

This Opinion is Not a
Precedent of the TTAB

Oral Hearing: March 18, 2014

Mailed: July 25, 2016

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board**

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

v.

John "Giovanni" Aragona

—————
Cancellation No. 92057023

—————
Daniel P. Mullarkey of Polsinelli PC for Petitioner.¹

Jamie N. Pitts of the Law Office of Jamie N. Pitts for Respondent.

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**Before Wellington, Wolfson, and Heasley, Administrative Trademark
Judges.**

Opinion by Wolfson, Administrative Trademark Judge:

Petitioner LuckyU Enterprises, Inc. ("Petitioner" or "LuckyU") seeks to cancel the following four registrations owned by John Aragona ("Respondent"):

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¹ Jennifer Fraser of Novak Druce Connolly Bove + Quigg appeared with Petitioner's counsel on the brief.

Reg. No. 4232569 for the mark GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK (standard characters) issued October 30, 2012 for "Mobile restaurant services" in International Class 43.²

Reg. No. 4220686 for the mark GIOVANNI'S ALOHA FOODS (standard characters) issued October 9, 2012 for "Food preparation services" in International Class 43.³

Reg. No. 4224400 for the mark GIOVANNI'S SCAMPI MARINADE (standard characters) issued October 16, 2012 for "marinades" in International Class 30.⁴

Reg. No. 4248595 for the mark GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE (standard characters) issued November 27, 2012 for "hot sauce" in International Class 30.⁵

The statutory grounds upon which cancellation has been filed are Sections 2(a) of the Trademark Act, 15 U.S.C. § 1052(a), (deceptiveness and false suggestion of a connection); Section 2(d), 15 U.S.C. § 1052(d), (priority and likelihood of confusion); and Section 14, 15 U.S.C. § 1064, (misrepresentation of source and abandonment). In addition, Petitioner alleges that Respondent committed fraud when the applications that matured into the registrations were filed by falsifying the specimens and by claiming that he had the exclusive right to use the marks despite knowing of Petitioner's prior rights; and, with respect to Reg. No. 4232569 only, that it is void *ab*

² A disclaimer to "Original White Shrimp Truck" is of record; Mr. Aragona's consent is of record.

³ A disclaimer to "Foods" is of record; Mr. Aragona's consent is of record.

⁴ A disclaimer to "Scampi Marinade" is of record; Mr. Aragona's consent is of record.

⁵ A disclaimer to "Hot & Spicy" and to "Sauce" is of record; Mr. Aragona's consent is of record.

initio because Respondent never used the mark GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK in connection with mobile restaurant services.

In his answer, Respondent admits that in 1997 Petitioner's predecessor, Nitsche Enterprises, Inc. ("Nitsche Enterprises") purchased the retail food business from him and his former wife, Connie Aragona,⁶ Answer ¶ 1, 5 TTABVUE 3; that the Asset Purchase Agreement, a copy of which is attached to the petition, is authentic,⁷ Answer ¶ 2, *Id.*; and that the Asset Purchase Agreement "contemplated a future arm's length supplier relationship, whereby Nitsche Enterprises would obtain sauces and marinades from the Aragonas to the extent they could maintain adequate supply." Answer ¶ 3, *Id.* Respondent also admits that Nitsche Enterprises and its successor, Petitioner, have continuously used the marks GIOVANNI'S ALOHA SHRIMP, GIOVANNI'S SHRIMP TRUCK and GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK, Answer ¶ 9, 5 TTABVUE 5; and that shortly after selling the shrimp truck business to Nitsche Enterprises, Respondent formed Giovanni's Aloha Foods, L.L.C. (the "Hawaiian LLC"), one of the purposes of which was to supply Nitsche Enterprises with sauce and marinade for the shrimp plates, and that thereafter Mr. Troy Nitsche (president of Nitsche Enterprises) and James Goodrich, (an unrelated investor) invested in the Hawaiian LLC as 50% owners, Answer ¶ 4, 5 TTABVUE 4. Respondent asserts that he is the "senior user of the common law trademarks GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK; GIOVANNI'S ALOHA FOOD;

⁶ Connie Aragona is not a party to this proceeding.

⁷ The Asset Purchase Agreement was introduced by Petitioner at 25 TTABVUE 175. Accordingly, we have not relied on Respondent's statement as an admission of authenticity.

GIOVANNI'S SCAMPI MARINADE; and GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE," Affirmative Defenses ¶ 1, 5 TTABVUE 17; and that by entering into the Asset Purchase Agreement, "Petitioner, as licensee, recognized Registrant's, the licensor's, ownership of the Giovanni's marks and by implication, covenanted not to challenge the licensor's rights" to the marks, Affirmative Defenses ¶ 4, 5 TTABVUE 18.⁸

Preliminary Matters

Respondent objects to our consideration of Petitioner's claim that Reg. No. 4232569 is *void ab initio* because Respondent never used the mark GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK in connection with mobile restaurant services. The objection is overruled. In Paragraph 26 of the petition to cancel, 1 TTABVUE 9, Petitioner alleges that Respondent has never used the mark GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK in connection with mobile restaurant services, thereby putting Respondent on notice that Petitioner claims the registration is *void ab initio*. During trial, Petitioner asked Respondent's witness about his use of the mark, and Respondent confirmed that he currently does not use the mark. Aragona Disc. Dep. p. 135-136, 26 TTABVUE 195-96.

⁸ Applicant's "affirmative defense" of failure to state a claim was not pursued at trial or in its brief, and therefore is deemed waived. *See Alcatraz Media, Inc. v. Chesapeake Marine Tours Inc.*, 107 USPQ2d 1750, 1753 n.6 (TTAB 2013) ("Insofar as respondent neither filed a formal motion to dismiss pursuant to Fed R. Civ. P. 12(b)(6) during the interlocutory phase of this proceeding, nor argued this asserted affirmative defense in its brief, it is hereby deemed waived.").

Evidentiary Objections

A. Respondent's Objections

Respondent objects to a tourist brochure produced by Petitioner under Bates Nos. LuckyU 000210-000314.⁹ The brochure is in Japanese with limited English-language advertising. While we have not disregarded the brochure,¹⁰ we find that it is of limited value, as no translation of the Japanese portions has been provided. Respondent further objects to Bates Nos. LuckyU 000317-000400,¹¹ but gives no reason therefor; in any event, these documents are admissible under Trademark Rule 2.122(e) as printed publications in general circulation among relevant members of the public.

B. Petitioner's Objections

Petitioner objects to portions of Mr. Aragona's December 11, 2014 testimony deposition, 44 TTABVUE; to portions of the cross-examination conducted in Mr. Nitsche's September 17, 2014 testimony deposition, 25 TTABVUE; to portions of Mr. Nitsche's December 3, 2014 testimony deposition, 46 TTABVUE; and to portions of

⁹ 33 TTABVUE 55-157. Because the Board primarily uses TTABVUE, the Trademark Trial and Appeal Board's publically available docket history system, in reviewing evidence, and not the parties' Bates numbering system, the Board prefers that citations to material or testimony in the record that has not been designated confidential include the TTABVUE docket entry number and the TTABVUE page number. For material or testimony that has been designated confidential and which does not appear on TTABVUE, the TTABVUE docket entry number where such material or testimony is located has been used; no page numbers may be available for such information. *See Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014).

¹⁰ During his testimony deposition of September 17, 2014, Mr. Nitsche indicated that Petitioner advertises in visitor publications, including a Japanese publication "primarily geared towards Hawaii attractions and things to do in Hawaii." 25 TTABVUE 17.

¹¹ 33 TTABVUE 158-241. The publications contain advertisements for "Giovanni's Shrimp Truck." *See, e.g.*, 33 TTABVUE 205.

Mr. Sonson's testimony deposition, 43 TTABVUE. Petitioner also objects to the admissibility of certain Exhibits on the basis of improper questioning by counsel. Specifically, Petitioner contends that during the cross- and direct examinations of witnesses, counsel asked leading questions, assumed facts not in evidence, elicited narrative answers and (during cross) examined the witness on facts beyond the scope of the direct examination. In addition, Petitioner objects to the admission of portions of Mr. Aragona's earlier-taken discovery deposition because Respondent allegedly did not explain why those portions served to clarify the portions those that were offered by Petitioner. Trademark Rule 2.120(j)(4).

We find Respondent's explanations regarding submission of the additional portions of Mr. Aragona's earlier-taken discovery deposition to be credible, and have thus considered the additional portions of the deposition. Regarding the objections made on the basis of improper questioning, these objections go to the weight of the evidence and not its admissibility. *Standard Knitting Ltd. v. Toyota Jidosha K.K.*, 77 USPQ2d 1917, 1923 (TTAB 2006). We have considered the testimony and discovery depositions in light of counsel's failure to strictly adhere to the rules governing the taking of depositions (not to mention the confusing nature of the examinations), and accord them lesser weight where appropriate.¹²

¹² We note that in any event, we would not sustain Petitioner's evidentiary objections because Petitioner first raised its objections in its reply brief, thereby according Respondent no opportunity to respond to the objections. The objections were directed to evidence adduced at trial, of which Petitioner was already aware at the time its main trial brief was due. See *Hiraga v. Arena*, 90 USPQ2d 1102, 1104 (TTAB 2009) ("Respondent filed no brief, nor has he objected to any of the documents made of record by petitioner. However, we do not deem

Petitioner further objects to admission of a document entitled “First Amendment of Asset Purchase Agreement” because it is unsigned and undated and because no witness has authenticated the document by direct proof or circumstantial evidence. Fed. R. Evid. 802, 901.

An unsigned document may be authenticated by direct proof, such as the testimony of a witness who saw the author sign the document, acknowledgment of execution by the signer, admission of authenticity by an adverse party, or proof that the document or its signature is in the purported author’s handwriting. *See, e.g.*, 2 McCormick on Evid. § 221-229.1 (7th ed.). A document also may be authenticated through circumstantial evidence, including the document’s own distinctive characteristics and the circumstances surrounding its discovery. *Id.* Here, Respondent testified that he signed the document, and that he was “under the impression” that Mr. Nitsche also signed the document “but I don’t have copies of that in front of me.”¹³ Respondent’s attorney who drafted the amendment, Alex M. Sonson, testified that he was engaged by Respondent to draft the document; that he “believe[s] my office did it. ... And I know that I did it.”¹⁴ Regarding the circumstances

respondent to have agreed to petitioner’s submission of documents not contemplated within the Trademark Rules of Practice and Procedure for such submissions by way of a notice of reliance...”); TBMP § 706.

As to Petitioner’s objection that the “First Amendment of Asset Purchase Agreement” is hearsay, however, we acknowledge that the objection was not made in Petitioner’s main brief, but we nonetheless reject the alleged document *sua sponte* for the reasons discussed *infra*.

¹³ Aragona Dep., p 26, 44 TTABVUE 27. Mr. Aragona asserted: “No one complained about any of this. I never went back to Sonson. If I had a problem on any contract he did with me, I would have gone back to him. Obviously, I believed these things were signed by all parties because there was no contention involved.”

¹⁴ Sonson Test. Dep. p 25, 43 TTABVUE 26.

surrounding the discovery of the unsigned copy in 2010, Mr. Sonson testified that “the records that I had in my office couldn’t be found” but that an electronic copy was found on one of the computers in Mr. Sonson’s office by his staff. When asked whether Mr. Aragona ever signed the document, Mr. Sonson responded: “I can’t recall how this agreement was signed. I did have follow-up conversations with John, and everything seems to have been fine, so the deal went through, and everything’s done, so I’m just assuming that everything was fine. He disappeared after that.”¹⁵ Mr. Sonson elaborated: “Oh, I’m sorry. I recall the reason I know everything was fine is because he paid me. Q. Excuse me, what? You recall what? A. Because he paid me, so that was clear indication to me that everything was fine. I didn’t get paid in advance. I got paid after everything was done.”¹⁶

The testimony presented by Respondent does not support a finding that this document was signed by both parties. Neither Mr. Aragona nor Mr. Sonson has any direct recollection of Mr. Nitsche having signed the document. A copy of the document resided electronically in a computer file that was not accessed until 2010. The argument that Mr. Aragona would have contacted his lawyer if Mr. Nitsche would not sign the agreement is speculative at best. We also do not agree with Respondent’s contention that the Amendment “was made necessary”¹⁷ because the landlord of the property upon which the trucks were situated would not accept the contingencies

¹⁵ Sonson Test. Dep. p. 28, 43 TTABVUE 29.

¹⁶ *Id.*

¹⁷ Respondent’s Brief, p. 12, 60 TTABVUE 13.

placed on the lease by the Asset Purchase Agreement.¹⁸ Significantly, Mr. Nitsche denies that he was even aware of the existence of the document until this proceeding. When asked if he was familiar with it, Mr. Nitsche responded: “Only as a -- only recently during these proceedings have I seen this document, do I remember seeing this document. ... I don’t know where this document came from or who drew it up or really anything about it.”¹⁹ In addition, Petitioner denied that Mr. Nitsche signed the agreement in its answers to Respondent’s request for admissions.²⁰

Respondent has not laid a foundation for admitting the document as a signed agreement. Trademark Rule 2.123(l) (“Evidence not obtained and filed in compliance with these sections will not be considered”); *Southwire Company v. Kaiser Aluminum & Chemical Corp.*, 196 USPQ 566, 571 (TTAB 1977) (“The mere introduction of an unsigned copy of this letter is manifestly insufficient, per se, to establish that this letter was actually mailed especially in light of the witness’ testimony regarding receipt of it.”). Petitioner’s objection to the “First Amendment of Asset Purchase Agreement” is sustained.

¹⁸ The Asset Purchase Agreement called for Nitsche Enterprises to obtain a lease directly from the landlord. Paragraph 3.A. However, while the landlord agreed to the transfer, it “wanted the buyer as agreed to be added onto the current lease with the seller.” 44 TTABVUE 26. The result was that both Mr. Nitsche and Mr. Aragona signed a lease that was made effective from a date a few months prior to the sale of the business. 44 TTABVUE Exhibit 5. When asked why his name was included, Mr. Aragona explained that “the lease was originally in my name and I guess they wanted me to be included in it.” 44 TTABVUE 22. This substantial compliance with the terms of the Asset Purchase Agreement did not nullify it and does not prove that the Amendment was necessarily signed by the parties.

¹⁹ 46 TTABVUE 15-16.

²⁰ 39 TTABVUE 143.

The Record

The record comprises the pleadings and the files of the involved registrations. Trademark Rule 2.122(b). Further, in light of our evidentiary rulings, the record includes the following submissions, as proffered by the parties:

A. Petitioner's Evidence

1. Testimony of Troy Nitsche, majority owner and president of Petitioner LuckyU Enterprises, including Exhibits. Taken September 17, 2014.
2. Petitioner's First Notice of Reliance filed October 6, 2014.
3. Documents evidencing the status and title of Respondent's involved registrations, Petitioner's pleaded applications and Petitioner's previously abandoned applications.²¹
4. Printed publications and webpage printouts; Respondent's responses to Petitioner's first and second set of requests for admissions.
5. Respondent's responses to Petitioner's first and supplementary set of interrogatories.
6. Excerpts from the June 18, 2014 discovery deposition of John Aragona.²²
7. Copies of confidential third-party emails; copies of the parties' two stipulations.

²¹ Because the file histories of Respondent's registrations are already of record, it was unnecessary to submit them under Petitioner's Notice of Reliance at 30 TTABVUE.

²² We recognize that Mr. Aragona's discovery deposition has been designated confidential in its entirety. However, not all statements in the deposition constitute trade secret or commercially sensitive information warranting protection under Fed.R.Civ.P. 26(c)(1)(G). The Advisory Committee Notes to the 1970 Amendment explain that the Rule does not provide complete immunity against disclosure; rather, in each case, the need for privacy must be weighed against the need for disclosure. In rendering our decision, we will not be bound by Respondent's over-designation of information and will treat only testimony and evidence that is truly confidential or commercially sensitive as such. See *Noble House Home Furnishings, LLC v. Floorco Enters., LLC*, 118 USPQ2d 1413, 1416 n.21 (TTAB 2016); TBMP § 120.02 (regarding proper procedure for filing materials with the Board under seal).

8. Petitioner's Second (Rebuttal) Notice of Reliance filed January 13, 2015: Additional excerpts from John Aragona's discovery deposition and official records from the state of Hawaii Dept. of Commerce and Consumer Affairs.

B. Respondent's Evidence

1. Testimony of Troy Nitsche, including Exhibits. Taken December 3, 2014.
2. Testimony of Alex M. Sonson, attorney for Respondent, including admitted Exhibits. Taken December 3, 2014.
3. Testimony of John Aragona, including admitted Exhibits. Taken December 11, 2014.
4. Respondent's Notice of Reliance filed December 11, 2014.
5. Printed publications and web-page printouts offered "to show Respondent's priority, use and ownership of the mark GIOVANNI'S WE REALLY MEAN IT HOT AND SPICY SAUCE" and Petitioner's alleged knowledge of Respondent's intent to franchise a food truck business.
6. Official records from the State of Hawaii²³
 - a. State of Hawaii Trademark application filed by Respondent in 1997 for the mark GIOVANNI'S ALOHA SHRIMP; cancelled.
 - b. Tax license filed by John/Connie Aragona in 1998 for "Giovanni's Aloha Foods".
 - c. Articles of Organization filed by Respondent and Mr. James L. Goodrich in 1998 for "Giovanni's Aloha Shrimp, L.L.C." and for "Giovanni's Aloha Foods, L.L.C."
 - d. State of Hawaii Trade Name application filed by Respondent in 2010 for "Giovanni's Aloha Shrimp" for "shrimp and bottle sauces"; issued "to secure the aforesaid applicant the use of the said TRADE

²³ 39 TTABVUE Exhibit B.

NAME throughout the State of Hawaii for the term of five years from May 19, 2010 to May 18, 2015.”

- e. Health inspection reports and food establishment permits from 2008-2014 concerning LuckyU’s operation of shrimp trucks in Hawaii.
7. Official records from the state of Florida²⁴
 - a. Articles of Organization for “Giovanni’s Aloha Foods LLC” filed in 2010 by Carol Dilello, listing Ms. Dilello as sole member/manager.²⁵ (Exhibit 30)
 - b. Articles of Incorporation for “Giovanni’s Aloha Foods Corp” filed in 2011 by Carol Aragona, listing Ms. Aragona as “P” under “initial officers” and not listing anyone else in any capacity. (Exhibit 39)
 8. Petitioner’s responses to Respondent’s first set of interrogatories.
 9. Petitioner’s responses to Respondent’s first set of interrogatories and requests for admission.
 10. Excerpts from the June 18, 2014 discovery deposition of John Aragona.
 11. Copies of third-party emails produced in discovery by Respondent and submitted under seal.

The parties entered into the following stipulations: (1) That the third-party emails submitted under seal are authentic, TTABVUE 14, and (2) that “all of the information in the applications for the registrations at issue was provided by John Aragona to his attorney and application signatory, Jamie Pitts [whose] signed declaration reflects only the knowledge that she received directly from John Aragona.” TTABVUE 15.

²⁴ 44 TTABVUE.

²⁵ Respondent identifies Ms. Carol Dilello Aragona as his current wife. 44 TTABVUE 81.

Standing

The Lanham Act provides that “any person who believes that he is or will be damaged ... by the registration of a mark” may petition the USPTO to cancel the registration. Trademark Act Section 14, 15 U.S.C. § 1064. Standing is a threshold issue that must be proven by a plaintiff in every *inter partes* case. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999). *See also Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Petitioner has shown that it has been using the same marks for the same or similar goods and services as Respondent for 17 years,²⁶ and has asserted a likelihood of confusion claim that is not wholly without merit. *Lipton Industries*, 213 USPQ at 189; *Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 1326 (Fed.Cir.1983) (cancellation petitioner demonstrated “real interest” by alleging NINA trademark was confusingly similar to petitioner’s NINO trademark). Accordingly, Petitioner has proven its standing to bring this proceeding.²⁷ If a plaintiff can show standing on one

²⁶ Nitsche Test. Dep. p. 9, 13, 25 TTABVUE 10, 14: “Q. Under what trademarks does LuckyU do business under? A. We operate under Giovanni’s Aloha Shrimp, Giovanni’s Shrimp Truck, Giovanni’s Original White Shrimp Truck.” ... It will be 17 years this year.”

²⁷ Standing is also met where the trademark for which cancellation is sought has been cited against the application of plaintiff’s own trademark(s). *Kallamni v. Khan*, 101 USPQ2d 1864 (TTAB 2012) (standing based on final refusal to register petitioner’s pending application based on respondent’s registration). Here, Petitioner alleges ownership of applications for the marks GIOVANNI’S ORIGINAL WHITE SHRIMP TRUCK (Serial No. 85897861) and GIOVANNI’S SHRIMP TRUCK (Serial No. 85897872), Petition to Cancel ¶16, 1 TTABVUE 7, and Respondent admits Petitioner’s ownership of the applications, Answer ¶ 16, 5 TTABVUE 7. However, Respondent does not admit their status and Petitioner has not shown that the applications have been refused based on Respondent’s registrations. We do not take judicial notice of applications or registrations residing in USPTO records, and accordingly we

ground, it has the right to assert any other grounds in an opposition or cancellation proceeding. *Corporacion Habanos SA v. Rodriguez*, 99 USPQ2d 1873, 1877 (TTAB 2011).

Likelihood of Confusion

We initially address Petitioner's Section 2(d) priority and likelihood of confusion claim.

The parties do not seriously dispute that there is a likelihood of confusion between the marks; indeed both parties are interested in using essentially the same marks for the same or similar goods and services. Where parties lay claim to the same marks for essentially the same goods, a likelihood of confusion is inevitable, and the dispute centers on ownership and priority. *UVeritech, Inc. v. Amax Lighting, Inc.*, 115 USPQ2d 1242, 1245 (TTAB 2015); *Wonderbread 5 v. Gilles*, 115 USPQ2d 1296, 1301-02 (TTAB 2015); *Nahshin v. Product Source Int'l LLC*, 107 USPQ2d 1257, 1258 (TTAB 2013). Here, each party believes that it owns the term GIOVANNI'S as incorporated in the marks involved in this proceeding. Accordingly, we focus on the issues of priority and ownership to determine whether the registrations for GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK, GIOVANNI'S ALOHA FOODS, GIOVANNI'S SCAMPI MARINADE, and GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE should be cancelled.

do not find that the applications have been provisionally refused due to Registrant's trademarks. *Syndicat Des Proprietaires Viticulteurs De Chateauneuf-Du-Pape v. Pasquier DesVignes*, 107 USPQ2d 1930, 1933 (TTAB 2013); *Edom Laboratories, Inc. v. Glenn Lichter*, 102 USPQ2d 1546, 1550 (TTAB 2012) (Board does not take judicial notice of registrations or applications residing in the Office).

I. Background

In 1993, Respondent John Aragona and his former wife, Connie Aragona, decided to sell food from a roadside truck in Oahu, Hawaii. Using the marks GIOVANNI'S ALOHA SHRIMP and GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK²⁸ to identify their business, the Aragonas sold plates of cooked shrimp from two food trucks, at least one of which was white. Mrs. Aragona developed a sauce and a marinade that were key ingredients in the shrimp plates. After the business had been ongoing for several years, the Aragonas decided to sell the shrimp trucks and start a bottling company.²⁹ On November 7, 1997, the Aragonas sold the food truck business to Petitioner's predecessor, Nitsche Enterprises, Inc., a Hawaiian corporation founded by Troy Nitsche, pursuant to a written Assets Purchase Agreement.

When they sold the food truck business, the Aragonas formed a limited liability company named Giovanni's Aloha Foods, L.L.C. (the "Hawaiian LLC")³⁰ to enter into

²⁸ The parties dispute whether the original signage included the word "ORIGINAL." During his testimony deposition, Mr. Aragona was asked to examine a photograph of a sign; and was questioned: "[C]an you tell me what that is?" Answer: "It says Giovanni's Original White Shrimp Truck. It's a sign that I made." 44 TTABVUE 8. On the other hand, Mr. Nitsche testified that the wording "ORIGINAL" was not on the sign when the business was purchased but was added by himself at some later point. Nitsche Test. p 74, 25 TTABVUE 75. The only other testimony in the record regarding whether the word ORIGINAL was on the sign is from Mr. Sonson, who testimony is that the Aragonas were using "Original White Shrimp Truck" on a sign, although not necessarily the sign in the proffered photograph. 43 TTABVUE 38. On balance, and given that the sign in the photograph includes the word "original" and no other photograph of a sign has been offered into evidence, we find that the sign listed as an inventoried asset in "Exhibit A" of the Asset Purchase Agreement included the word "Original" when it was transferred to Petitioner's predecessor and that Mr. and Mrs. Aragona were using the mark prior to 1997.

²⁹ Aragona Test. Dep. p 9, 44 TTABVUE 10.

³⁰ Respondent's Notice of Reliance Exhibit B. The Aragonas also formed "Giovanni's Aloha Shrimp, L.L.C." on the same day, listing the same address, the same named organizers, and

the bottled sauce and marinade business. They used the trademarks GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE and GIOVANNI'S SCAMPI MARINADE in connection with the sale of bottled sauce and marinade. There is no record evidence establishing the date of first use of either of the two flavoring marks, although there are references to "Giovanni's Scampi" and "Giovanni's Hot and Spicy" shrimp sauces in the Asset Purchase Agreement, and a journalistic review of the "hot and spicy" sauce appears in a 1996 news article³¹ associated with the phrase "we

the same members in both cases. The address was Mr. and Mrs. Aragona's residence street address and the members were Mr. and Mrs. Aragona, James L. Goodrich, and Diane K. Wong. However, when asked the name of the bottling business, Mr. Aragona replied that it was "Giovanni's Aloha Foods." 44 TTABVUE 38. He explained that "Aloha Foods" was "primarily the bottling company at that point. ... -- not the shrimp wagon..." *Id.* at 44, and that "the Aloha Foods we thought would be a more apt name because we were selling the bottles of sauce, and it's more as a food product." *Id.* at 46. Moreover, Mr. Aragona recognized that Mr. Nitsche may not have been aware that Mr. Aragona had formed Giovanni's Aloha Shrimp LLC, *Id.* at 45, and Mr. Nitsche testified that he was not. Nitsche Test. Dep 12/3/14 p. 17, 46 TTABVUE 18 (Q: Were you aware of this document? A: No.).

The evidence also shows that Mr. Aragona applied for a taxpayer identification number for Giovanni's Aloha Foods but not Aloha Shrimp, *Id.* at 43, Exhibit 12, and that his business cards at the time referred to Aloha Foods, not Aloha Shrimp. *Id.*, Exhibit 13. Although Mr. Aragona states that "Giovanni's Aloha Shrimp originally was the bottling company and also used for franchising the trucks in the mainland a little bit down the road," this testimony at best represents only a secret ambition of Respondent of which Mr. Nitsche was unaware. When asked "did you have any idea of the existence of the other LLC, Giovanni's Aloha Shrimp, LLC?" Mr. Nitsche responded, "No." 46 TTABVUE 42. When asked why he thought there were two limited liability companies set up under "Foods" and "Shrimp," Mr. Nitsche replied: "A: I believe -- well, I can't say for any certainty, but, you know, based on the members of the company, I would say that this -- that this entity at some point would have been changed to Giovanni's Aloha Foods, but I don't know that for sure. I have never seen this document before, and like I said, I am unaware of it." 46 TTABVUE 18. When asked "If you had been told about the existence of Giovanni's Aloha Shrimp, LLC, owned by John Aragona and James Goodrich, would you have had a problem with that?" Mr. Nitsche answers: "I probably would have, you know, questioned someone about it." 46 TTABVUE 43. We do not consider the fact that Respondent set up the Aloha Shrimp LLC as proving his retention of ownership of the mark GIOVANNI'S ALOHA SHRIMP.

³¹ 44 TTABVUE 197, Exhibit 4.

really mean it,” suggesting that that phrase may have been in use by the Aragonas to describe the flavoring.³² However, the photographs of Petitioner’s menu boards (one of which is a surfboard hung on scaffolding over the truck) advertise the shrimp plates only as “Shrimp Scampi” and “Hot & Spicy.” The word “Giovanni’s” or the phrase “We really mean it” are not included as part of either designation. Finally, Mr. Aragona testified that when the Hawaiian LLC was formed, he was using “Giovanni’s Aloha Foods, Giovanni’s Scampi Marination [sic], the hot sauce.”³³ He does not specify the marks as they have been registered. On balance, giving appropriate weight to the conflicting evidence, we find that the first use of the marks GIOVANNI’S HOT & SPICY WE REALLY MEAN IT! SAUCE and GIOVANNI’S SCAMPI MARINADE would have been no earlier than November 7, 1997, the date the Hawaiian LLC was formed.

One of the primary goals of the Hawaiian LLC was to provide Nitsche Enterprises with sauce and marinade to use as flavorings in the cooked shrimp plates sold at the food trucks. Nitsche Enterprises, and its successor in interest LuckyU,³⁴ continued to sell plates of shrimp up to the present, building the business into a multi-million

³² Mr. Aragona was asked whether the “food that they’re referring to” in the article which calls the sauce “Giovanni’s ‘We really mean it’ hot and spicy shrimp” had “ever been referred to as anything else,” and Mr. Aragona answered “no, the name has always been the same, Giovanni’s Hot and Spicy ‘We Really Mean It’ or ‘We Really Mean It’ Hot and Spicy. I’m not sure exactly. I don’t have the label in front of me, but that’s what we used to have on there.”
⁴⁴ TTABVUE 20. As the sauce was not bottled and sold “labeled” at that time, Mr. Aragona’s mention of a label suggests he may be talking about a later date in time.

³³ 44 TTABVUE 51.

³⁴ Mr. Nitsche is the majority owner and president of Petitioner LuckyU Enterprises. 25 TTABVUE 8. He testified that LuckyU was founded in 2003 or 2004. *Id.* at 9.

dollar enterprise.³⁵ The Hawaiian LLC, on the other hand, struggled financially, so in 1999, Mr. and Mrs. Aragona turned to Troy Nitsche to invest in the company, which he did.³⁶ At that time, a written Limited Liability Company Member Agreement (the “Member Agreement”)³⁷ was drawn up, naming five members: Mr. Nitsche, Mr. Aragona, Mrs. Aragona, Mr. Goodrich, (identified in Respondent’s answer and the attorney who drafted the Member Agreement), and Diane Wong (Mr. Goodrich’s wife).³⁸ The Hawaiian LLC could not meet Nitsche Enterprises’ requirements for sauce or marinade, so as provided for in the Asset Purchase Agreement, Mrs. Aragona gave the recipes for the sauce and marinade to Troy Nitsche to enable his business to make its own sauce and marinade to use with the shrimp plates it sold from the trucks.³⁹ In 2000 or 2001, Mr. Aragona abruptly severed his relationship with the LLC, divorced Mrs. Aragona, and moved to New York.⁴⁰ The Hawaiian LLC continued to sell sauce and marinade in bottles under the marks GIOVANNI’S HOT & SPICY

³⁵ 25 TTABVUE 26.

³⁶ 44 TTABVUE 51.

³⁷ 44 TTABVUE 240, Exhibit 17.

³⁸ Aragona Test. Dep. p. 43, 44 TTABVUE 44.

³⁹ 25 TTABVUE 46. “Q. How did it go as far as the Aragona’s meeting your sauce requirements under the asset purchase agreement? A. Rocky. Rocky. We had to jump in a number of times and make our own sauce so we wouldn’t -- you know, we wouldn’t be caught short. We wouldn’t run out basically. Q. How did you get the sauces if the Aragona’s weren’t making them? A. I knew the recipe. Connie gave me the recipe from the beginning. You know, I knew how to make the sauces.”

⁴⁰ 44 TTABVUE 33.

WE REALLY MEAN IT! SAUCE and GIOVANNI'S SCAMPI MARINADE to unrelated third parties until its dissolution in 2004.⁴¹

There was no contact between Respondent and Petitioner from 2000 to 2010. In 2010, having taken up residence in Florida, Mr. Aragona organized Giovanni's Aloha Foods LLC of Florida (the "Florida LLC") to sell bottled sauce and marinade and shrimp plates.⁴² Respondent operated a GIOVANNI'S ALOHA FOODS booth at a charity event "a few years back"⁴³ and testified that he had a booth at the Fancy Food Show in Washington, D.C., but did not specify the date of the show.⁴⁴ In 2011, Mr. Aragona applied to register the marks at issue in this proceeding and contacted Mr. Nitsche to demand that LuckyU cease use of the marks GIOVANNI'S ALOHA SHRIMP and GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK. Following registration of Respondent's marks, Petitioner commenced this proceeding seeking to cancel the registrations.

II. Ownership and Priority

Respondent contends that the 1997 Asset Purchase Agreement was not an assignment, but rather was a license agreement, and that Petitioner acquired only the right to use the marks GIOVANNI'S ALOHA SHRIMP and GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK for a limited period of time. Respondent claims

⁴¹ Nitsche Test. Dep., p. 31, 46 TTABVUE 32.

⁴² 44 TTABVUE 80, Exhibit 30.

⁴³ 44 TTABVUE 112, Exhibit 51.

⁴⁴ 44 TTABVUE 99, Exhibit 42.

that he retained ownership of the marks and controlled the quality of goods sold by Petitioner under the mark, and that when Petitioner applied for federal registration of the marks,⁴⁵ Respondent terminated the license.⁴⁶ Respondent argues that Petitioner's use of the marks inured to Respondent's benefit, and that Petitioner is estopped, as a licensee under the Asset Purchase Agreement, from seeking to cancel Respondent's registrations.

Petitioner asserts that Respondent never had any personal rights in the marks but rather shared the rights with his former wife, and that the marks GIOVANNI'S ALOHA SHRIMP and GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK that were used in and symbolized the goodwill of the food truck business were assigned pursuant to the Asset Purchase Agreement and the sale of the total assets of the business. Petitioner further contends that even if the agreement were construed as a license, Respondent's failure to maintain any standards of quality or control over Petitioner's use of the marks--let alone Respondent's total lack of contact with Petitioner for over ten years--invalidated the purported license. As for the marks used in connection with the sauce and the marinade, Petitioner contends that they were assigned to the Hawaiian LLC, but that even if Mr. Aragona retained any personal rights to any of the marks, those rights were abandoned when he left Hawaii and

⁴⁵ Petitioner applied for the following marks: Serial No. 85201283 for the mark GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK, abandoned February 27, 2012; Serial No. 85201288 for the mark GIOVANNI'S ALOHA SHRIMP, abandoned February 27, 2012; Serial No. 85219363 for the mark GIOVANNI'S ORIGINAL SCAMPI SAUCE, abandoned February 27, 2012; Serial No. 85219370 for the mark GIOVANNI'S ORIGINAL HOT SAUCE, abandoned February 27, 2012.

⁴⁶ 44 TTABVUE 92-94, 100, Exhibit 36 (confidential); Exhibit 41 (confidential).

ceased use of the marks, and that his present use of the marks, which commenced in 2010 (or even as early as 2008 as Respondent contends) cannot vest rights in him superior to those of Petitioner, who has continuously used the marks in connection with shrimp plates, sauces and marinades from 1997 to the present.

Given the factual background and the parties' positions, our determination of ownership and priority of use of the contested registered marks depends on the resolution of several questions:

- whether the Asset Purchase Agreement was a license or an assignment;
- whether Respondent and his wife assigned the marks to the Hawaiian LLC when they entered into the Member Agreement; and
- whether Respondent abandoned his rights following his departure in 2000.

A. Was the Asset Purchase Agreement a License or an Assignment?

Even though Respondent admitted that he and his former wife sold the shrimp truck business to Petitioner, Respondent contends that Petitioner's status is that of a mere licensee who is estopped from challenging the validity of the marks at issue and Respondent's ownership thereof, under the doctrines of licensee estoppel, contractual estoppel and equitable estoppel. Each of these defenses depends on proof of the Asset Purchase Agreement as a license agreement and not as an assignment.

Trademarks are regarded as "property" and like any kind of property, can be bought, sold and licensed. A leading trademark treatise has described the difference between a license and an assignment: An "assignment" of a mark is an outright sale

of all rights in that mark; a “license” of a mark is a limited permit to another to use the mark. 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 18:1 (4th ed. 2016). *See also Stephen Slesinger, Inc. v. Disney Enterprises, Inc.*, 702 F.3d 640, 105 USPQ2d 1472, 1475 (Fed. Cir. 2012) (court properly determined scope of agreement as assignment of all rights, not merely license of “particular array of uses” by assignee); *Acme Valve & Fittings Co. v. Wayne*, 386 F.Supp. 1162, 183 USPQ 629, 631 (S.D. Tex. 1974) (“In contrast to an assignment, a license to use a mark does not pass title to the trademark because it is a transfer of limited rights, less than the whole interest which might have been transferred.”) (quoted in *Exxon Corp. v. Oxford Clothes, Inc.*, 109 F.3d 1070, 42 USPQ2d 1417, 1421 (5th Cir.1997). *Cf. In re Wilson Jones Co.*, 337 F.2d 670, 143 USPQ 238 (CCPA 1964) (A license to use a mark is not the equivalent of a consent by the owner of the cited mark to permit registration of the mark by the licensee); *Clayton Mark & Co. v. Claval Co.*, 138 USPQ 679, 680 (TTAB 1963) (although original agreement “reads as if it were a license rather than an assignment,” the prior and subsequent actions of the parties clearly showed that an assignment was intended).

The Asset Purchase Agreement is not a model instrument. It refers to John and Connie Aragona as “Seller” and the “Giovanni Aloha Shrimp” business as a sole proprietorship, but there is no evidence of the establishment of a sole proprietorship or that the Aragonas operated the business as anything less than equal partners. Although in the “Representations of Seller to Buyer” section of the agreement, “Seller” is sometimes referred to as “they” and once as “he,” the weight of the evidence

supports a finding that the marks at issue were jointly owned by both Mr. and Mrs. Aragona when the Asset Purchase Agreement was signed.⁴⁷ The agreement is signed by both individually as a “Seller.” Accordingly, there is an unresolved issue as to whether Respondent individually owned any rights in the marks he claims to have licensed, but as that issue has not been brought before us, we accept for purposes of this proceeding, Mr. Aragona’s claim as sole licensor of the marks involved herein.⁴⁸

The Asset Purchase Agreement is titled as a purchase agreement and does not mention or allude to a “license” anywhere in the agreement. In favor of characterizing the Asset Purchase Agreement as an assignment are the following provisions:

1. The preamble identifies the parties as “John Aragona and Connie Aragona (Seller)” and “Nitsche Enterprises, Inc. (Buyer)” and not as licensor and licensee.
2. Paragraph 1 reads: “Seller agrees to sell and the Buyer agrees to purchase from the Seller, all of those assets of the Seller that are specifically listed in

⁴⁷ Generally, the owner of a mark is a single person or “juristic person” such as a firm or corporation. However, a mark may be jointly owned by two or more individuals or juristic persons. *See, e.g., New York State Office of Parks and Recreation v. Atlas Souvenir & Gift Co.*, 207 USPQ 954, 957 (TTAB 1980) (mark owned by “husband and wife team”); TMEP § 803.03(a) (an application that identifies two persons as a “sole proprietorship” is an ambiguity that requires clarification of the entity type).

⁴⁸ While the Aragonas were selling the shrimp truck business to Nitsche Enterprises, they acted at cross purposes to one another. Mr. Aragona applied in his name only for a state of Hawaii trademark registration for GIOVANNI’S ALOHA SHRIMP on October 24, 1997 for “shrimp; marinade, and sauces.” 39 TTABVUE 27. Mrs. Aragona applied to register the trade name Giovanni’s Aloha Foods as a sole proprietorship in her individual name on April 3, 1998 for “bottling sauces – wholesale, retail.” 41 TTABVUE 7. The Hawaii state trademark registration and the Giovanni’s Aloha Foods trade name registration were each good for only one year and are both marked “cancelled.”

Exhibit ‘A’” (i.e., the physical assets connected with the shrimp truck business). In addition, Paragraph 1 provides that Seller assign its rights as tenant of the property upon which the trucks were located.

3. In Paragraph 5.A., Sellers represent that they are the sole owners of the assets listed in Exhibit A and that they will “transfer valid legal title of all the assets listed in Exhibit ‘A’ free and clear of all liens, encumbrances and claims of every kind.”
4. In Paragraph 21.C. the parties agree that the Asset Purchase Agreement “shall be construed to give the Buyer full rights to use the name ‘Giovanni’s Aloha Shrimp’ without any limitations placed upon the Buyer on the use of said name.”

Respondent argues that this agreement was intended to be a license based on the following terms:

1. The preamble indicates that the Aragonas desire to sell “a portion” of the assets of the Giovanni’s Aloha Shrimp business. Inasmuch as the Aragonas sold all of the physical manifestations of the food truck business (i.e., the assets identified in Exhibit A to the Asset Purchase Agreement), and their clear intention was to go into the business of bottling and selling the flavoring sauce and marinade while Petitioner continued the shrimp truck business, a fair reading of this wording is that the term “portion” referred to the Aragonas’ retention of the recipes for use in their bottling business, not that Respondent retained ownership of the trademarks that were used in the shrimp truck business.

2. The preamble also states that Nitsche Enterprises “desires to purchase” the exclusive rights in the State of Hawaii to “use” the name Giovanni’s Aloha Shrimp. Contrary to Respondent’s argument that use of the term “use” indicates a license, this clause states both a desire to purchase and to use. It is far from a clear-cut statement of intent to create a license.

3. The agreement provides for joint ownership of a state of Hawaii registration for the “name” GIOVANNI’S ALOHA SHRIMP.⁴⁹ One month before signing the Asset Purchase Agreement, John Aragona registered a state of Hawaii trademark registration in his own name for GIOVANNI’S ALOHA SHRIMP for “shrimp; marinade, and sauces,” but the registration was cancelled on October 26, 1998.⁵⁰ There is no other registration or application to which this provision may refer, and no other application for registration was undertaken after the execution of the agreement. Thus, this provision was never implemented. Moreover, as Mr. Nitsche understood it, the reason the agreement called for joint ownership was simply to allow the Aragonas to pursue the bottling business “without interference from me.”⁵¹

4. Paragraph 10.A. provides that “the only restriction on the Buyer’s use of the trade name ‘Giovanni’s Aloha Shrimp’ shall be that the Buyer shall sell at least a half pound of shrimp in the plate lunches sold by the Buyer after acquiring the Seller’s business.”⁵² Further, Paragraph 10.A. requires Buyer to use the “scampi sauce” and

⁴⁹ Paragraphs 3.C. and 8.D., 1 TTABVUE 21 and 24.

⁵⁰ 39 TTABVUE 27.

⁵¹ Nitsche 9/17/14 Testimony Deposition, 25 TTABVUE 47.

⁵² Paragraph 10.A., 1 TTABVUE 26.

the “hot and spicy sauce” that the Aragonas were using at the time of the sale. Testimony explains that the purpose of this requirement was to ensure that Nitsche Enterprises purchased a sufficient quantity of sauce from the newly formed bottling company.⁵³ This single provision is woefully inadequate proof of sufficient quality control measures.

5. There is a restriction tied to the joint ownership provision regarding the “name” Giovanni’s Aloha Shrimp, which states that Buyer “covenants and agrees not to register said trade name outside the State of Hawaii.”⁵⁴ This provision may limit Petitioner’s right to register a “trade name” outside the state of Hawaii, but it does not prove a licensing agreement.

6. Finally, in Paragraph 15, Seller covenants not to use the name “Giovanni’s” in Hawaii for five years following the execution of the Asset Purchase Agreement, except that Seller is permitted to market and sell bottled sauces under the name “Giovanni’s” and Seller is permitted to operate a sit-down restaurant under the name “Giovanni’s,” but “only for dinner (after 6:00 p.m. daily).” Seller is also allowed to participate in a catering business on the condition that all shrimp sold through the catering business be purchased “cooked and prepared” from Buyer. Respondent argues that these provisions show that he retained the ownership of the marks. However, these provisions are as suggestive of a sale and consent-back agreement as

⁵³ Nitsche 9/17/14 Testimony Deposition, 25 TTABVUE 47.

⁵⁴ This clause is also in Paragraph 10.A. and reads: “The joint ownership of the trade name ‘Giovanni’s Aloha Shrimp’ shall apply only to the State of Hawaii, and the Buyer covenants and agrees not to register said trade name outside the State of Hawaii.” 1 TTABVUE 26.

they are suggestive of a license. Respondent agreed that “under no circumstances” would he “operate, own, participate in, manage, supervise, or engage in consulting any lunchwagon operation in the State of Hawaii without the express written consent of the Buyer.”⁵⁵ Moreover, there is no evidence that the Aragonas ever operated a sit-down restaurant or a catering business under any name anywhere. We do not find the provisions sufficiently clear and unambiguous to indicate an intent of the parties to create a license.

“Even though a contract states that it is a ‘license,’ a court will not be governed by form, and the contract will be upheld as an assignment of trademark rights if that is its actual legal effect.” 3 *McCarthy on Trademarks and Unfair Competition* at § 18:5. The principal requirement is that “the licensing agreement provides for adequate control by the licensor over the quality of goods or services produced under the mark by a licensee.... The purpose of such a requirement is to protect the public from being misled.” *Visa, U.S.A., Inc. v. Birmingham Trust Nat. Bank*, 696 F.2d 1371, 216 USPQ 649, 653 (Fed. Cir. 1982) (quoting *Haymaker Sports, Inc. v. Turian*, 581 F.2d 257, 198 USPQ 610, 613 (CCPA 1978)). Here, the weight of the evidence shows that the Aragonas expressly granted all rights to the mark GIOVANNI’S ALOHA SHRIMP to Nitsche Enterprises. There are none of the standard terms typically found in a licensing agreement. The two most glaring omissions are that there are no provisions for royalty payments, whether in terms of a guaranteed minimum royalty or a percentage royalty, and there are inadequate quality control provisions to ensure

⁵⁵ 1 TTABVUE 29-30.

the consistency of the product. Other typical licensing terms are missing, such as whether the “license” is to be exclusive or non-exclusive, the term of the license period, performance measures, or provisions for renewal or termination for failure to adequately perform under the terms of the license. Mr. and Mrs. Aragona transferred all rights to the marks, together with the good will of the ongoing business, to Nitsche Enterprises under the terms of the Asset Purchase Agreement.

Respondent argues that even if the Asset Purchase Agreement does not expressly create a licensing arrangement, Mr. Aragona’s conduct after the sale of the business evidences an implied license and sufficient quality control. We disagree. Mr. Aragona never asserted control over the quality of the meals that were served by Nitsche Enterprises or Petitioner. He had no contact whatsoever with Troy Nitsche from 2000 to 2010.⁵⁶ During those ten years, Petitioner made changes to the menu and the location of the shrimp trucks. For example, LuckyU primarily serves “plate lunch style shrimp,” but also sells hot dogs, macaroni salad, bottled drinks, and rice.⁵⁷ The macaroni salad is a new addition, as is the application of garlic sprinkles to the rice that accompanies the garlic shrimp plates.⁵⁸ The sauce and marinade recipes were

⁵⁶ The first contact was made via Respondent’s attorney’s letter dated November 30, 2010, sent to Mr. Nitsche. The letter indicated that Mr. Aragona was in the process of bottling and selling “Giovannis’s [sic] Shrimp Sauce and Scampy [sic] Marinade” and requested that Mr. Nitsche provide a copy of the Asset Purchase Agreement to assist in “protecting all parties [sic] legal rights.”⁴⁴ TTABVUE 280, Exhibit 33.

⁵⁷ Nitsche 9/17/14 Testimony Deposition, 25 TTABVUE 11. In 1996, the Aragonas sold “hot and spicy shrimp, scampi marinade, hot dog [sic], and soft drinks” as well as a “third shrimp plate in garlic.” Aragona Test Dep. p. 18, 44 TTABVUE 20.

⁵⁸ 25 TTABVUE 14.

changed slightly.⁵⁹ Petitioner purchased new trucks,⁶⁰ and directly paid rent on its lease with the landlord of the property where the trucks were parked.⁶¹ Respondent did not inspect the premises, taste the new formulations, complain about the changes to the garlic shrimp plate or the recipes, or in any way monitor the quality of goods sold under the marks. He made one trip to Hawaii in January 2011 when he apparently visited one of the food trucks.⁶² His purported visits to Petitioner's website and alleged conversations with third parties who enjoyed the food do not qualify as anything but superficial overviews of the nature of Petitioner's business in general. Respondent has not shown that he controlled the nature or quality of the goods and services provided under the marks by Nitsche Enterprises or its successor, Petitioner. *Cf. Linville v. Rivard*, 41 USPQ2d 1731, 1740-41 (TTAB 1997), *aff'd* 133 F.3d 1446, 45 USPQ 2d 1374 (Fed. Cir. 1998) (licensor personally visited the licensees and was satisfied with the standards of services rendered by chain of hair-cutting salons); *Nestle Co. v. Nash-Finch Co.*, 4 USPQ2d 1085 (TTAB 1987) (sufficient quality control was found in licensing of food mark to delicatessens, even though there was no written license, by control over the nature and quality of the goods by training programs, seminars, a training manual, recipe books, periodic inspections and providing over 80 percent of raw materials used by licensees); *Stockpot, Inc. v. Stock Pot Restaurant, Inc.*, 220 USPQ 52 (TTAB 1983), *aff'd*, 737 F.2d 1576, 222 USPQ 665

⁵⁹ 25 TTABVUE 52.

⁶⁰ 25 TTABVUE 43.

⁶¹ 25 TTABVUE 78.

⁶² 45 TTABVUE (confidential Exhibit 34).

(Fed. Cir. 1984) (held that during a one-year licensing period for restaurant mark, although lease-license contained inadequate quality control provisions, sufficient *de facto* control was shown that there was no decline in quality and no deception of customers; thus, there was no break in the chain of use for priority purposes); *Winnebago Industries, Inc. v. Oliver & Winston, Inc.*, 207 USPQ 335 (TTAB 1980) (informal inspection and reliance on reputation of quality standards of toy manufacturer licensees held sufficient control to prevent partial abandonment of marks used on mobile homes). Accordingly, Respondent's claim that he licensed the marks to Petitioner fails.

The terms of the Asset Purchase Agreement provided for the sale of all assets of the food truck business. "When a business is sold as a going concern, trademarks and the good will of the business that they symbolize are presumed to pass with the sale of the business." 3 *McCarthy on Trademarks and Unfair Competition* § 18:37 (4th ed). *See also Loma Linda Food Co. v. Thomson & Taylor Spice Co.*, 279 F.2d 522, 126 USPQ 261, 262 (CCPA 1960) (agreement that did not specifically mention the trademark, but conveyed along with the business and tangible property pertaining to it "all good will" in connection with the goods, was a valid assignment of the mark); *Naclox, Inc. v. Lee*, 231 USPQ 395, 399 (TTAB 1986) (when a business is sold as a going concern, the intent to transfer good will and trademarks to the buyer is presumed even if the trademarks and good will are not expressly mentioned in the contract of sale); *Harry Fischer Corp. v. Keneth Knits, Inc.*, 207 USPQ 1019, 1022, (TTAB 1980) (Since "the business of the Malcolm Kenneth Company, with which the

mark was identified, was transferred, the common law rights as well as any statutory rights exemplified by any existing registrations must necessarily be presumed to have likewise passed to opposer.”); *Stagecoach Properties, Inc. v. Wells Fargo & Co.*, 199 USPQ 341, 347 (TTAB 1978) (transfer of restaurant property effected transfer of rights to marks and trade name of restaurant); *Sun Valley Co. Inc. v. Sun Valley Manufacturing Co.*, 167 USPQ 304, 309 (TTAB 1970) (“[T]he common law rights in a mark will be presumed to have passed, absent contrary evidence, with the sale and transfer of the business with which the mark has been identified.”).

Nitsche Enterprises purchased all of the tangible assets of the shrimp truck business, which was sold as a going concern, and the trademarks and the good will of the business that they symbolized passed with the sale of the business. Although the parties apparently intended that they jointly own the state of Hawaii registration for the “name” GIOVANNI’S ALOHA SHRIMP, this provision was never implemented.⁶³ The record evidence, including the fact that the signage and trucks were specifically listed as assets sold to Nitsche Enterprises, supports our conclusion that the marks that symbolized the good will of the business were transferred. Acquiring both the tangible and intangible assets of the business enabled Nitsche Enterprises to carry

⁶³ It is also possible the Mr. Aragona presumed that his registration of the state of Hawaii trademark registration vested in him continued ownership of the name. He testified that he never intended to transfer the registration. 44 TTABVUE 23. However, he characterized it as a trademark for “Giovanni’s Aloha Shrimp marinade and sauces” and not as a mark covering food trucks or restaurant services. In any event, the state registration itself contains the following disclaimer: “Registration of a trademark with the department does not grant you ownership of the trademark.” 44 TTABVUE 205, Exhibit 6.

on the business as a going concern, in continuity with the past, as it clearly did. *Naclox*, 231 USPQ at 399.

The marks being used in connection with the shrimp truck business at the time of sale were GIOVANNI'S, GIOVANNI'S ALOHA SHRIMP and GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK. Although the Asset Purchase Agreement did not refer to any mark other than GIOVANNI'S ALOHA SHRIMP, Mr. Nitsche testified that one of the shrimp trucks bore the mark "GIOVANNI'S" on it when the trucks were purchased from Mr. and Mrs. Aragona,⁶⁴ and, the signage bore the message GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK. Moreover, Respondent confirmed that "the original asset agreement like we talked about before said Giovanni's Aloha Shrimp, but we discussed all these trademarks and all these marks were under the same umbrella as far as we were concerned, at least that was apparent belief that I had."⁶⁵

Accordingly, the marks that transferred to Nitsche Enterprises together with the goodwill of the business at the time of sale were GIOVANNI'S, GIOVANNI'S ALOHA SHRIMP and GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK.

B. Were the Marks GIOVANNI'S SCAMPI MARINADE and GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE assumed by the Hawaiian LLC?

⁶⁴ Nitsche Test., p 58, Exhibit 11.

⁶⁵ Aragona Disc. Dep., p. 94, 26 TTABVUE (confidential).

On October 8, 1998, the Aragonas formed the Hawaiian LLC to bottle and sell sauce and marinade under the marks GIOVANNI'S ALOHA FOOD; GIOVANNI'S SCAMPI MARINADE; and GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE.⁶⁶ In 1999, the Aragonas invited Mr. Nitsche and Mr. Goodrich, together with his wife Ms. Wong, to invest in the business. Mr. Aragona testified that Mr. Goodrich recommended they form a limited liability company because they needed an infusion of cash and "they could have partners with less liabilities."⁶⁷ Accordingly, the parties entered into the Limited Liability Company Member Agreement (i.e., the Member Agreement).⁶⁸ By its terms, the LLC began operations on September 15, 1999, but in essence it was a continuation of the Hawaiian LLC that Respondent had formed. Its primary purpose was "the manufacture and sale of the LLC's bottled sauces and bottling of third party products."⁶⁹ There are no provisions expressly relating to trademarks or service marks, but the intention was for the business to carry on the sale of products (sauce and marinade) that the Hawaiian LLC had been selling under the name Giovanni's Aloha Foods.⁷⁰ For contributing the "sauce recipes, existing business contracts, and production equipment," Mr. and Mrs. Aragona received a 50% ownership interest in the company and a single voting right. For contributing a

⁶⁶ The Hawaiian LLC was organized by Respondent and Mr. Goodrich, and named them, together with Mrs. Aragona and Ms. Wong, as members. On the same date, Respondent and Mr. Goodrich organized Giovanni's Aloha Shrimp, L.L.C., naming the same initial members.

⁶⁷ 44 TTABVUE 48.

⁶⁸ 25 TTABVUE 48, Exhibit 9.

⁶⁹ 44 TTABVUE 244.

⁷⁰ 44 TTABVUE 48.

modest amount of cash and business and legal expertise, Mr. Goodrich and Ms. Wong together received a shared 25% ownership interest and a single voting right. For contributing a more significant amount of cash, Mr. Nitsche received an ownership interest of 25% of the company and one vote. Thus, no single entity, or husband-wife team, held a majority interest in the company.

Given that the re-formed Hawaiian LLC assumed all the assets and liabilities of the Aragonas as of September 15, 1999 and continued to maintain the continuity of use of the marks appurtenant to the business, until its dissolution in 2004 (after Respondent's abrupt departure) we find that the marks GIOVANNI'S ALOHA FOOD; GIOVANNI'S SCAMPI MARINADE; and GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE passed as intangible assets with the rest of the assets transferred to the Hawaiian LLC concurrent with the execution of the Member Agreement. The fact that the Aragonas were responsible for the day-to-day management of the LLC does not change this result. Their purchasing decisions were limited to expenses under \$2,000, they shared one vote out of three, and they held a 50% interest, less than a majority, in the business. Thus, Respondent's prior rights, if any, to the flavoring marks were transferred to the Hawaiian LLC.

C. Did Respondent Abandon any Rights to the Marks?

If, on the other hand, Respondent retained any rights in the flavoring marks, the issue arises whether those claimed rights were subsequently abandoned. Under Section 45 of the Trademark Act, a mark is deemed abandoned if its use has been discontinued with intent not to resume use. *See* 15 U.S.C. § 1127. Evidence of nonuse

of a mark in commerce for three consecutive years constitutes a *prima facie* showing of abandonment and shifts the burden to the party contesting the abandonment to show either evidence sufficient to disprove the underlying facts showing three years nonuse, or evidence of an intent to resume during the time period of nonuse. *Rivard v. Linville*, 133 F.3d 1446, 45 USPQ2d 1374, 1376 (Fed. Cir. 1998); *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1393 (Fed. Cir. 1990). Conclusory testimony is not sufficient to demonstrate an intent to resume use of a mark. *Imperial Tobacco*, 14 USPQ2d at 1394. Rather, a party defending against a claim of abandonment must proffer evidence of specific activities demonstrating an intent to resume use. *Id.* at 1394-95.

Even if Respondent retained (together with his former wife) ownership interests in the flavoring marks following the establishment of the Hawaii LLC, he left Hawaii in 2000 or 2001, moved to New York and ceased using the marks for at least eight years. Respondent argues that he never intended to abandon the marks; that he talked to people about starting a truck in Staten Island in 2004 and “hand[ed] out sauces to people here and there” but he got “very little traction” while in New York.⁷¹ In 2008, he reached out to an attorney, Paul H. Saccoccio, to discuss franchising and starting a bottling company.⁷² Respondent moved to Florida in 2009,⁷³ and the record contains evidence of pre-sales activities from 2009 and 2010, and undated pages from

⁷¹ 44 TTABVUE 59.

⁷² 44 TTABVUE 61.

⁷³ 44 TTABVUE 60.

Respondent's current website. By 2010, Respondent appears to be taking steps to bottle and sell his sauces. The first sale likely occurred after June 8, 2010, when Hot Wachula's, Inc., a bottling company, started to manufacture and bottle the hot and spicy sauce and the scampi marinade for Respondent (apparently using the name "Giovanni's Aloha Shrimp" instead of the actual name of the Florida LLC, "Giovanni's Aloha Food" that was not organized until August 18, 2010).⁷⁴

Based on Respondent's evidence of use of the mark, including confidential statements from Respondent as to his activities during this time, we find that there were at least four years of non-use, from 2000 to 2004, where Respondent had discontinued use of the marks with no intent to resume use. Moreover, even though the Hawaiian LLC continued to sell sauces online from 2001 to 2004,⁷⁵ Respondent, by severing his relationship with the company, cannot rely on the company's use of the marks through 2004. Thus, the marks stood abandoned until at least 2004, and Respondent's intermittent contacts from 2004-2008, his 2009 pre-sales activity and 2010 sales cannot retroactively cure his past abandonment.⁷⁶

⁷⁴ 44 TTABVUE 69, Exhibit 26 (confidential non-disclosure agreement). *See also* Exhibit 30, Articles of Incorporation for Giovanni's Aloha Food, [sic] Inc. Respondent applied to register Giovanni's Aloha Shrimp as a trade name for a Florida sole proprietorship in 2010. Exhibit 25.

⁷⁵ 46 TTABVUE 33; 25 TTABVUE 83.

⁷⁶ We recognize that Respondent claims to have maintained the domain name giosauces.com from 1998, but the record copy of the home page for the website indicates it was last modified on April 5, 2000. 44 TTABVUE 259, Exhibit 28. Moreover, there is no testimony confirming that the site was actually active. Respondent registered the domain names "giovannisalohshrimp.com" and "giovannissauces.com" in 2010 under his personal name, providing a Florida address. 44 TTABVUE 67, Exhibit 24.

Conclusion

After careful consideration of the evidence of record and the parties' briefs, we conclude that the Asset Purchase Agreement was an assignment of the marks GIOVANNI'S, GIOVANNI'S ALOHA SHRIMP and GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK and that Petitioner has superior rights in these marks sufficient to preclude registration by Respondent; that the marks GIOVANNI'S ALOHA FOOD; GIOVANNI'S SCAMPI MARINADE; and GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE were acquired by the Hawaii LLC pursuant to the Member Operating Agreement, and even assuming, arguendo, that Respondent retained any rights to these latter marks, the record supports a finding that Respondent abandoned whatever rights he had in the marks based on non-use without intent to resume use between 2000 and 2004. The evidence establishes Petitioner's ownership with respect to the marks GIOVANNI'S, GIOVANNI'S ALOHA SHRIMP and GIOVANNI'S ORIGINAL WHITE SHRIMP TRUCK, and that these marks are confusingly similar in appearance, pronunciation, connotation and commercial impression to the registered marks GIOVANNI'S SCAMPI MARINADE and GIOVANNI'S HOT & SPICY WE REALLY MEAN IT! SAUCE. Like Petitioner's marks, the registered marks are dominated by the name GIOVANNI'S. It is the first word in the marks, *see Palm Bay Imps. Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 ("Veuve" is the most prominent part of the mark VEUVE CLICQUOT), and the other words in the marks are either generic for the goods ("scampi marinade" and "sauce") or refer to their

flavor (“hot and spicy we really mean it”). “That a particular feature is descriptive [or otherwise lacking in distinctiveness] ... with respect to the involved goods or services is one commonly accepted rationale for giving less weight to a portion of a mark...” *In re National Data Corp.*, 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985). Nonetheless, we must view the marks in their entirety, recognizing that it is the impression created by the involved marks as a whole that is important. *See Kangol Ltd. v. KangaROOS U.S.A. Inc.*, 974 F.2d 161, 23 USPQ2d 1945 (Fed. Cir. 1992). Viewed in their entirety, we find that the marks are confusingly similar in terms of their appearance, pronunciation, connotations and overall commercial impressions. The goods and services are highly related and travel in the same channels of trade to the same classes of consumers. As previously stated, there is no real dispute that a likelihood of confusion would result from continued use of the marks by both parties for their respective goods and services. Accordingly, Respondent is not entitled to maintain the registrations.

Decision: The petition to cancel Reg. Nos. 4248595, 4224400, 4220686 and 4232569 is granted under Section 2(d).⁷⁷

⁷⁷ Having determined that Respondent is not entitled to registration under Trademark Act § 2(d), we need not address the remaining claims for cancellation.