facts alleged did in fact occur during the time the license was in place, the Petition for Cancellation should be dismissed.

F. Equitable Estoppel

The elements of equitable estoppel are (1) misleading conduct, which may include not only statements and action but silence and inaction, leading another to reasonably infer that rights will not be asserted against it; (2) reliance upon this conduct; and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted. As applied in trademark cancellation proceedings, the defense must be tied to a party's registration of a mark" *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 23 USPQ2d 1701, 1703 (Fed. Cir. 1992).

In Board cancellation proceedings, equitable defenses start to run from the date of registration, in the absence of actual knowledge before the close of the opposition period. *Bausch & Lomb Inc. v. Karl Storz GmbH & Co. KG*, 87 USPQ2d 1526, 1531 (TTAB 2008) (conduct which occurs prior to publication of application for opposition generally cannot support a finding of equitable estoppel.) In this case

Petitioner signed an agreement that stated it would register the GIOVANNI'S Marks outside of the state of Hawaii in 1997, and also allowed for Respondent to do so. Petitioner also stat not knowledge of

G. Contractual Estoppel

The terms of the APA Agreement between Respondent and Petitioner predecessor in interest bars Petitioner from bringing its claims. *Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 217 USPQ 641, 647 (Fed. Cir. 1983) (“The Board may “consider the agreement, its construction or its validity if necessary to decide the issues properly before it... including the issue of estoppel.”). Contractual estoppel applies in Board proceedings where one party has agreed not to challenge registration of another’s mark. *Danskin, Inc. v. Dan River, Inc.*, 498 F.2d 1386, 182 USPQ 370, 372 (CCPA 1974) (“Since DANSHEER is not one of the marks appellee agreed not to use (paragraph 11 of the agreement) and appellee is not precluded from enforcing the settlement agreement, appellee is entitled to a judgment as a matter of law”) and *M-5 Steel Mfg. Inc. v. O'Hagin's Inc.*, 61 USPQ2d 1086 (TTAB 2001) (“applicant asserts as an affirmative defense that opposer is contractually estopped from opposing applicant's applications, that opposer has waived its rights to oppose and that opposer has breached an agreement by filing these oppositions”). Where a contract contains a promise not to register a mark, the Board may sustain an opposition on the grounds that the applicant is contractually estopped from registering a mark. McCarthy, § 18:82. The APA includes several references that limit Petitioner’s use of the Marks to the state of Hawaii. Petitioner agreed not to register “Giovanni’s Aloha Shrimp” outside of the state of Hawaii. Petitioner now seeks to cancel four Marks and register three marks that are confusingly similar. Thus, the doctrine of contractual estoppel bars each of Petitioner’s claims.

H. Claims Requiring Petitioner’s Priority Fail

In order for Petitioner to prevail on its Section 2(d) and Section 2(a) claims, Petitioner is required to prove that it has proprietary rights in the term it relies upon to demonstrate likelihood of confusion as to source and that Petitioner’s interest was obtained prior to either the filing date of Respondent’s application for registration or Respondent’s date of first use. *Herbko International Inc. v. Kappa Books Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002); *Otto Roth & Co., Inc. v. Universal Corp.*,

640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981). This Section G is applicable to each of Petitioner's claims that require Petitioner's priority and also to Respondent's affirmative defense.

Respondent's use of his personal name as a component of the GIOVANNI'S Marks dates back to 1991 with Respondent's operation of his first restaurant "Giovanni's Italian Deli." (Aragona DD at 25-30). Respondent created the mark "GIOVANNI'S ALOHA SHRIMP" in approximately 1993, and first started using it around this same time as the name of his sole proprietorship. (1 TTABVue 18; 29; 43 TTABVue 42). Around this same time in 1993, Respondent created the marks "GIOVANNI'S "WE REALLY MEAN IT" HOT & SPICY SAUCE;" and "GIOVANNI'S SCAMPI MARINADE" and first started using them in connection with sales of food and restaurant services immediately upon opening his shrimp truck business. (Aragona DD at 27; 43 TTABVue at 42). Soon after opening in 1993, the shrimp truck became popularly known by patrons as "GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK" due to Respondent advertising the business with large wooden signs he built and stenciled the words onto just two months after first opening the business. (43 TTABVue at 25-26, 37-40; Aragona DD at 35, 52, 57; 44 TTABVue at 8, 15-16, Exh. 6 at 205). During the time between 1993 and 1997, the white shrimp trucks and the sauces became huge successes and received much notoriety, from being featured in tourist's guides, travel books, and the news locally, on the mainland, and international news as well, reaching as far as Japan. (43 TTABVue at 23, 40-41; Aragona DD at 32, 73, 139; 44 TTABVue 194-198).

In 1997, around the time Petitioner and Respondent entered into their first contracts, Respondent created a new sole proprietorship he operated under the name "GIOVANNI'S ALOHA FOODS" and started selling bottled versions of his "GIOVANNI'S "WE REALLY MEAN IT" HOT AND SPICY SAUCE" and "GIOVANNI'S SCAMPI MARINADE" sauces. (documentary evidence at 44 TTABVUE 248; 46 TTABVue at 19-20; Aragona DD at 74). As planned, his first customer was his first franchisee, Petitioner. (43 TTABVue at 12; 46 TTABVue at 19-20). Petitioner admits that during this timeframe Respondent was at least selling both sauces to him. (46 TTABVue at 19-20). Doing so allowed Respondent to ensure that the transition of Petitioner operating the shrimp truck was going smoothly and quality was maintained.

It is undisputed that Giovanni is Italian for John, and that Respondent, John “Giovanni” Aragona, is the specific “Giovanni” referred to in the GIOVANNI’S Marks. (43 TTABVue at 6; 25 TTABVue at 89-90; 46 TTABVue at 73-74; 44 TTABVue at 43). It is also undisputed that prior to the Parties entering into their first contractual relationship, Respondent was operating under the name “GIOVANNI’S ALOHA SHRIMP” in connection with the sale of shrimp. (46 TTABVue 9-10). The fact that this business was selling shrimp plates and Giovanni’s Hot and Spicy and Giovanni’s Scampi Sauces is memorialized in the preamble of the first agreement between the Parties. The date the shrimp truck business started is also not disputed as being in approximately 1993 or 1994. (43 TTABVue 6). The shrimp truck’s 1993 start date is even included in the timeline featured on Petitioner’s current website and Facebook page. (Exhibit showing Petitioner’s website at 25 TTABVue 150-151; testimony as to it 25 TTABVue 28; clear version of site at 39 TTABVue 162; 167); (Exhibit showing Petitioner’s Facebook page at 25 TTABVue 261; testimony at 25 TTABVue 62). This is despite the fact that Mr. Nitsche admits he was not affiliated with the shrimp truck in 1993 and wasn’t until 1997. (25 TTABVue 86-87).

The Parties do dispute as to whether or not the word “Original” in the “Giovanni’s Original White Shrimp Truck” mark was first coined by Respondent or during the time the shrimp truck was operated by Nitsche Enterprises, Inc. Respondent consistently testified to the fact that he started using the “Giovanni’s Original White Shrimp Truck” mark a month or two after starting operation when he stenciled the letters onto a sign that he used to advertise the business. (Aragona DD at 34-35). Respondent also consistently and unequivocally testified to the fact that the signs that were listed in the asset purchase agreement had the same “Giovanni’s Original White Shrimp Truck” mark painted on them. (Aragona DD at 52-53; 44 TTABVUE at 8, 15-16, Exh. 6 at 205). Attorney Sonson’s testimony on Respondent’s usage of the “Giovanni’s Original White Shrimp Truck” mark predating the APA is also consistent and clear-cut. (43 TTABVUE at 24-26, 37-41).

Petitioner’s testimony on the subject is much less clear to say the least, but Mr. Nitsche stated he believes that “Giovanni’s Shrimp Truck” was depicted on the large Giovanni’s wooden sign referenced in Exhibit A of the APA. (“Q. And what was depicted on the large Giovanni’s wooden sign you referenced

in Exhibit A? A. I it was a sign that said Giovanni's – the way-- I don't know exact. I believe it's Giovanni's Shrimp Truck on either side of the sign, and in the middle, it was a -- it wasn't just a flat sign. It was a three-sided sign like on a trailer. And on the side facing the road, it's I remember it saying number one number one food truck or number one shrimp truck number one food truck on the island -- something about being number one on the island. 25 TTABVUE 41). Mr. Nitsche also testified that “Giovanni's White Shrimp Truck” might have also been used on the original sign: “Q. Was the name Giovanni's White Shrimp Truck being used when you entered into the asset purchase agreement? A. The only -- the only place that I could even possibly think that it was used would be on the sign, and honestly, I really don't remember what was on the sides of the sign at the time. It wasn't in use anywhere else, but Giovanni's White Shrimp Truck may have been on their original sign. Q. Okay, and did you want to continue using that name after you signed the asset purchase agreement? A. Yeah, sure.” (46 TTABVUE 72). Petitioner also agrees that he did not start using the “Giovanni's Original White Shrimp Truck” mark until 3-1-1998 that was included in the trademark application that was filed in 2010 and now abandoned. (46 TTABVUE 47-49).

Respondent is also the individual that created and first used the “GIOVANNI’S ALOHA FOODS” mark in connection with bottled versions of his sauces and services within the food industry, starting in 1997. (25 TTABVue 48). It is undisputed that prior to entering into the last contract between the Parties, the Giovanni’s Aloha Foods, LLC Operating Agreement, Respondent was operating under the name “GIOVANNI’S ALOHA FOODS” and had already been selling bottled hot sauce and scampi marinade. (selling the sauces to the PX or the military bases 25 TTABVUE 49 and selling to Mr. Nitsche 25 TTABVUE 50).

Respondent used each of these Marks in connection with food goods and services in his individual capacity, there was not a separate corporate entity in existence that could have adopted and first used them. The first separate corporate entity did not begin business until September 15, 1999; years after Respondent had begun selling sauces. (46 TTABVue 19-21; 25 TTABVue 49-50). Respondent has also never assigned or otherwise transferred the Marks to a separate corporate entity or other individual.

Respondent has licensed the Marks to various entities, some of which he formed and operated over the years and to third parties as well. Petitioner's predecessor, Nitsche Enterprises, Inc., is an example of a third party that Respondent granted a limited license to use the preexisting Marks. This license was granted pursuant to a series of agreements entered into by the Parties in November and December of 1997. Respondent executed the agreements in his individual capacity and Troy Nitsche executed them in his capacity as sole owner of Nitsche Enterprises, Inc. From the time this license was granted and up to the point license was terminated two months before this Cancellation case was filed in 2013, Petitioner's use of the preexisting Marks has been pursuant to the license Respondent granted.

Minimally, Respondent's constructive priority date each Mark is the filing date of September 21, 2011. As outlined in detail above, Petitioner's use stems from the Agreements between the parties, and which came after Respondent's first use date with regards to each Mark. This being the case, Petitioner's case depends on its proof that Respondent abandoned any prior rights he had. The weight of the evidence simply does not support this conclusion, and certainly not enough to meet the stringent standard required under a claim of abandonment.

Alternatively, if Petitioner ever had proprietary rights in the terms it relies upon to demonstrate likelihood of confusion as to source, Petitioner abandoned them from a date prior to Respondent's priority date. *Auburn Farms, Inc. v. McKee Foods Corp.*, 51 USPQ2d 1439 (TTAB 1998). *Cf. General Motors Corp. v. Aristide & Co., Antiquaire de Marques*, 87 USPQ2d 1179 (TTAB 2008) (plaintiff could not prove priority because it abandoned mark with no intent to resume use prior to use by defendant).

Petitioner's testimony on the subject:

Q. Has LuckyU ever sold bottled sauces?

A. No

Q. Do you have plans to do so, to sell bottled sauces?

A. I don't know.

(25 TTABVue 83)

1. Petitioner Has Not Established Likelihood of Confusion

As Petitioner's claim of likelihood of confusion is based on its alleged ownership of unregistered marks, thus it must show the marks distinctive, inherently or otherwise, and Petitioner must show priority of use. A plaintiff may be permitted to assert the proprietary rights or registration(s) of a third-party as a basis for a Trademark Act § 2(d), 15 U.S.C. § 1052(d) ground if plaintiff can show a legitimate interest in preventing confusion between the pleaded mark(s) and the defendant's mark.

The evidentiary factors the Board considers in determining likelihood of confusion are set out in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). These factors include the similarity of the marks, the relatedness of the goods and/or services, the channels of trade and classes of purchasers for the goods and/or services, the number and nature of similar marks in use on similar goods, the nature and extent of any actual confusion, and the fame of the prior mark.

Petitioner relies heavily on "actual customer" confusion as establishing its claim of likelihood of confusion. Respondent would like to bring to the Board's attention to evidence submitted by Petitioner on this point Respondent recently discovered to be false. The two emails Petitioner submitted that were sent in 2011 as proof of the first date of actual consumer confusion were actually sent by Troy Nitsche, owner of Petitioner and Jorge Amorim, manager of Petitioner. It was not until Petitioner stressed these two emails in its Trial Brief that this was discovered. The following timeline better establishes the chain of events and also includes cites to the record:

12/18/2010: For the first time since the inception of Nitsche Enterprises, Inc. and LuckyU, Petitioner files its first two trademark applications, declarations signed by Troy Nitsche, gioshrimp@aol.com is the correspondence email address included the applications. ("GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK" at 31 TTABVue 272; "GIOVANNI'S ALOHA SHRIMP" at 32 TTABVue 76)

1/17/2011 at 6:35 PM EST: Petitioner submitted a trademark application for "GIOVANNI'S ORIGINAL SCAMPI SAUCE;" declaration signed by Troy Nitsche, gioshrimp@aol.com is the correspondence email address included the applications (See Declaration page with TEAS timestamp at 32 TTABVue 169). 6:56

PM EST: Petitioner submitted a trademark application for “GIOVANNI'S ORIGINAL HOT SAUCE”
(See Declaration page with TEAS timestamp at 32 TTABVue at 260)

1/17/2011 at 6:55 PM EST: Petitioner’s manager Jorge Amorim sent the following email to Respondent through Respondent’s website “Contact Us” form: *“I had the shrimp at the truck on the north shore a week ago and they said they don't bottle their sauce. Where are you located and are you working with the shrimp truck from Hawaii? Would love to buy the sauce, but want to make sure it I'm not getting ripped off. Talk to you soon.”* (Email introduced by Petitioner during its Testimonial Deposition of Mr. Nitsche at Ex. 10: 25 TTABVue at 220; Petitioner’s testimony as to Mr. Amorim’s relationship to Petitioner: 25 TTABVue at 30; **Petitioner’s false testimony as to the fact that a customer sent this email:** 25 TTABVue at 58-59; **Petitioner’s reliance on this email as first evidence of actual confusion false in its trial brief:** 49 TTABVue at 18; 32).

1/17/2011 at 7:21 PM EST: Petitioner’s owner Troy Nitsche sent the following email to Respondent through Respondent’s website “Contact Us” form from the same gioshrimp@aol.com email address he included in the trademark applications that were filed within the same hour that night: *“This website has no affiliation with Giovanni's Shrimp on the North Shore of Hawaii and is in clear violation of our trademarks. They have not received permission to use our name or pictures. We have contacted our lawyers and will take all legal actions necessary to protect or product and reputation. Thank You, Troy Owner Giovanni's White Shrimp Truck”* (Mr. Nitsche’s email address: 32 TTABVue at 168, 259; Email at Ex. 10 of Testimonial Deposition of Mr. Nitsche at 25 TTABVue at 220-221; **Petitioner’s false testimony claiming a confused customer sent this email:** 25 TTABVue at 58-59; **Petitioner’s reliance on this email as first evidence of actual confusion false in its trial brief:** 49 TTABVue at 18; 32; **Petitioner’s false testimony as to never visiting Respondent’s website** 25 TTABVue at 66)

This false evidence should be stricken and seriously calls into question the testimony of Petitioner’s only witness. It is also hard to imagine that counsel for Petitioner was not aware of the email address of the president and manager of its client when relying on this false evidence and testimony.

2. Petitioner Has Not Established False Suggestion of a Connection

Section 2(a) of the Trademark Act of 1946, 15 U.S.C. §1052(a), provides, in relevant part, that registration may be denied or cancelled when the mark “consists of or comprises . . . matter which may . . . falsely suggest a connection with persons living or dead.” The elements of this bar are: (i) that the defendant's mark is the same or a close approximation of plaintiff's previously used name or identity (not its mark) or of some national symbol; (ii) that the mark would be recognized as such; (iii) that the plaintiff is not connected with the activities performed by the defendant under the mark; and (iv) that the plaintiff's name or identity is of sufficient fame or reputation that, when the defendant's mark is used for the goods or services, the public would presume a connection with the plaintiff. *University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co., Inc.*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983). The Board's four-factor test is not a balancing test whereby a successful showing of one factor may cancel out the failure to show one or more of the other factors. Rather, each of the four factors of the test is a required element for a finding of a false suggestion of a connection.

There is no question that, in a case under Section 2(a), requires that the purported name or identity or persona point uniquely and unmistakably to the plaintiff. *Notre Dame*, 217 USPQ at 509. As discussed, in the case of *University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co., Inc.*, 703 F.2d 1372, 217 USPQ 505 (Fed.Cir.1983), the portion of Section 2(a) dealing with false suggestion of a connection resulted from the desire to give statutory effect to the notions of the rights of privacy and of publicity.

As outlined above, Petitioner is not the prior user of the Marks. Additionally, Petitioner's claim must fail Petitioner cannot establish that GIOVANNI'S the Marks point uniquely and unmistakably to Petitioner. The evidence shows, by a heavy preponderance, that the Marks do not point uniquely and unmistakably to Petitioner. The documentary evidence and testimony of each of the witnesses in this case confirms the fact that Respondent, John “Giovanni” Aragona, is the “GIOVANNI” referred to in each of the Marks and would be recognized as such. Thus, a judgment against Petitioner on the 2(a) ground is warranted.

I. Petitioner Has Not Established Abandonment

To state a claim of abandonment, Petitioner must sufficiently allege and prove nonuse of a mark with intent not to resume such use. Nonuse for three consecutive years establishes a prima facie case and rebuttable presumption of abandonment. Trademark Act § 45, 15 U.S.C. § 1127. A clear and convincing standard of proof is also required. *Eurostar*, 34 U.S.P.Q.2d at 1273 ("Moreover, we should keep in mind that abandonment is generally regarded as a forfeiture of rights and the courts and the Board have required strict or clear and convincing proof before finding abandonment."). Further, to state a claim that the Respondent's mark has been abandoned, petitioner must allege that the mark has lost all capacity as a source indicator for Respondent's goods or services. *Leatherwood Scopes v. James M. Leatherwood*, 63 U.S.P.Q.2d 1699 (T.T.A.B. 2002).

In the allegations in the Petition that are relevant to the elements of this claim, Petitioner does not allege that Respondent has discontinued use of his Marks involved in this proceeding with no intent to resume such use. Similarly for each mark, Petitioner only alleges:

26. Registrant has never used the mark GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK in connection with mobile restaurant services.

27. Registrant has not continuously or exclusively used the mark GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK in connection with mobile restaurant services since February 1, 1994.

28. In the alternative, to the extent Registrant ever used the mark GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK in connection with mobile restaurant services, Registrant abandoned any such rights.

Thus, Petitioner failed to sufficiently allege abandonment, let alone prove Respondent's intent not to resume use. Further, the testimony and supporting documentary evidence properly on the record illustrates the fact that Petitioner has not established abandonment of the Marks by Respondent and refutes any evidence of intent not to resume use alleged by Petitioner. Additionally, the abandonment time-frame for cancellation starts from registration of the mark alleged to be abandoned. Petitioner has not alleged or established any facts from this relevant time-frame, thus its abandonment claim must fail.

Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the Respondent or applicant for registration. Lanham Act § 5, [15 U.S.C. § 1055](#). “[Y]ears of precedent make it very clear that proper use of a mark by a trademark owner’s licensee or related company constitutes ‘use’ of that mark attributable to the trademark owner.” *Quality Candy Shoppes/Buddy Squirrel of Wisconsin, Inc. v. Grande Foods*, 90 USPQ2d 1389, 1392 (TTAB 2007). Ownership rights in a service mark may be acquired and maintained through the use of the mark by a controlled licensee even when the only use of the mark has been made, and is being made, by the licensee. *Turner v. HMH Publ’g Co.*, 380 F.2d 224, 229, 154 USPQ 330, 334 (5th Cir. 1967), cert. denied, 389 U.S. 1006, 156 USPQ 720 (1967); *Cent. Fid. Banks, Inc. v. First Bankers Corp. of Fla.*, 225 USPQ 438, 440 (TTAB 1984) (holding that use of the mark by Petitioner’s affiliated banks considered to inure to the benefit of Petitioner bank holding company, even though the bank holding company could not legally render banking services and, thus, could not use the mark). In license situations, the key to ownership is the nature and extent of the control by the trademark owner over the goods or services to which the mark is applied. As outlined above, Respondent had express rights to control, actually controlled, and justifiably relied on Petitioner’s control with regards to use of the GIOVANNI’S Marks. Thus, Petitioner’s use of the GIOVANNI’S Marks inures to Respondent’s benefit.

Additionally, any non-use is excusable due to

J. Petitioner Has Not Established Misrepresentation of Source or Deceptiveness

A registration can be canceled at any time, if the registered mark is being used by, or with the permission of, the Respondent so as to misrepresent the source of the goods or services in connection with which the mark is used. Trademark Act § 14. Cancellation under § 14(3) requires proof of blatant, aggressive misuse of a registered mark; because the Respondent was not trying to “pass off its services as those of the [challenger], the [challenger] lacks standing to raise a claim under Section 14(3).” *McDonnell Douglas Corp. v. National Data Corp.*, 228 U.S.P.Q. 45 (T.T.A.B. 1985). To establish its claim for deceptiveness, Petitioner was required to prove the following by a preponderance of the evidence: (1) the mark is misdescriptive of the character, quality, function, composition or use of the goods or services; (2)

prospective purchasers are likely to believe that the misdescription actually describes the goods or services; (3) the misdescription is likely to materially influence a substantial portion of the relevant consumers in their decision to purchase the good or service. *In Re Spirits In., N.V.* 563 F. 3d 1347 (Fed. Cir. 2009); *In re Budge Mfg. Co.*, 857 F.2d 773 (Fed Cir. 1988).

Petitioner argues that Registrant's actions are attempts to trade off of Petitioner's goodwill and reputation, when in fact it is Petitioner trading on the goodwill established by Registrant. Petitioner has intentionally created a sense of continuity with Registrant's earlier use and goodwill by means of the following:

- Maintaining the same look and feel of the trucks as done previously by Registrant
- First, maintaining pre-existing signage on the property, and then when necessary, replacing the signs with signs identical in appearance
- Using "Since 1993" in advertising and marketing efforts
- Petitioner advertising awards Registrant won for his sauces in 1999 on Petitioner's website
- Maintaining the same menu items
- Maintaining the same locations

All of the above evidences Petitioner's attempts to evoke Registrant's use of the Giovanni's marks and build upon Registrant's goodwill, not the other way around.

8. Petitioner Has Not Established Fraud

To establish a prima facie case of fraud in procuring a trademark registration, a party must show, by clear and convincing evidence, that: (1) the challenged statement was a false representation regarding a material fact; (2) the Respondent knew the representation was false (scienter); (3) the Respondent intended to deceive the PTO; (4) the PTO reasonably relied on the misrepresentation; and (5) the party suffered damages proximately resulting from such reliance. Additionally, "the very nature of the charge of fraud requires that it be proven 'to the hilt' with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party." *In re Bose, supra, citing Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981).

Where there is reasonable doubt as to the owner of a mark, it is not fraud to state in the application oath that one “believes himself, or the firm, corporation or association in whose behalf he makes the verification, to be the owner of the mark sought to be registered.” Lanham Act § 1(a), 15 U.S.C.A. § 1051(a). See *Wrist-Rocket Mfg. Co. v. Saunders Archery Co.*, 516 F.2d 846, 186 U.S.P.Q. 5 (8th Cir. 1975), cert. denied, 423 U.S. 870, 46 L. Ed. 2d 100, 96 S. Ct. 134, 187 U.S.P.Q. 413 (1975); *Haviland & Co. v. Johann Haviland China Corp.*, 269 F. Supp. 928, 154 U.S.P.Q. 287 (S.D.N.Y. 1967). The Trademark Board has noted that the application oath is phrased in terms of a “belief” of the applicant, such as to “preclude a definitive statement by the affiant that could be ordinarily used to support a charge of fraud.” The Board concluded that if the applicant had an honest and good faith belief that it was the owner of the mark when it signed the application oath, then this is sufficient to negate any inference of fraud. *Kemin Industries, Inc. v. Watkins Products, Inc.*, 192 U.S.P.Q. 327 (T.T.A.B. 1976). See *Airport Canteen Services, Inc. v. Farmer's Daughter, Inc.*, 184 U.S.P.Q. 622 (T.T.A.B. 1974) (failure under T.M.R.P. 2.38(b) to state that use is by a licensed firm held false but not fraudulent).

Respondent has always owned the Marks in his capacity as an individual and licensed them to various entities. An individual adopts and uses a mark and later orally licenses its use to a corporation, the individual, not the corporation, is the owner of the mark and the proper party to apply for registration. *In re Briggs*, 229 U.S.P.Q. 76 (T.T.A.B. 1986). Additionally, related-company use does not require stating an exception, because the statement that no one else has the right to use the mark refers only to adverse users and not to licensed or permitted use. See TMEP §§1201.03 et seq. regarding use by related companies. Further, the statement of use and specimen truthfully apprised Office of how the Marks are being used. As the facts and specimens submitted to the U.S. Patent and Trademark Office were truthful, fraud has not demonstrated. *Paris Glove of Canada Ltd. v. SBC/Sportco Corp.*, 84 USPQ2d 1856, 1863 (TTAB 2007). There is also no fraud where the facts alleged to be “fraudulent” were not material to the Examining Attorney’s decision to allow the mark for registration. *Hornby a/k/a Lawson a/k/a Twiggy v. TJX Cos., Inc.*, 87 USPQ2d 1411, 1423-1424 (TTAB, 2008).

VII. SUMMARY

For the reasons stated above, judgment should be entered dismissing the Petition for Cancellation on all grounds.

Monday, November 30, 2015

Respectfully submitted,

s/Jamie N. Pitts

Jamie N. Pitts

Florida Bar No. 72632

The Law Office of Jamie N. Pitts, Esq.

887 W Marietta Street, NW

Ste. M-105

Atlanta, GA 30318

(941) 893-7751– telephone

(855) 224-7819– facsimile

Email: jamienpitts@jnplawfirm.com

Counsel for Respondent

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Respondent’s Trial Brief was served on Monday,

November 30, 2015Petitioner’s counsel via first class mail as follows:

Jennifer Fraser

NOVAK DRUCE CONNOLLY BOVE & QUIGG LLP

1875 Eye Street, N.W.

Eleventh Floor

Washington, D.C. 20006

And via email as follows:

Jennifer.fraser@novakdruce.com

Daniel.mullarkey@novakdruce.com

s/Jamie N. Pitts

Jamie N. Pitts

APPENDIX A

Objection to Void Ab Initio Ground

Respondent objects to the Void Ab Initio ground for cancellation raised for the first time in Petitioner's Trial Brief. Petitioner's Petitioner did not assert the ground of void ab initio in its Petition for Cancellation, nor was it added at any point. Petitioner's Trial Brief was its first assertion of this claim.

The ESTTA cover sheet also makes no mention of non-use or void ab initio as Grounds for Cancellation, Petitioner only included the following: Deceptiveness/Trademark Act section 2(a); False suggestion of a connection/Trademark Act section 2(a); Fraud/Torres v. Cantine Torresella S.r.l. 808 F.2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986); Abandonment/Trademark Act section 14; The registration is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used/Trademark Act section 14; Priority and likelihood of confusion/Trademark Act section 2(d).

Petitioner's Notice of Reliance failed to mention its void ab initio ground. Petitioner only stated an intent to rely on evidence relevant to the following: strength of Petitioner's asserted marks in the marketplace as used to identify Petitioner and the likelihood of confusion between the subject marks including advertising channels and market interface, use and ownership of the marks by Petitioner and support Petitioner's fraud claims on behalf of Respondent in connection with his actions before the PTO and in applying for registration of the marks at issue, that Respondent has abandoned any right to any trademark rights. Petitioner's Supplemental Notice of Reliance also made no mention of the void ab initio ground. All other documents are also devoid of any mention of this ground.

Implied consent to the consideration of an unpleaded issue may be found "only where the nonoffering party (1) raised no objection to the introduction of evidence on the issue, and (2) was fairly apprised that the evidence was being offered in support of the issue." *Productos Lacteos Tocumbo S.A. de C.V. v. Paeteria La Michoacana Inc.*, 98 U.S.P.Q.2d 1924, 1924 (T.T.A.B. 2011). (quoting TBMP § 507.03(b)). The question is one of fairness: "[t]he non-moving party must be aware that the issue is being tried, and therefore there should be no doubt on this matter." *Productos Lacteos*, 98 U.S.P.Q.2d at 1925 (quoting *Morgan Creek Prods. Inc. v. Foria Int'l Inc.*, 91 U.S.P.Q.2d at 1139).

The issue of void ab initio was not tried by consent because the Respondent was not made aware of the petitioner's intention to rely on this claim as it was not disclosed by Petitioner in Petitioner's initial pleading, the ESTTA cover sheet, Petitioner's Notice of reliance, Petitioner's Supplemental Notice of

Reliance, or otherwise apart from Petitioner's Trial Brief. In view thereof, said claim should be given no consideration.

Objections to Certain Evidence in Petitioner's Notice of Reliance

Registrant moves to strike the following materials submitted with Petitioner's Notice of Reliance which are either not self-authenticating (and therefore are not acceptable as printed publications under Trademark Rule 2.122(e)) or otherwise fail to comply with Board rules:

1. LuckyU 000210-0314: is in Foreign language and no translation is provided. (Productos Lacteos Tocumbo S.A. de C.V. v. Paeteria La Michoacana, Inc., 98 U.S.P.Q.2d 1921 (T.T.A.B. 2011).)
2. LuckyU 000317-0400