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

Proceeding	91252969
Party	Plaintiff Patxi's Limited
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**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

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Patxi’s Limited, : Opposition No.: 91/252,969  
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: :  
                  Opposer, : :  
: :  
                  v. : :  
: :  
Johnny K. Wang, : :  
: :  
                  Applicant. : :  
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**OPPOSER PATXI’S LIMITED’S TRIAL BRIEF**

**PRELIMINARY STATEMENT**

The outcome of this proceeding turns on the determination of a single issue, namely, as between Opposer, Patxi’s Limited (“Opposer”) and Applicant, Mr. Wang (“Applicant”), which party owns, and has prior and superior rights to, the trademark PATXI’S for use in connection with restaurant services in the United States. In this regard, Opposer submits that the evidence of record is clear and undisputed that Opposer, as the successor in interest to the PATXI’S mark as used in connection with restaurant services in the United States widely and continuously since 2004, is the true and rightful owner of the PATXI’S trademark for restaurant services and has prior and superior rights as against Applicant in this case.

Mr. Wang is a former employee of the PATXI’S restaurant chain who filed the accused U.S. Federal Trademark Application Serial No. 88/533,955 on July 24, 2019 seeking to register the mark PATXI’S for use in connection with “restaurant services” in Int’l Class 43 on an intent-to-use basis.

Mr. Wang filed the application at a time when Opposer's two U.S. Federal Trademark Registrations for the same mark had gone abandoned due to Opposer's inadvertent failure to file the required affidavits and pay maintenance fees. Nevertheless, Opposer has prior and superior trademark rights over Applicant by virtue of its strong and enforceable common law trademark rights from use of the PATXI's mark on restaurant services all relevant times from 2004 to July 24, 2019.

Once priority is established in Opposer's favor, the likelihood of confusion is established because the parties' marks and services are identical.

Accordingly, as Opposer has demonstrated priority of rights in the distinctive PATXI'S mark as against Applicant, and the parties' marks and services are identical such that there is an inescapable conclusion that a likelihood of confusion exists between the parties' marks, Opposer requests that the Board sustain this proceeding and refuse registration of Applicant's mark.

### **PROCEEDINGS HEREIN**

#### **A. PROCEDURAL HISTORY**

Opposer commenced this opposition proceeding on or about December 17, 2019 alleging a likelihood of confusion pursuant to Section 2(d) of the Lanham Act. (Docket Index ("D.I.") #1) On January 9, 2020, Applicant filed an Answer to Opposer's Notice of Opposition. (D.I. #2)

#### **B. EVIDENCE AUTOMATICALLY OF RECORD**

The file of the subject application, Opposer's Notice of Opposition and Applicant's Answer are of record pursuant to 37 C.F.R. 2.122.

#### **C. OPPOSER'S EVIDENCE**

Opposer relies on strong and enforceable common law trademark rights in the PATXI'S trademark as used widely and continuously in connection with restaurant services by Opposer, its predecessors and related entities since 2004 as the basis to oppose Applicant's U.S. Trademark

Application Serial No. 88/533,955. In support thereof, Opposer introduced the trial testimony of Michael Nakhleh, the principal shareholder of Opposer, by virtue of a Testimonial Declaration dated November 21, 2020 (hereinafter, “Opp. Tr. Dep.”), with accompanying exhibits A through E (D.I. #6). The Exhibits A through E to Mr. Nakhleh’s Testimonial Declaration are:

A: Asset Purchase Agreement, effective September 22, 2018, in which Opposer acquired the operations of the PATXI’S restaurant business and the trademark rights for the PATXI’S trademarks from prior owners;

B: Pages from Yelp.com showing customer reviews of PATXI’S pizza;

C: A Super Bowl menu featuring the PATXI’S brand from January 2019;

D: A marketing plan for the PATXI’S brand for 2020;

E: In-store advertisements for PATXI’S pizza restaurants featuring the PATXI’S brands.

Opposer also filed responsive trial testimony of Michael Nakhleh by virtue of a Reply Testimonial Declaration, replying to Applicant’s submitted testimony, dated March 4, 2021 (hereinafter, “Opp. Rep. Dep.”) (D.I. #8).

**D. APPLICANT’S EVIDENCE**

Applicant introduced the trial testimony of John A. Lofton, an attorney representing plaintiffs in an unrelated class-action lawsuit against Opposer for employment practices brought on behalf of former employees of PATXI’s restaurants in San Francisco Superior Court, *Charles North, et al. v. Layers, LLC, et al.*, Case No. CGC-19-577983, with accompanying exhibits A through B. (D.I. #7).

## **STATEMENT OF ISSUES**

1. As between Opposer and Applicant, which party has prior and superior rights in the PATXI'S trademark for purposes of this Opposition?

2. Once the issue of priority of rights has been established in Opposer's favor, whether Applicant's U.S. Federal Trademark Application Serial No. 88/533,955 for the mark PATXI'S for "restaurant services" in Class 43 should be refused under Section 2(d) of the Lanham Act because it is confusingly similar to Opposer's longstanding prior common-law rights to the identical mark for identical services.

## **STATEMENT OF FACTS**

### **A. OPPOSER'S LONGSTANDING AND WIDESPREAD USE OF THE PATXI'S MARK**

#### **1. Opposer's Business**

Opposer is a corporation organized and existing under the laws of the State of Wyoming, having an address at 466 E. Foothill Blvd., #356, La Canada, CA 91011. The PATXI'S restaurant chain was founded in 2004 in Palo Alto, California by William Freeman and Francisco "Patxi" Azpiroz. The founders had a vision to start a deep-dish Chicago style pizza brand in California but put a healthy twist to it. The company uses the freshest ingredients, and everything is farm fresh to table. PATXI'S was one of the first brands to start this trend. (Opp. Tr. Dep. ¶ 4)

Since its inception, the company kept growing, opening a new location each year. By 2014, the company was firmly established in the San Francisco Bay area with 11 locations. The company decided to expand into other states, opening in Washington and opening 3 more locations in Colorado. (*Id.* ¶ 5)

In 2018, Opposer acquired the operations of the PATXI'S restaurant business and all intellectual property rights related to the PATXI'S trademarks, including all common law trademarks rights, goodwill related thereto and two U.S. Federal Trademark Registrations. (Opp. Tr. Dec. ¶ 3; Opp. Rep. Dec. ¶ 9) (*See* Exh. A, Asset Purchase Agreement, 2.1(d) – Opposer acquired all defined “Intellectual Property Assets”).

When Opposer acquired PATXI'S operations and trademark rights in 2018, Opposer had the vision to grow the company and brands even further. Opposer immediately started expanding the PATXI'S restaurant business in 2018. Opposer opened new restaurants in the following prominent locations: (i) in Los Angeles, California at the LA Live/Staples Center where the Los Angeles Lakers play; (ii) a total of 3 more locations in San Diego, California; and (iii) another location in the Los Angeles area at Porter Ranch. Additionally, the company has 6 more new locations in development. (Opp. Tr. Dec. ¶ 6 and Exhs. B-E; Opp. Rep. Dec. ¶ 5)

Opposer also started growing the brand by starting a franchise system, which proved to be an instant success. Over 20 franchises were sold in less than 12 months. The goal of the company is to expand nationwide and to have 100 locations by the end of 2025. While the franchises are all operated and conducted under a related corporate entity, Patxi's Franchise Corp., 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)

## **2. The Popular PATXI'S marks**

### **a) Use of PATXI'S marks for Restaurant Services**

Opposer is the successor in interest to all right, title and interest in and to the trademark PATXI'S that has been used widely and continuously since 2004 in connection with popular restaurants known for deep-dish pizza and other items in California, Colorado and Washington.

(Opp. Tr. Dec. ¶¶ 2-3, Exh. A, Asset Purchase Agreement). Opposer maintains, and evidence submitted in this case has demonstrated, that PATXI's restaurants have been in continuous operation since 2004 to the present and have never closed, not even during this past year during COVID. (Opp. Rep. Dec. ¶ 11).

As a result of the widespread use in interstate commerce by Opposer and its franchisees of the aforesaid PATXI'S trademark in connection with popular restaurants and the advertisement and promotion of the brand, the PATXI'S trademark has acquired extensive goodwill, has developed a high degree of distinctiveness, and is well-known and recognized as identifying high quality restaurant services which have their origin with or have been authorized by Opposers. (*Id.* ¶ 10; Exhs. B-D)

b) Opposer's Lapsed Federal Registrations for PATXI'S

Opposer's predecessors in interest owned two U.S. Federal Registration for the PATXI's trademark, namely Registration No. 4,233,418 for the PATXI's logo design mark and Registration No. 4,225,363 for the PATXI's word mark, each of them for use in connection with "restaurant services" in Int'I Class 043. Each of them went abandoned inadvertently in May, 2019 after Opposer acquired all right, title and interest in and to the operations and intellectual property of PATXI'S in 2018 (*Id.* ¶ 11)

Immediately upon learning that the prior registrations had inadvertently gone abandoned, Opposer filed U.S. Trademark Application Serial No. 88/573,008 for the mark PATXI'S in International Class 043 for use in connection with "restaurant services". The PTO Examining Attorney issued an Office Action on November 8, 2019 which included a refusal to register the mark, in part, because of the prior-filed Application of Applicant. (*Id.* ¶ 12)

**B. APPLICANT'S PATXI'S TRADEMARK APPLICATION**

Applicant, Johnny K. Wang, an individual having an address as 27900 19<sup>th</sup> Avenue, #13, San Francisco, CA 94132, filed U.S. Federal Trademark Application Serial No. 88/533,955 for the mark PATXI'S for use in connection with "restaurant services" in Int'l Class 043 on July 24, 2019. The application was filed pursuant to Section 1(b) of the Lanham Act at a period of time when Opposer's prior Federal Trademark Registrations for the PATXI'S mark had gone abandoned inadvertently.

Mr. Wang is a former employee of the PATXI'S restaurant chain and, as such, he may qualify as a member of the class for purposes of the class action employment lawsuit, *Charles North, et al. v. Layers, LLC, et al.*, Case No. CGC-19-577983, for which Attorney Lofton is plaintiffs' counsel. (Opp. Rep. Dec. ¶ 2)

Importantly, Applicant did not present any evidence during his testimony period showing that Applicant has ever commenced actual use of the subject mark in commerce in the U.S. or that Applicant otherwise has prior and superior rights to the PATXI'S mark as against Opposer. Indeed, while Applicant submitted a Testimonial Declaration of Attorney Lofton, that testimony did not support Mr. Wang' purported rights in the PATXI'S trademark whatsoever. (*See* D.I. #7). Rather, Attorney Lofton's Declaration merely sought to undermine Opposer's rights in PATXI'S franchise restaurant locations, a point which Opposer clarified in Mr. Nakhleh's Reply Testimonial Declaration. (*See* Opp. Rep. Dec. ¶¶ 3-8)



## ARGUMENT

### A. OPPOSER HAS STANDING TO BRING AND MAINTAIN THIS PROCEEDING

Opposer submits that it has demonstrated the required element of standing to bring and maintain this proceeding because Opposer has a real interest in this proceeding and a reasonable basis for its belief that it will be damaged by registration of Applicant's mark for restaurant services under the Board's governing standard. *See, e.g., Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ 1023 (Fed. Cir. 1999); *Lipton v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189-190 (CCPA 1982); *Automedx, Inc. v. Artivent Corp.*, 95 USPQ2d 1976, 1978 (TTAB 2010); *Giersch v. Scripps Networks, Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009) ("Petitioner has established his common-law rights in the mark DESIGNED2SELL, and has thereby established his standing to bring this proceeding."); *Syngenta Crop Prot. Inc. v. Bio- Chek LLC*, 90 USPQ2d 1112, 1118 (TTAB 2009) (testimony that opposer uses its mark "is sufficient to support opposer's allegations of a reasonable belief that it would be damaged ..." where opposer alleged likelihood of confusion).

Opposer has standing to bring and maintain this Opposition proceeding because it has shown ownership of enforceable common law trademark rights in and to the PAXTI'S mark for restaurant services by virtue of continuous and widespread use in commerce since 2004, well before any first use date Applicant can claim for U.S. Trademark Application Serial No. 88/533,955.<sup>1</sup> Moreover, Opposer has also demonstrated that it will be damaged if Applicant's mark is registered because its own U.S. Trademark Application Serial No. 88/573,008 has been denied because of the existence of Applicant's U.S. Trademark Application Serial No. 88/533,955.

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<sup>1</sup> Section 2(d) of the Trademark Act provides a ground for opposition or cancellation of a registered mark based on ownership of "a mark or trade name previously used in the United States ... and not abandoned[.]" *See Fram Trak Indus., Inc. v. WireTracks LLC*, 77 USPQ2d 2000, 2004-05 (TTAB 2006); *See also Giersch v. Scripps Networks, Inc.*, 90 USPQ2d 1020, 1022 (TTAB 2009) ("Petitioner has established his common-law rights in the mark DESIGNED2SELL, and has thereby established his standing to bring this proceeding.")

**B. OPPOSER'S HAS PRIORITY OVER APPLICANT TO THE PATXI'S TRADEMARK**

In order for Opposer to prevail on a claim of likelihood of confusion based on its ownership of common law rights in its pleaded mark, Petitioner must establish priority of use of a mark that is inherently distinctive, or which acquired distinctiveness, before any date upon which Respondent may rely. *Giersch v. Scripps Networks, Inc.*, 90 USPQ2d 1020, 1023; *Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 44-45 (CCPA 1981). The case of *Swiss Grill Ltd v. Wolf Steel, Ltd.*, Opposition No. 91/206,589 (TTAB 2015) (precedential opinion) is on point. In *Swiss Grill*, as here, the entire case turned on the outcome of the issue of priority because likelihood of confusion was not disputed. The Board determined that: (i) Applicant's priority date was the date of filing of the accused application; and (ii) Opposer established priority of rights prior to the date of Applicant's trademark application based on proof of product sales. (*Id.* at 25-26). Such is the case here.

Applicant has not introduced any evidence of use of the PATXI'S trademark in the United States prior to the filing of his filing of U.S. Federal Trademark Application Serial No. 88/533,955 for the mark PATXI'S for use in connection with "restaurant services" in Int'l Class 043 on July 24, 2019.<sup>2</sup> Hence, Applicant's priority date is July 24, 2019.

Opposer has far exceeded its burden of proof on priority of rights to the PATXI'S trademark for restaurant services in the United States prior to July 24, 2019.

Opposer's trial witness, Michael Nakhleh, has demonstrated widespread and continuous commercial use of the PAXTI'S mark for restaurant services dating back to 2004, long before

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<sup>2</sup> Opposer is not aware that Applicant has made any effort to establish a restaurant under the PATXI'S trademark in the United States after July 24, 2019 either. If Opposer ever learned that Applicant were moving forward, it would be compelled to file a lawsuit for trademark infringement in federal court seeking injunctive relief to protect its longstanding and valuable rights in the PAXTI'S mark for restaurant services in the United States.

any first use date Applicant can claim. (Opp. Tr. Dep. ¶ 4, Exh. B). To summarize the evidence of record:

- Opposer's predecessor established the original PATXI'S restaurant in California in 2004.
- Opposer's predecessor opened one new PATXI'S restaurant per year, such that by 2014 Opposer's predecessor owned and operated a total of 11 restaurant locations.
- After Opposer acquired rights to the PATXI'S trademarks and operations in 2018, it: (i) opened a total of 6 new restaurants, with plans for at least 6 more in the future; and (ii) through a related entity, it established a successful restaurant franchising program with 20 franchise locations sold in less than 12 months.
- 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.

Notwithstanding the absence of a pleaded federal trademark registration, Opposer has produced an abundance of incontrovertible and uncontradicted evidence that clearly establishes proprietary rights in the PATXI'S mark long before Applicant's claimed priority date. (Opp. Tr. Dep., Exhs. A-E); *see Swiss Grill v. Wolf Steel*, Opp. No. 91/206,859 (common law rights in a mark starting prior to Applicant's filing date was sufficient to establish priority); *see also Crash Dummy Movie, LLC v. Mattel, Inc.*, 601 F.3d 1387, 1391 (Fed. Cir. 2010) (where Opposer allowing its trademark registrations to lapse did not translate into abandonment of common law trademark rights, and opposition was sustained on the basis of Opposer's common law rights). Patxi's longstanding use of the PATXI'S mark has allowed it to acquire extensive goodwill and a high degree of distinctiveness. (Opp. Tr. Dep. ¶ 10). Consumers have come to

recognize the mark as “identifying high quality restaurant services which have their origin with or have been authorized by Opposer”. (*Id.* ¶ 10; Exhibit B) In cases with similar facts, the Board has found that the moving party has established the required element of priority through common law rights. *See SNC Industria de Cosmetics v. Jalmar Araujo*, Cancellation No. 92072680 (TTAB 2021) (Board found the testimony of the Petitioner’s witness in regards to use of the contested mark as sufficient to demonstrate priority of use).

Accordingly, as Opposer has demonstrated continuous commercial use of the PAXTI’s mark dating back to 2004 -- well before any priority date Applicant can claim – Opposer has established the required element of priority of rights in the PAXTI’S mark as against Applicant.

**C. APPLICANT’S MARK IS CONFUSINGLY SIMILAR TO PATXI’S MARK**

Likelihood of confusion is determined on a case-by-case basis by application of the factors identified in *In re E.I. duPont DeNemours & Co.*, 177 U.S.P.Q. 563 (C.C.P.A. 1973).<sup>3</sup> Only those *duPont* factors that are shown to be material or relevant in the particular case are properly considered in adjudicating likelihood of confusion. *Octocom Systems, Inc. v. Houston Computer Services, Inc.*, 16 U.S.P.Q.2d 1783 (Fed. Cir. 1990). In this case, due to the high similarity of the marks, there is no need to do a thorough analysis of all the factors.

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<sup>3</sup> The thirteen factors are: (1) Similarity of the marks in their entireties as to appearance, sound, connotation and commercial impression; (2) Similarity and nature of the goods and services; (3) Similarity of established, likely to continue channels of trade; (4) Conditions under which and to whom sales are made, i.e. “impulse” vs. careful, considered purchases; (5) Fame of the prior mark (sales, advertising, length of use); (6) Number and nature of similar marks in use on similar goods; (7) Nature and extent of any actual confusion; (8) Length of time and conditions under which there has been concurrent use without evidence of actual confusion; (9) Variety of goods on which a mark is used; (10) Market interface between applicant and the owner of a prior mark (consent; agreement re: confusion; assignment); (11) Extent to which applicant has a right to exclude others from use of its mark on the goods; (12) Extent of potential confusion, i.e. de minimis or substantial; and (13) Any other established fact probative of the effect of use.

Although Applicant contends that there is no “likelihood of confusion, mistake, or deception between Opposer’s mark and Applicant’s mark”, Applicant admits the marks are “similar” (Applicant’s Answer ¶ 6 and Second Affirmative Defense). Applicant provided no evidence to support its contention that there is no likelihood of confusion, and rather makes unsupported conclusions denying the extent of the similarity of the marks. However, under even just the first two *duPont* factors<sup>4</sup>, the Board can establish a likelihood of confusion in this case because the marks and services are identical.

Applicant’s PATXI’S mark is identical to Opposer’s PATXI’S trademark in appearance, sound and commercial impression, and Applicant intends to use its PATXI’S trademark in connection with the exact same type of restaurant services used in connection with Opposer’s PATXI’S trademarks. As such, consumers are likely to believe mistakenly that Applicant’s PATXI’S restaurants are the same as, from the same source as, or otherwise affiliated with Opposer’s PATXI’S restaurants and/or that Applicant’s restaurants are provided by, sponsored by, approved by, licensed by, affiliated with or in some other way legitimately connected to Opposer’s authorized PATXI’S restaurants.

Moreover, the facts around the adoption of Applicant’s mark show it was obviously selected to draw an association with Opposer’s renowned PATXI’S trademark and to trade on the goodwill and strong commercial recognition Opposer has gained over the years with its PATXI’S trademark used in connection with restaurant services. Opposer believes that it would be damaged by the registration of Applicant’s PATXI’S trademark. *See Briggs Business Enterprises v. Feng Tai Qian Shang Mao, Limited Co.*, Cancellation No. 92073333 (TTAB 2021) (where the cancellation was granted on the issue of likelihood of confusion, where

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<sup>4</sup> The marks are identical in “(1) their entireties as to appearance, sounds, connotation and commercial impression, the marks; (2) the nature of the goods and services.” *Id.*

Petitioner showed prior use of the mark and relied on common law rights, and there was no dispute regarding likelihood of confusion).

### **CONCLUSION**

For the reasons stated herein, 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 services in International Class 043.

Dated: May 5, 2021

Respectfully submitted,



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**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:

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Edmund J. Ferdinand, III

Dated: May 5, 2021