

ESTTA Tracking number: **ESTTA1141185**

Filing date: **06/18/2021**

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

Proceeding	91252969
Party	Plaintiff Patxi's Limited
Correspondence Address	EDMUND J FERDINAND III FERRDINAND IP LLC 1221 POST ROAD EAST, SUITE 302 WESTPORT, CT 06880 UNITED STATES Primary Email: jferdinand@24iplg.com Secondary Email(s): lauras@24iplg.com 203-557-4224
Submission	Brief on Merits for Plaintiff
Filer's Name	Edmund J. Ferdinand III
Filer's email	jferdinand@FIPLawGroup.com, lauras@FIPLawGroup.com
Signature	/ejf/
Date	06/18/2021
Attachments	Opposer Reply Brief .pdf(239582 bytes )

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

In the Matter of Application Serial No. 88/533,955  
For the Mark PATXI’S  
Published in the *Official Gazette* on November 19, 2019

-----X  
Patxi’s Limited, : Opposition No.: 91/252,969  
: :  
: :  
                  Opposer, : **OPPOSER’S REPLY BRIEF**  
: :  
                  v. : :  
: :  
Johnny K. Wang, : :  
: :  
                  Applicant. : :  
-----X

**PRELIMINARY STATEMENT**

Unable to refute the basic facts that Opposer, Patxi’s Limited (“Opposer”), owns and operates at least 20 restaurants in the United States under the PATXI’S trademark and that it has demonstrated prior and superior common law trademark rights in the PATXI’S mark by virtue of continuous use for restaurants since 2004, Applicant, Mr. Wang (“Applicant”), seeks to sidetrack the Board in his Trial Brief with arguments about ownership of *additional* restaurant franchises that operate under the PATXI’S mark in the United States, and with citations to legal authority about Opposer’s burden of proof that are not on point.

At the end of the day, Opposer has sustained its burden of proof to demonstrate that it is the true and rightful owner of the PATXI’S trademark for restaurant services in the United States with prior and superior rights as against Applicant by virtue of testimony from Opposer’s principal shareholder, Michael Nakhleh, the exhibits attached thereto and the Notice of Opposition in this proceeding. Indeed, while Applicant attacks the exhibits attached to Mr. Nakhleh’s trial declarations

and seeks to undermine the PATXI's restaurant franchises, Applicant's Trial Brief brings to mind the expression of "missing the forest for the trees" because Applicant failed to challenge Opposer's *testimony* on ownership of, and continuous use of, the PATXI'S mark on the *restaurants* it and its predecessors have owned since 2004, which standing alone is sufficient for Opposer to sustain its burden of proof for the required element of establishing prior and superior rights as against Applicant.

Finally, once priority is established in Opposer's favor, likelihood of confusion has been established because Applicant fails to address this critical issue in his Opposition Brief and, hence, has conceded the point.

In sum, Applicant has not put forward any evidence whatsoever that relates to ownership of the PATXI'S mark, its intended or actual use of the mark in connection with restaurant services, or claimed priority of rights over Opposer, other than an affidavit from an attorney who by all accounts himself has an interest in the outcome of this proceeding, which merely seeks to undermine Opposer's rights in restaurant franchises.<sup>1</sup> Nor has Applicant challenged Opposer's testimony and evidence about likelihood of confusion.

For all of these reasons, Opposer respectfully urges the Board to sustain its Opposition.

---

<sup>1</sup> As set forth in Opposer's Trial Brief, Attorney Lofton is plaintiff's counsel in a class-action employment lawsuit against Opposer and other entities pending in California, *Charles North, et al. v. Layers, LLC, et al.*, Case No. CGC-19-577983. Moreover, Opposer recently learned that Applicant Mr. Wang has submitted a declaration in support of Plaintiffs in the *Charles North* action. Upon information and belief, a successful outcome for Applicant in this proceeding will benefit Attorney Lofton in the *Charles North* action and potentially Mr. Wang personally as a member of the class.

**I. Opposer Has Met its Burden of Proof on the Element of Priority of Rights**

In his Trial Brief, Applicant argues that Opposer failed to meet its burden of proof to establish the required element of trademark priority by citing to two cases which are inapposite, *Life Zone Inc. v. Middleman Group, Inc.* 87 U.S.P.Q.2d 1953, 1959 (TTAB 2008) and *Sports Auth. Mich. Inc. v. PC Auth. Inc.*, 63 U.S.P.Q.2<sup>nd</sup> 1782, 1798 (TTAB 2001). Specifically, Applicant relies on these cases to challenge Opposer’s testimonial evidence in the form of screenshots downloaded from the Internet (*see., e.g.*, reviews from [www.Yelp.com](http://www.Yelp.com) attached to Opposer’s Testimonial Declaration as Exh. B). Importantly, both cases stand for the proposition that Internet printouts, when introduced via a Notice of Reliance, are only probative of what they show on their face, not for the truth of the matters contained therein, “*unless a competent witness has testified to the truth of such matters.*” *Life Zone* at \*6 (citing *Sports Authority* at 1798) (emphasis added). In *Life Zone*, Opposer relied on pleaded federal registrations and only introduced circumstantial documentary evidence of common law rights by virtue of Notices of Reliance; there was no witness testimony to substantiate the truth of the internet printouts of Opposer’s website that were relied upon to show common law use and priority. Hence, while the screen shots were evidence that Opposer’s website existed, they were not evidence that Opposer used their mark in connection with goods. When the Board failed to credit Opposer’s pleaded federal registrations, it found an absence of proof on the issue of trademark priority because Opposer had not submitted testimony on that critical issue. Importantly, the *Life Zone* and *Sports Auth.* cases are readily distinguishable from the instant case, and thus not helpful to Applicant’s cause.

As a threshold matter, in sharp contrast to the *Life Zone* and *Sports Auth.* cases, here Opposer has introduced detailed, comprehensive and uncontroverted *testimony* from a competent witness about Opposer’s ownership of common law trademark rights in the PATXI’S Mark for

restaurant services and the continuous use of the mark for restaurant services from 2004 up through July 24, 2019, the filing date of Applicant's Trademark Application for PAXTI'S, to wit:

- Opposer's predecessor established the original PATXI'S restaurant location in California in 2004 (Opp. Test Dec. ¶ 4).
- Opposer's predecessor opened one new PATXI'S restaurant per year after 2004, such that by 2014 Opposer's predecessor owned and operated a total of 11 restaurant locations. (*Id.* ¶ 5).
- Opposer acquired all right, title and interest in and to the PATXI'S Marks and other critical restaurant operational assets of the prior owners in 2018 by virtue of a detailed and comprehensive Asset Purchase Agreement. (*Id.* ¶ 4, Exh. A).
- Thereafter, Opposer opened a total of 6 new restaurants, with plans for at least 6 more in the future. (*Id.* ¶ 5).
- PATXI'S restaurants have been in continuous operation by Opposer and its predecessors since 2004 to the present and have never closed, not even during this past year during COVID. (*Id.* ¶ 2; Opp. Reply Test. Dec. ¶ 11).

Based on the above uncontroverted testimony, standing alone, Opposer has in fact met its burden of proof to establish the required element of priority in this case. *See* TBMP 703.01(a) ("Testimony affidavits, declarations and depositions are the means by which a party may present the testimony of its witnesses and also introduce into the record those documents and other exhibits that may not be made of record by notice of reliance"). Applicant has not challenged any aspect of the above-testimony at any point in this proceeding.<sup>2</sup>

---

<sup>2</sup> To that end, Opposer notes that Applicant failed to seek any discovery in this case; Applicant did not seek to cross-examine Mr. Nakhleh during the Testimony Periods; and Applicant's only evidence from Attorney Lofton relates solely to the issue of restaurant franchising, which will be addressed in Section II, below.

Moreover, Opposer introduced exhibits into evidence as further support for establishing priority of rights in the PAXTI'S Mark and to demonstrate use in commerce for purposes of likelihood of confusion. These Exhibits included reviews downloaded from Yelp.com on the Internet; restaurant menus;<sup>3</sup> advertisements and marketing plans. (See Opp. Test Dec. ¶¶ 6-9, Exh. B – E). To the extent that Applicant cites *Life Zone* and *Sports Auth* for the proposition that the Exhibits cannot be used to show priority/use in commerce because they are merely internet printouts, those cases are inapposite because the evidence in those cases were introduced by Notice of Reliance and lacked supporting testimony. Here, Opposer's Exhibits B-E, including screen shots of Yelp.com customer reviews from 2005, should be considered probative as to the truth of the matter asserted therein (*i.e.* the PATXI's Mark was in use in 2005), because Opposer presented a competent witness to testify as to the truth of such documents. Hence, all of Opposer's Exhibits are sufficient to corroborate Opposer's testimony and establish common law use of the PAXTI'S mark for restaurant services dating back to at least 2004, and priority of rights over Applicant.

---

<sup>3</sup> Opposer notes that the restaurant menu introduced as Exh. C is similar to the PATXI'S restaurant menu downloaded from [www.PatxisPizza.com](http://www.PatxisPizza.com) that Opposer submitted to the PTO as a specimen on August 9, 2019 as proof of use in commerce for Application Serial No. 88/573,008, which the Examiner accepted as evidence of use of the Mark.

## **II. Applicant's Arguments Directed to Restaurant Franchises are a Red Herring Because They Do Not Undermine Opposer's Prior and Superior Trademark Rights**

In Section II of his Trial Brief, Applicant presents arguments about the PATXI'S restaurant franchises that echo the same points made by Attorney Lofton in his trial Declaration (D.I. #7).<sup>4</sup> Opposer has a robust franchise operation for PATXI'S branded franchise locations that are owned by a different legal entity, Patxi's Franchise Corp. Yet, Opposer confirmed that all use of the PATXI'S trademark by Patxi's Franchise Corp. and its franchisees inures to the benefit of Opposer (Opp. Rep. Dec. ¶¶ 5-7).

Regardless, Applicant's continued attack on Opposer's franchises, even if true, which they most certainly are not, do not lead to a successful outcome for Applicant in this case. This is because Applicant's arguments are directed to the nature and extent of Opposer's trademark rights only with respect to the franchises. Yet, the franchises are completely separate from the 20 PATXI'S restaurant locations that Opposer itself owns and operates. Hence, *assuming arguendo* that the franchise locations never existed, or that the trademark rights from the franchises do not flow back to Opposer, Opposer would still have prior and superior trademark rights against Applicant for the PATXI's trademark for restaurant services in the United States by virtue of the 20 PATXI's non-franchised, company owned, restaurant locations that Opposer owns and operates in the United States. As such, Applicant's arguments in this regard are not legally significant, and Opposer will not spend further time and effort refuting them, and instead will rely on evidence of record in Mr. Nakhleh's Reply Testimonial Declaration at ¶¶ 8-12.

This is yet another example of Applicant missing the bigger picture; again failing to see the forest through the trees. Is Applicant trying to claim that PATXI'S restaurants do not exist and have

---

<sup>4</sup> The sophistication of legal arguments and similar tone suggest that Attorney Lofton ghost-wrote Applicant's Trial Brief.

not existed since 2004? They have, as Opposer has proven these facts and they are not controverted. While Applicant makes a veiled reference in its Trial Brief that Opposer has not demonstrated that it owns rights in the PATXI'S mark or restaurants (*see* Tr. Brief at 1), that assertion is false and without foundation as Opposer has demonstrated that it acquired all rights to the PATXI'S Mark and restaurant assets in 2018 from the prior owners. (*Id.* ¶ 4, Exh. A).

Moreover, Applicant for the first time in its Trial Brief raises a claim of abandonment based on a theory of naked trademark licensing (*see* Tr. Brief at 4). That defense is not properly before the Board at this juncture because, even if it had merit, which it does not, Applicant cannot raise such a claim now at the eleventh hour. Opposer objects as that it was not asserted as an Affirmative Defense in Applicant's Answer; hence Applicant waived it. An assertion of that defense for the first time in Applicant's Trial Brief is untimely and would be highly prejudicial to Opposer.

Finally, considerations of credibility should be addressed. Applicant, a former employee of PATXI'S restaurants who filed a trademark application for the PATXI'S mark in the PTO at a time when Opposer had inadvertently allowed the prior federal registrations for PATXI'S to go abandoned, is a usurper. He has no legitimate interest in the PATXI'S trademark and no intention to open restaurants under that name; nor could he, because that would violate Opposer's longstanding and valuable common law rights and Opposer would file a federal lawsuit against Opposer. Applicant has asserted himself in the *Charles North* litigation and may have a financial interest in the outcome of that case.

In sum, Applicant cannot succeed in this proceeding, and his application should be denied, because Opposer has prior enforceable common law trademark rights in the PATXI'S mark and Applicant has conceded the likelihood of confusion between the parties' marks.

**CONCLUSION**

For the reasons stated herein and in Opposer's opening Trial Brief, Opposer respectfully urges the Board to sustain this Opposition proceeding and refuse registration of Applicant's Application Serial No. 88/533,955 to register PATXI'S as a mark for restaurant services in International Class 043.

Dated: June 18, 2021

Respectfully submitted,

*Jed Ferdinand*

---

Edmund J. Ferdinand, III, Esq.  
Grace Monroy Esq.  
FERDINAND IP, LLC  
1221 Post Road East, Suite 302  
Westport, Connecticut 06880  
Tel.: (203) 557-4224  
Fax.: (203) 905-6747  
Email: [jferdinand@FIPLawGroup.com](mailto:jferdinand@FIPLawGroup.com)  
*Attorneys for Opposer*

**CERTIFICATE OF SERVICE**

This certifies that a copy of the foregoing *Opposer's Trial Brief* was served electronically upon Applicant via email to the following address:

Johnny K. Wang  
2790 19<sup>th</sup> Ave #13  
San Francisco, CA 94132  
johnny@darkgrey.com

---

Edmund J. Ferdinand, III

Dated: May 5, 2021