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TTAB

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

Mailed: December 18, 2015

Opposition No. 91218679

Azeka Building Corporation

v.

Bryan Kenji Azeka

**Before Quinn, Ritchie, and Masiello,
Administrative Trademark Judges.**

By the Board:

Bryan Kenji Azeka (“Applicant”) seeks to register the mark AZEKA’S RIBS in standard characters for “barbecue sauce” in International Class 30.¹ Applicant has disclaimed the term “RIBS” apart from the mark.

On September 18, 2014, Azeka Building Corporation (“Opposer”) filed a notice of opposition opposing registration of Applicant’s mark alleging the following grounds for opposition: (1) priority and likelihood of confusion based on its alleged common law use of the identical mark AZEKA’S RIBS in connection with “marinated ribs prepared with a secret sauce and other related goods and services since at least early as June 1, 1976;”² and (2) that Applicant’s mark is primarily merely a

¹ Application Serial No. 86246563, filed on April 9, 2014, alleging a bona fide intention to use the mark in commerce under Section 1(b) of the Trademark Act, 15 U.S.C. 1051(b), as a filing basis.

² Notice of Opp. at 1; 1 TTABVUE at 2.

surname. On July 13, 2015, the Board granted Opposer's motion (filed February 26, 2015) to amend the complaint to add a claim that Applicant did not have a bona fide intent to use the mark in commerce as of the filing date of the application.

Applicant, in his answer, denied the salient allegations in the notice of opposition and asserted "affirmative defenses" as more fully discussed, *infra*.

This case now comes before the Board for consideration of Opposer's motion (filed August 27, 2015) for partial summary judgment on its claim that Applicant lacked a bona fide intent to use the mark in commerce as of the filing date of the subject application. The motion is fully briefed.

In support of its motion, Opposer argues that Applicant's use of the additional marks AZEKA'S SAUCE and SWEET MAUI MEMORIES for the same goods "demonstrates his intent to improperly stockpile the subject 'AZEKA'S RIBS' mark."³ Additionally, Opposer contends that Applicant's responses to Opposer's discovery requests show that Applicant has no documentary evidence to support his declaration of a bona fide intent to use the mark in the subject application.

In his response brief, Applicant contends that Opposer discontinued using the mark over nine years ago and has abandoned its rights in the mark, raising questions regarding Opposer's standing to bring the opposition.⁴ In addition, Applicant contends that he has submitted sufficient testimony explaining his lack of documentary evidence to identify the existence of a genuine dispute regarding his bona fide intent to use the mark. Further, Applicant states that his bona fide intent

³ 13 TTABVUE at 13.

⁴ 15 TTABVUE at 5.

to use the mark is evidenced by two press release flyers issued by Applicant surrounding his fundraising campaign for the product which were only recently located.⁵

In its reply brief, Opposer argues that Applicant fails to raise a genuine issue of material fact regarding Opposer's standing because there was no intent to abandon the mark by Opposer or its predecessors in interest, and that the Azeka family business continued to attempt to license use of the mark after discontinuing use.⁶ Opposer further contends that, aside from the fact that Applicant's new evidence was not produced in response to Opposer's discovery requests, the documents do not evidence use of the mark AZEKA'S RIBS.⁷

The Record

Opposer's evidence on summary judgment consists of the declaration of Tyler K. Azeka, President of Opposer, which introduces, among other things, copies of documents assigning trademark, trade name and trade secret rights from Azeka Enterprises, Inc. to Opposer.

In addition, Opposer provided the declaration of Opposer's counsel, which introduces the following exhibits: (1) copies of cancelled U.S. trademark Registration Nos. 1598804 and 2734818 for AZEKA'S RIBS; (2) Hawaii state trademark Registration No. 4080517; (3) copy of the Declaration of Use and/or Excusable Nonuse under Section 8 for Registration No. 2734818; (4) a copy of the file of Applicant's trademark application No. 86246558 and Registration No.

⁵ *Id.*

⁶ 16 TTABVUE at 3.

⁷ *Id.* at 6-7.

4581181; (5) copies of Applicant's web pages; and (6) copies of Applicant's Responses to Opposer's First Request for Production of Documents and Applicant's Responses to Opposer's First Request for Answers to Interrogatories.

Applicant's evidence on summary judgment includes the declaration of Applicant, Bryan Kenji Azeka, which introduces copies of two press release flyers for his fundraising campaign. The record also includes the declaration of Applicant's counsel which introduces, among other things, copies of the records of Opposer's cancelled registrations from the USPTO's online trademark document retrieval system (TSDR).

The Pleadings

As an initial matter, a decision on summary judgment necessarily requires a review of the operative pleadings in this case; further, Applicant, by way of its affirmative defenses, questions the sufficiency of Opposer's pleading. We note that, in the Board's July 13, 2015 order granting the motion to amend the notice of opposition, the Board found that Applicant had sufficiently alleged facts to support a claim that Applicant lacked a bona fide intent to use the mark as of the filing date of the application.⁸ The Board also noted that, to the extent Applicant intends to allege a claim of dilution, the allegations in the amended notice of opposition are insufficient to support such a claim.⁹ After further review of the amended notice of opposition, we find that, in addition to its claim that Applicant lacked a bona fide intent to use the mark, Opposer has sufficiently pleaded claims of priority and

⁸ 11 TTABVUE at 3.

⁹ *Id.* at 2 n.1.

likelihood of confusion, and that the applied-for mark is primarily merely a surname, and has not acquired distinctiveness. To the extent that Opposer intended to plead a claim of dilution, the Board *sua sponte* strikes the claim as insufficient.¹⁰ See *NSM Resources Corp. v. Microsoft*, 113 USPQ2d 1029, 1039 n.19 (TTAB 2014) (Board may *sua sponte* dismiss any insufficiently pleaded pleading).

Turning to Applicant's pleaded affirmative defenses, the Board finds that Applicant has provided fair notice of the basis of his defense of Opposer's abandonment of its mark in paragraph 47 of his answer.¹¹ Additionally, in paragraph 50, Applicant has sufficiently alleged his defense that Opposer's rights in the mark are invalid due to an assignment in gross to Opposer.

The Board notes, however, that Applicant alleges, in paragraph 46 of his answer, that Opposer has "failed to state a claim upon which relief may be granted in whole or in part against Applicant."¹² As discussed above, the Board has reviewed the notice of opposition and found that Opposer has sufficiently alleged the claims of priority and likelihood of confusion, lack of a bona fide intent to use the mark in commerce as of the filing date of the application, and that Applicant's applied-for mark is primarily merely a surname and has not acquired distinctiveness. Accordingly, Applicant's defense of failure to state a claim is hereby stricken.

¹⁰ A legally sufficient claim of dilution consists of allegations that (1) the party's mark is famous; (2) its mark became famous prior to the date of applicant's use or constructive use date; and (3) applicant's mark is likely to cause dilution by blurring the distinctiveness of the opposer's mark or by tarnishing the reputation of the opposer's mark. *Nike Inc. v. Maher*, 100 USPQ2d 1018, 1023 (TTAB 2011).

¹¹ 12 TTABVUE at 9.

¹² Answer at ¶46; 12 TTABVUE at 9.

Paragraphs 43 to 45 of Applicant's answer consist of bald allegations of the equitable defenses of waiver, estoppel, and acquiescence.¹³ A legally sufficient pleading of each defense must include enough factual detail to provide Opposer fair notice of the defense. Fed. R. Civ. P. 8(b)(1); *see e.g., IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1953 (TTAB 2009); *Midwest Plastic Fabricators, Inc. v. Underwriters Laboratories Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1980) (defense of unclean hands stricken because allegations were unclear, non-specific, irrelevant or conclusory). Further, the equitable defenses of estoppel and acquiescence are generally not available in an opposition proceeding. *See Bakery Inc. v. Landesman*, 82 USPQ2d 1283, 1292 n.14 (TTAB 2007). In a trademark opposition proceeding where the objection is to the issuance of a registration of a mark, the period of delay starts to run when the mark is published for opposition. *Krause v. Krause Publications, Inc.*, 76 USPQ2d 1904, 1914 (TTAB 2005) (acquiescence); *Bausch & Lomb Inc. v. Karl Storz GmbH & Co. KG*, 87 USPQ2d 1526, 1531 (TTAB 2008) ("Conduct which occurs prior to the publication of the application for opposition generally cannot support a finding of equitable estoppel.").

In addition, Applicant has failed to assert a factual foundation for the defense of unclean hands in paragraph 53.¹⁴ A defense of unclean hands must be supported by specific allegations of misconduct by plaintiff that, if proved, would prevent the plaintiff from prevailing on its claim. *Midwest Plastic Fabricators, Inc. v.*

¹³ 12 TTABVUE at 8-9.

¹⁴ 12 TTABVUE at 9.

Underwriters Laboratories Inc., 5 USPQ2d at 1069 (defense of unclean hands stricken because allegations were unclear, non-specific, irrelevant or conclusory). In view of the above, Applicant's affirmative defenses of waiver, estoppel, acquiescence and unclean hands are hereby stricken.

The defenses asserted in paragraphs 51 and 52¹⁵ of Applicant's answer consist of allegations that Opposer lacks standing to oppose Applicant's involved application. Inasmuch as standing is an element of Opposer's case-in-chief that Opposer must prove, there is no need for Applicant to plead lack of standing as an affirmative defense.¹⁶ Nevertheless, the Board finds no harm in leaving this defense in the pleading since it puts Opposer on notice that Applicant considers Opposer's standing to be an issue.

However, while damage may be relevant to a party's standing, i.e., real interest in the proceeding, Applicant's allegation that there is no likelihood of damage to Opposer¹⁷ is an insufficient defense inasmuch as actual damage need not be pleaded or proved. *See Blackhorse v. Pro Football Inc.*, 98 USPQ2d 1633, 1638 (TTAB 2011) (striking affirmative defense that petitioner will not be damaged; there is no requirement that actual damage be pleaded and proved in order to establish standing or prevail in opposition or cancellation proceeding). Accordingly, Applicant's defense in paragraph 54 of the answer is stricken.

¹⁵ *Id.*

¹⁶ Additionally, there is no requirement that actual damage be pleaded and proved in order to establish standing or prevail in an opposition or cancellation proceeding.

¹⁷ Answer at ¶54; 12 TTABVUE at 10.

In addition, the defenses asserted in paragraphs 48, 49, and 55 of Applicant's answer are amplifications of Applicant's denials of Opposer's claims and not true affirmative defenses. However, inasmuch as these allegations serve to give Opposer fuller notice of Applicant's defenses, the Board will not strike them. *Morgan Creek Productions Inc. v. Foria International Inc.*, 91 USPQ2d 1134, 1136 (TTAB 2009) (applicant's "affirmative defenses" for the most part amplified its denials of opposer's allegations regarding likelihood of confusion).

Finally, Applicant's assertions, in paragraphs 54 and 55,¹⁸ reserving rights to put forward additional defenses at a later date are improper assertions under the the Federal Rules of Civil Procedure. *See FDIC v. Mahajan*, 923, F. Supp. 2d 1133, 1141 (N.D.Ill. 2013) (reservation of right to add affirmative defenses at a later date is an improper reservation under the Federal Rules). The proper way to plead additional affirmative defenses is to file a motion under Fed. R. Civ. P. 15. Accordingly, paragraphs 54 and 55 of Applicant's answer are hereby stricken.

Summary Judgment

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(a). Opposer, as the party moving for summary judgment, has the initial burden of demonstrating the absence of any genuine dispute of material fact, and that Opposer is entitled to judgment as a matter of law. *See Celotex Corp. v. Catrett*, 477 U.S. 317 (1987). In reviewing a motion for summary judgment, the evidentiary record and all justifiable inferences

¹⁸ 12 TTABVUE at 10.

to be drawn from the undisputed facts must be viewed in the light most favorable to the non-moving party. *See Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027, 2029-30 (Fed. Cir. 1993); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542, 1546 (Fed. Cir. 1992). In addition, the Board may not resolve disputes of material fact; it may only ascertain whether a genuine dispute regarding a material fact exists. *See Lloyd's Food Products*, 25 USPQ2d at 2029; *Old Tyme Foods*, 22 USPQ2d at 1544.

Standing

Standing is a threshold issue that must be proven by a plaintiff in every inter partes case. *See Ritchie v. Simpson*, 171 F.3d. 1092, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *see also, Sinclair Oil Corp. v. Kendrick*, 85 USPQ2d 1032, 1037 (TTAB 2007) (at summary judgement, opposer must not only establish a valid ground, but also must prove its standing). A party has standing to oppose if it can demonstrate a “real interest” in the proceeding. *See Lipton*, 213 USPQ at 189. To establish standing for a claim under Trademark Act Section 2(d), 15 U.S.C. 1052(d) that is based on common law rights, the plaintiff bears the burden of establishing that it has a reasonable basis for its belief that it would suffer some kind of damage if the mark is registered. *Ritchie v. Simpson*, 50 USPQ2d at 1025.

In the notice of opposition, Opposer alleges that it and its predecessors in interest have used the mark AZEKA'S RIBS in connection with marinated ribs

prepared with a secret sauce since at least as early as June 1, 1976.¹⁹ Opposer states via its declarations that all of the common law rights in the mark were assigned to Opposer and Opposer “has continued its efforts to license use of the mark to third parties.”²⁰ However, the record indicates that Opposer’s predecessor in interest, Azeka Enterprises, Inc., discontinued use of the mark in connection with the goods in August, 2006²¹ and subsequently dissolved. Later, an assignment was executed, purportedly assigning rights in the mark from the dissolved corporation to Opposer on May 9, 2014.²² This was one month after Applicant’s application filing date. There remains a genuine dispute as to whether Azeka Enterprises had any rights to assign to Opposer once it ceased use of the mark, and as to whether it could act to assign property to Opposer after it dissolved.

In view of the above, the Board finds that Opposer has not provided sufficient evidence at this juncture to establish its interest in the mark or to demonstrate a reasonable belief in damage. Thus, Opposer has not established the absence of a genuine dispute as to its real commercial interest in the proceeding. *See Stephen Slesinger Inc. v. Disney Enterprises Inc.*, 98 USPQ2d 1890, 1895 n.15 (TTAB 2011) (plaintiff lacks standing in view of lack of ownership interest in mark); *see also, Societe Civile Des Domaines Dourthe Freres v. S.A. Consortium Vinicole De Bordeaux Et De La Gironde*, 6 USPQ2d 1205, 1207 (TTAB 1988) (individual plaintiff did not prove its standing where it had shown no commercial activity or use of the surname

¹⁹ Notice of Opposition at ¶1; 1 TTABVUE at 2.

²⁰ 13 TTABVUE at 20.

²¹ *Id.* at 19.

²² *Id.* at 62.

DOURTHE). *Cf. General Motors Corp. v. Aristide & Co., Antiquaire de Marques*, 87 USPQ2d 1179, 1181 (TTAB 2008) (standing established by testimony and exhibits showing prior use of the mark for vehicles and current licensing of the mark). Accordingly, the Board finds that a genuine dispute of fact remains as to Opposer's standing.

Lack of Bona Fide Intent to Use

While we have found that Opposer has not established its standing in this proceeding we, nonetheless, consider for completeness the merits of Opposer's motion for partial summary judgment on the claim of Applicant's lack of a bona fide intent to use the mark in commerce. *See, e.g., Sinclair Oil v. Kendrick*, 85 USPQ2d 1032 (TTAB 2007) (summary judgment granted; opposer allowed time to submit showing of its standing).

The determination of whether an applicant had a bona fide intent to use the mark in commerce is an objective determination based on all of the circumstances. *Lanet Ltd. v. Jackson International Co.*, 33 USPQ2d 1351, 1355 (TTAB 1994). The absence of any documentary evidence on the part of an applicant constitutes objective proof that may be sufficient to prove that the applicant lacks a bona fide intent to use its mark in commerce. *SmithKline Beecham Corp. v. Omnisource DDS LLS*, 97 USPQ2d 1300, 1304-05 (TTAB 2010); *Honda Motor Co. v. Friedrich Winkelmann*, 90 USPQ2d 1660 (TTAB 2009); *Boston Red Sox Baseball Club LP v. Sherman*, 88 USPQ2d 1581, 1587 (TTAB 2008). However, "[a]s a general rule, the factual question of intent is particularly unsuited to disposition on summary

judgment.” *Copelands’ Enterprises Inc. v. CNV Inc.*, 945 F.2d 1563, 20 USPQ2d 1295, 1299 (Fed. Cir. 1991).

Based on the record, which we must view in the light most favorable to Applicant as the non-moving party, we find that Opposer has failed to establish the absence of genuine dispute of material fact regarding Applicant’s bona fide intent to use the mark in commerce. Specifically, Applicant’s use of other marks on the same goods is evidence that Applicant has the capacity to produce and market the goods in the application, is actually engaged in the trade for the goods, and is not merely trying to reserve a right in the mark in the subject application.²³ *See Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1507 (TTAB 1993); *Wet Seal Inc. v. FD Management Inc.*, 82 USPQ2d 1629, 1643 (TTAB 2007) (capacity to market and/or manufacture goods, having produced them in the past under different marks, rebuts claim that applicant lacked bona fide intent to use). *Cf. L’Oreal S.A. v. Marcon*, 102 USPQ2d 1434, 1443 (TTAB 2012) (demonstrated pattern of filing intent to use applications for disparate goods under well-known marks of others evidence of lack of bona fide intent). In view thereof, judgment as a matter of law on the claim of Applicant’s bona fide intent to use the mark in commerce is not warranted.

²³ *See* Applicant’s statement of use for the mark SWEET MAUI MEMORIES at 13 TTABVUE at 129-133.

Decision

Based on the record herein and the applicable law, we find that genuine disputes of material fact remain with respect to Opposer's standing and Applicant's bona fide intent to use the mark in commerce.²⁴

Accordingly, Opposer's motion for partial summary judgment is **denied**.

Proceedings are resumed. Discovery and trial dates are reset as follows:

Discovery Closes	1/8/2016
Plaintiff's Pretrial Disclosures	2/22/2016
Plaintiff's 30-day Trial Period Ends	4/7/2016
Defendant's Pretrial Disclosures	4/22/2016
Defendant's 30-day Trial Period Ends	6/6/2016
Plaintiff's Rebuttal Disclosures	6/21/2016
Plaintiff's 15-day Rebuttal Period Ends	7/21/2016

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

²⁴ The fact that we have identified disputes as to material facts with respect to the issues herein should not be construed as a finding that these are necessarily the only disputes which remain for trial. Additionally, the evidence submitted in connection with a motion for summary judgment or opposition thereto is of record only for consideration of that motion. Any such evidence to be considered at final hearing must be properly introduced in evidence during the appropriate trial period. *See Levi Strauss & Co. v. R. Joseph Sportswear Inc.*, 28 USPQ2d 1464 (TTAB 1993).