

This Opinion is Not a
Precedent of the TTAB

Oral Hearing: March 20, 2018

Mailed: August 31, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board
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Galperti, Inc.

v.

Galperti S.r.l.

———
Cancellation No. 92057016
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Jennifer S. Sickler and Megan H. Schmid of Thompson & Knight LLP
for Galperti, Inc.

Paolo A. Strino and Wendy R. Stein of Gibbons P.C.
for Galperti S.r.l.

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Before Cataldo, Lykos and Coggins,
Administrative Trademark Judges.

Opinion by Lykos, Administrative Trademark Judge:

Galperti, Inc. (“Petitioner”), a Texas corporation located in Houston, seeks to cancel the registration of Galperti S.r.l. (“Respondent”), a limited liability company located in Italy, for the mark GALPERTI in standard characters for “[i]ronmongery in the form of metal hardware, namely, flanges, ring-shaped fittings of metal, and forgings” in International Class 6.¹ The mark is registered on the Principal Register under Trademark Act Section

¹ Registration No. 3411812, registered on April 15, 2008, under Section 66(a) of the Trademark Act, 15 U.S.C. § 1141f (“Madrid Protocol”), based on International Registration No. 0912218 issued

2(f), 15 U.S.C. § 1052(f)² based on the averment made on September 26, 2007 by Petitioner's former counsel that the mark had become "distinctive of the goods listed in the application through the Applicant's substantially exclusive and continuous use in commerce for at least the five years immediately before the date of this statement." September 26, 2007 Response to Office Action (data entry cover sheet, TSDR 1).³ Respondent also submitted a declaration executed by Respondent's then Managing Director, Ms. Dina Galperti which is signed but undated. In pertinent part, it reads as follows:

GALPERTI S.R.L. has used the mark in interstate commerce or commerce with the United States since 1965. ¶ 2.

GALPERTI S.R.L.'s estimated dollar sale under the mark through [sic] 1965 is in the excess of \$4[,]000[,]00[,]00 [sic] each year. ¶ 4.

GALPERTI S.R.L.'s estimated advertising expenditures under the mark through the end of 2006, including advertising, literature and trade shows, is in excess of \$200[,]000[,]00. ¶ 5.

GALPERTI S.R.L. has advertised its products under the GALPERTI mark in several U.S. publications. ¶ 6.

November 23, 2006, with a priority claim date of September 28, 2006. During the pendency of this proceeding, on April 9, 2018, Respondent filed a Trademark Act Section 71 declaration of continued use which was accepted on April 26, 2018.

During ex parte examination, the Examining Attorney refused registration of the mark on the Principal Register on the ground that the mark is primarily merely a surname within the meaning of Trademark Act Section 2(e)(4), 15 U.S.C. § 1052(e)(4). See March 24, 2007 Office Action. In response thereto, Respondent amended the application to seek registration under Section 2(f) which was ultimately accepted. See September 26, 2007 Response to Office Action.

² Section 2(f) of the Trademark Act provides that "nothing ... shall prevent the registration of a mark used by the applicant that has become distinctive of the applicant's goods [or services] in commerce." 15 U.S.C. § 1052(f).

³ Citations to the registration's prosecution history are to the downloadable .pdf version from TSDR. See, e.g., *In re Peace Love World Live, LLC*, 127 USPQ2d 1400, 1402 n.4 (TTAB 2018).

GALPERTI S.R.L's customers have come to associate the source of its flanges, forgings and rings and related goods with Applicant by means of extensive exposure to the GALPERTI mark, and as a results, said mark has become distinctive. ¶ 7.

Id. at 9-10. As set forth in the Second Amended Petition to Cancel,⁴ Petitioner asserts a claim of likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), based in part on the following allegations:

Petitioner owns United States Trademark Application Serial No. 85/891629 for the GALPERTI design mark. The application, as well as Petitioner's common law trademark rights which extend to other goods and services, are referred herein as the "GALPERTI Marks." ¶ 2.

Since at least as early as 1978, Petitioner has used, and continues to use, the GALPETI mark in the United States in interstate commerce in connection with the manufacture, marketing, and sale of flanges, swivel ring assemblies, buckle arrestors, rolled rings, and other forged products. Thus Petitioner has priority of use in the GALPERTI Marks and variations thereof. ... ¶ 5.

21 TTABVUE 2-3.⁵

In addition, Petitioner alleges a claim of fraud: that Respondent's Section 2(f) declaration submitted in connection with the underlying application that issued as Registration No. 3411812 fraudulently misrepresented to the USPTO that Respondent had made "substantially exclusive and continuous use" of the GALPERTI mark in

⁴ The operative complaint in this proceeding is Petitioner's second amended complaint filed March 21, 2014. 21 TTABVUE 2-8. The original petition for cancellation was filed April 4, 2013.

⁵ Citations to the record throughout the decision include references to publicly available documents on TTABVUE, the Board's online docketing system. The number preceding "TTABVUE" corresponds to the docket entry number; the number(s) following "TTABVUE" refer to the page number(s) of that particular docket entry. *See Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014). Only the docket entry number is provided for portions of the record designated confidential.

commerce since 1965, (*id.* at ¶ 10; 21 TTABVUE 4-5;) and that Respondent fraudulently claimed to be the owner of the word mark GALPERTI. *Id.* at ¶ 13; 21 TTABVUE 5-6. More specifically, Petitioner alleges the following:

During the examination of Registrant's application, the Examining Attorney refused to register the mark under Section 2(e)(4), alleging that the "GALPERTI" mark is primarily a surname. In a responsive action, Registrant submitted a claim of acquired distinctiveness under Trademark Act Section 2(f), supported by an attached declaration executed by Registrant's Managing Director. The Declaration fraudulently and knowingly misrepresented that Registrant had "substantially *exclusive* and continuous use" of the mark in interstate commerce within the United States since 1965 with an intent to deceive the USPTO. Publicly available records show that Registrant did not use the GALPERTI mark in interstate commerce in the United States until 1993 or later. Registrant filed the application for the contested registration for the GALPERTI word mark about a week after the parties settled state court litigation over rights to the trademark GALPERTI in the United States. During that litigation, Registrant testified under oath that it sold flanges in the U.S. since only 1993. As part of the settlement of that case, Registrant agreed to use a distinctive design mark for GALPERTI in order to avoid confusion in the marketplace. Registrant did not obtain the right to use Petitioner's word mark GALPERTI through the litigation, and therefore had no right to file the application, or to claim that it had "substantially exclusive and continuous use" of the mark. ... *Id.* at ¶ 10; 21 TTABVUE 5.

Registrant's registration of the GALPERTI mark constitutes a fraudulent registration in violation of 15 U.S.C. §§1120 and 1064(3), because Registrant knowingly made a false material representation of fact with intent to deceive the United States Patent and Trademark Office by stating under oath that it was the owner of the GALPERTI mark with full knowledge that Petitioner was already using the GALPERTI mark in the United States for the same goods and services. ... *Id.* at ¶ 13; 21 TTABVUE 6.⁶

⁶ Petitioner also alleged that "Registrant is not, and was not at the time of filing of its application for registration, the rightful owner of the GALPERTI mark." Second Amended Petition to Cancel

Respondent filed an answer on May 5, 2014, in which it denied the salient allegations in the Second Amended Petition for Cancellation but admitted “that Petitioner filed a trademark application, Serial No. 85/891,629, for the mark GALPERTI & Design, which has been refused registration and is presently suspended”; and “that there was litigation brought by Petitioner in Texas state court relating to the GALPERTI mark, as well as other issues, and that the state litigation was later dismissed by the Court and Petitioner made a payment to Respondent.” Answer ¶¶ 2 and 10; 22 TTABVUE 2-3. In addition, Respondent asserted various putative and affirmative defenses, including laches which was pursued at trial.⁷ *Id.* at ¶ 3; 22 TTABVUE 6.

An oral hearing was held on March 20, 2018. The case is now fully briefed and has been presented to us for a decision on the merits. Petitioner, as plaintiff in this proceeding, bears the burden of establishing its standing and claims by a preponderance of the evidence.

I. Interlocutory Background and Impact on Trial

The interlocutory phase of this case was contentious and resulted in the Board issuing orders affecting the submission of evidence at trial. These orders are summarized below.

¶ 5, 21 TTABVUE 3. However, insofar as Petitioner’s ownership claim was not pursued at trial nor tried by implied consent, it is deemed waived. *Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc.*, 107 USPQ2d 1750, 1753 n.6 (TTAB 2013), *aff’d mem.*, 565 F. App’x 900 (Fed. Cir. 2014) (petitioner’s pleaded descriptiveness and geographical descriptiveness claims not argued in brief deemed waived).

⁷ Respondent also asserted the affirmative defense of failure to state a claim upon which relief may be granted in its pleading. Respondent filed neither 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. Accordingly, this affirmative defense is deemed waived. *See Alcatraz*, 107 USPQ2d at 1753 n.6. Likewise, the remaining affirmative defenses of estoppel, acquiescence, and unclean hands asserted but not pursued at trial are waived. *See id.*

January 22, 2016 Order: The Board granted Petitioner's motion for discovery sanctions under Trademark Rule 2.120(g)(1), 37 C.F.R. § 2.120(g)(1), in modified form.

The sanctions imposed on Respondent included:

Respondent is estopped from using as evidence at trial any documents subject to a discovery request which Respondent did not produce previously or as directed by the Board in the January 22, 2016 Order. 58 TTABVUE 6.

For any responsive documents required to be produced by the January 22, 2016 Order or for any responsive documents already produced, Respondent is deemed to have stipulated to the authenticity of the documents and to have agreed to introduction of the documents by Petitioner at trial, by notice of reliance alone, should Petitioner decide that introduction of the documents of trial would be relevant and probative. 58 TTABVUE 6-7.

April 27, 2017 Order: The Board denied Respondent's motion for an exception to the Board's January 22, 2016 Order, in which motion Respondent sought leave to submit at trial and provide to Petitioner for Petitioner's use in cross-examination newly discovered, previously undisclosed evidence consisting of "1975 invoices for GALPERTI-branded products that Respondent sold in U.S. commerce more than four decades ago" uncovered in a "desperate attempt to locate copies of documents supporting some of the older dates stated in [Respondent's] testimony." 86 TTABVUE 7-15.

January 11, 2017 Order: The Board denied as moot Petitioner's motion to strike certain exhibits to Ms. Galperti's testimony deposition on written questions on the ground that the documents were written in a foreign language after Respondent provided English translations of the documents with a certificate of accuracy prior to the taking of Ms. Galperti's deposition. 70 TTABVUE 2.

II. Evidentiary Rulings

Given the contentious nature of this case, it is no surprise that both parties interposed a plethora of evidentiary objections. We address the outcome determinative objections below. To the extent, if any, an objection has not been specifically addressed, we have considered the objected-to evidence, keeping in mind the objections, and have accorded it whatever probative value it merits. *See Luxco, Inc. v. Consejo Regulador del Tequila, A.C.*, 121 USPQ2d 1477, 1479 (TTAB 2017).

A. Petitioner's Objections

Petitioner objects to Exhibits 2-10, 13-17, 23-24, 27-55, 58-59, 61-72 to the deposition on written questions of Respondent's witness Ms. Dina Galperti, as well as her associated testimony on a number of grounds. It will become apparent *infra* that none of the exhibits Petitioner seeks to exclude are outcome determinative. Moreover, the Board does not ordinarily strike testimony taken in accordance with the applicable rules on the basis of substantive objections; rather, such objections are considered by the Board in its evaluation of the probative value of the testimony at final hearing. *Alcatraz*, 107 USPQ2d at 1755 (citing *Krause v. Krause Publ'ns Inc.*, 76 USPQ2d 1904, 1907 (TTAB 2005)). In view thereof, we need not rule on Petitioner's objections.

B. Respondent's Objections

1. Admissibility of Scott Sander's Testimony⁸ and Exhibits

As its sole trial witness, Petitioner proffered the testimony on written question of its

⁸ The testimony of Petitioner's president and sole witness was taken upon written questions. Respondent complains that the format of deposition on written questions did not provide Respondent with the opportunity to object to the responses to any questions at the time the deposition occurred. Respondent is correct; however, given that the deposition took place in the

President, Mr. Scott Sander, to authenticate various documents and materials, such as invoices, brochures and technical product drawings, for introduction into the record. Mr. Sander was asked to identify each set of documents; whether they were true, correct, fair and accurate copies of the original record; whether they were made at or near the time of events they record; whether they were made by a person or from information transmitted by a person with knowledge of the events they record; whether they were kept in the ordinary course of Petitioner's business; and whether it was Petitioner's practice to make the documents. Sander Dep., *passim*; 47 TTABVUE 5-72.

Respondent objects to all the questions and evidence attached as Exhibits 1-48 in this testimony on the ground that Mr. Sander lacks the requisite knowledge to authenticate the documents introduced by him into the record. In support of its objection, Respondent points to Petitioner's disclosure during discovery identifying two other individuals as the persons "most knowledgeable about the advertising, promotion, distribution and/or sale of Petitioner's Goods/Services under Petitioner's Mark". See Sander Dep., Ex. 47, Answer to Interrog. No. 1 (confidential); 54 TTABVUE. The fact that other individuals working for Respondent were deemed "most knowledgeable" does not imply that Mr. Sander lacks the requisite knowledge. We hasten to add that Respondent could have noticed the testimony depositions of those individuals but chose not to do so. Accordingly, this objection is overruled.

United States, Respondent, upon receipt of notice of said deposition, could have filed a motion with the Board, for good cause, for an order that the deposition be taken by oral examination. See Trademark Rule 2.123(a)(2), 37 C.F.R. § 2.123(a)(2). See also TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE ("TBMP") § 703.02(a) (June 2018) ("Depositions on Written Questions: When Available"). In any event, this had no bearing on the Board's ability to rule on Respondent's asserted objections.

Respondent also objects to Mr. Sander's testimony on the ground that he lacks the proper foundation to testify regarding documents and events preceding his 2001 date of employment with Petitioner. In his October 16, 2015 testimony, Mr. Sander stated that he has been employed by Petitioner since January 2001 for a duration of 14 years as Director of Sales and Marketing (Sander Dep., 8:23-25; 47 TTABVUE 11-12), and that he assumed the role of President in December 2014, ten months before his testimony. Sander Dep. 8:16-19; 47 TTABVUE 11. Respondent argues that because he failed to testify as to any direct knowledge of pre-2001 records and events, a proper foundation was not laid for his testimony regarding his recollection regarding the first use of Petitioner's mark; the use of the mark by Petitioner's purported affiliates; or on any other use of the Petitioner's pleaded marks.

Federal Rule of Evidence 803(6), otherwise known as the business records exception to the hearsay rule, states as follows:

The following are not excluded by the rule against hearsay, regardless of whether the declarant is available as a witness:

(6) *Records of a Regularly Conducted Activity.* A record of an act, event, condition, opinion, or diagnosis if:

(A) the record was made at or near the time by — or from information transmitted by — someone with knowledge;

(B) the record was kept in the course of a regularly conducted activity of a business, organization, occupation, or calling, whether or not for profit;

(C) making the record was a regular practice of that activity;

(D) all these conditions are shown by the testimony of the custodian or another qualified witness, or by a

certification that complies with Rule 902(11) or (12) or with a statute permitting certification; and

(E) the opponent does not show that the source of information or the method or circumstances of preparation indicate a lack of trustworthiness.

Mr. Sander's testimony closely tracks the language of the Rule. We therefore find that he provided sufficient foundational testimony to satisfy the requirements of this exception in introducing into the record the business records associated with each exhibit. However, as a corollary to Fed. R. Evid. 803(6), Rule 602 provides that a witness may not testify to matter unless "evidence is introduced sufficient to support a finding that the witness has personal knowledge of the matter." While there are exceptions to this hearsay exclusion rule, including the introduction of business records into evidence noted above, the Board has held that a witness may not offer testimony regarding company history unless said witness has personal knowledge thereof:

[T]he [business record hearsay exception] rule does not provide for the admission into evidence of the testimony of a person who lacks personal knowledge of the facts, who is unable to testify to the fulfillment of the conditions specified within the rule, and who is testifying only about what he has read or has been allowed to review.

Olin Corp. v. Hydrotreat, Inc., 210 USPQ 63, 67 (TTAB 1981). *Cf. Kohler Co. v. Baldwin Hardware Corp.*, 82 USPQ2d 1100, 1103 (TTAB 2007) (petitioner's witness "began employment ... prior to the earliest date upon which respondent relies.").

As emphasized below, Mr. Sander's testimony is atypical of a priority dispute insofar as his testimony consists primarily of a series of questions identifying and introducing into the record various pieces of documentary evidence as opposed to a narrative regarding Petitioner, Petitioner's predecessors in interest and affiliates, and the

circumstances concerning Petitioner's common law rights in pleaded marks. We have no testimony from Mr. Sander demonstrating his personal knowledge of Petitioner's use of its mark prior to his employment with Petitioner in 2001 or for that matter, any events which occurred prior to that date. To that extent, Respondent's objection is sustained. *See, e.g., City Nat'l Bank v. OPGI Mgmt. GP Inc./Gestion OPGI Inc.*, 106 USPQ2d 1668, 1673 (TTAB 2013) (petitioner's objection sustained concerning testimony of respondent's witness regarding events that occurred before May 2008, when his employment with respondent began; respondent failed to demonstrate that witness has personal knowledge regarding respondent's history, or its use of disputed mark before that date). However, Respondent's objection is overruled with respect to those portions of Mr. Sander's testimony presented for the purposes of introducing into the record and authenticating documents admissible under the business records exception, including those dated prior to 2001. *See Fed. R. Evid. 803(6). See, e.g., Coach Servs. Inc. v. Triumph Learning LLC*, 96 UPSQ2d 1600, 1603 (TTAB 2010), *aff'd in relevant part*, 668 F.3d 1356, 101 USPQ2d 1713, 1730 (Fed. Cir. 2012) (Board sustained opposer's objection by limiting testimony from applicant's witness "only for purposes of authenticating documents kept by applicant in the ordinary course of business" and excluding testimony regarding events that pre-existed the witness' employment and for which the witness did not otherwise have personal knowledge).

Lastly, Respondent objects to Mr. Sander's testimony and documentary evidence regarding Petitioner's affiliate Officine Nicola Galperti e Figlio, S.p.A. for lack of proper foundation. As noted above, we ordinarily do not strike such testimony; that being said,

we will accord Mr. Sander's testimony regarding Petitioner's affiliate the probative weight it deserves in light of all of the evidence before us.

2. Evidence of the Parties' Settlement Discussions and Draft Agreements

In connection with prior state court litigation in Texas involving the parties,⁹ Petitioner's witness Mr. Sander introduced into the record several documents associated with that litigation in Ex. 45.¹⁰ Respondent objects to the submission of certain documents, including communications between the parties regarding possible settlement of the dispute and unsigned proposed settlement agreements, as inadmissible under Fed. R. Evid. 408 ("Compromise Offers and Negotiations"). In relevant part, the Rule provides:

(a) PROHIBITED USES. Evidence of the following is not admissible — on behalf of any party — either to prove or disprove the validity or amount of a disputed claim or to impeach by a prior inconsistent statement or a contradiction:

(1) furnishing, promising, or offering — or accepting, promising to accept, or offering to accept — a valuable consideration in compromising or attempting to compromise the claim; ...

Petitioner counters that the materials fall under one of the exceptions to the Rule because they are not being offered to prove any admission of guilt or liability in relation to the state court litigation but rather to elucidate Petitioner's state of mind as to whether an agreement had been reached between the parties regarding use of the mark in the

⁹ This litigation is discussed in more detail below.

¹⁰ While the entire exhibit is designated confidential, some of the documents consist of publicly available materials. *See discussion, infra*, "The Record and Designation of Confidential Materials."

United States. In support thereof, Petitioner cites to the following passage from *In re MSTG, Inc.*, 675 F.3d 1337, 1345-46 (Fed. Cir. 2012):

Rule 408 itself contemplates a host of scenarios under which documents related to settlement negotiations would be admissible for purposes other than “prov[ing] or disprov[ing] the validity or amount of a disputed claim or [] impeach[ing] by a prior inconsistent statement or a contradiction.” For example, settlement negotiation evidence would be admissible where the settlement itself or its interpretation is at issue or where evidence of the ingredients of the settlement might be relevant to an issue of double recovery. *See, e.g., Portugues–Santana v. Rekomdiv Int’l*, 657 F.3d 56, 63-64 (1st Cir. 2011) (concluding the district court erred in not considering a settlement agreement in connection with a motion to offset damages); *Catullo v. Metzner*, 834 F.2d 1075, 1079 (1st Cir. 1987) (holding that testimony of settlement negotiations was admissible to “prove the terms of the agreement itself”); *see also* 2 Jack B. Weinstein & Margaret A. Berger, Weinstein’s Federal Evidence § 408.08[5] (Joseph M. McLaughlin, ed., Matthew Bender 2d ed. 1997) (“If the settlement negotiations and terms explain and are a part of another dispute, they must often be admitted if the trier is to understand the case.”). Documents related to settlement negotiations would typically be relevant and discoverable to the extent that such evidence would be admissible under Rule 408.

Continuing, Petitioner contends that the documents go directly to supporting its fraud claim and defending against Respondent’s defense of laches.

We agree with Respondent that the objected-to documents fall within the purview of Fed. R. Evid. 408(1)(a) and that none of these documents fall within any of the exceptions enumerated under subsection (b) which provides that “[t]he court may admit this evidence for another purpose, such as proving a witness’s bias or prejudice, negating a contention of undue delay, or proving an effort to obstruct a criminal investigation or prosecution.” In its trial brief, Petitioner represents before the Board that Petitioner and Respondent formerly settled this matter by agreeing that in exchange for Petitioner’s

payment to Respondent of \$55,000, Respondent would discontinue use of the word mark GALPERTI in the United States and would instead modify its trademark to add design elements in order to distinguish its trademark from Petitioner's. Petitioner proclaims that "[it] should receive the benefit of its bargain" after Respondent "surreptitiously" filed an application for the international registration forming the basis of the U.S. registration at issue here shortly after dismissal of the parties' civil suit. Petitioner's Brief, p. 12; 88 TTABVUE 19. As contemplated under Rule 408, this evidence goes to proving or disproving the validity of Petitioner's asserted Section 2(d) and fraud claims. Petitioner offered no testimony that a duly executed signed and dated settlement agreement had ever been reached, and in fact, as explained in more detail below, Respondent offered testimony to the contrary, and that the funds were paid to cover legal expenses following dismissal of the suit. Accordingly, Respondent's objections are sustained; we have given no consideration to the submissions.¹¹

3. Petitioner's Responses to Respondent's First Set of Interrogatories

During his testimony, Mr. Sander authenticated and introduced into the record as Ex. 47 to his testimony Petitioner's responses to Respondent's first set of interrogatories. Respondent objects under Trademark Rule 2.120(k)(5), 37 C.F.R. § 2.120(k)(5), and also on the ground that the responses constitute inadmissible hearsay. Insofar, however, as

¹¹ Even if we had considered the submissions, it would not have changed our analysis of this issue or the outcome of this case.

In light of our determination under Fed. R. Evid. 408, we need not consider Respondent's objection to the unsigned settlement agreements as violating the "best evidence rule," a common law concept codified in Rule 1002 of the Federal Rules of Evidence.

Respondent itself also submitted Petitioner's responses under notice of reliance during its assigned testimony period, Respondent's objection is moot. *See* 75 TTABVUE (confidential).

III. The Record and Designation of Confidential Materials

The trial record in this case is voluminous. Large portions of the record have been designated confidential pursuant to the parties' stipulated protective order,¹² and for the most part have been treated as such. With a few exceptions, the majority of citations to the record refer to the redacted, publicly available versions of each submission. That being said, both parties improperly designated as confidential portions of the record critical to the issues presented, hindering the Board's ability to issue an opinion in this case. "Confidentiality designations do not provide absolute immunity from the public disclosure of materials so designated." *Kohler Co. v. Honda Giken Kogyo K.K.*, 125 USPQ2d 1468, 1475 (TTAB 2017) (internal citation omitted). The Board may treat as not confidential that material which cannot reasonably be considered confidential, notwithstanding a designation as such by a party. Trademark Rule 2.116(g), 37 C.F.R. § 2.116(g). As explained in *Couch/Braunsdorf Affinity, Inc. v. 12 Interactive, LLC*, 110 USPQ2d 1458, 1461 (TTAB 2014):

Board proceedings are designed to be transparent to the public and the contents of proceeding files publicly available. The improper designation of materials as confidential thwarts that intention. Moreover, it is more difficult to make findings of fact, apply the facts to the law, and write decisions that make sense

¹² Effective June 24, 2016, the Board instituted a revised standard protective order for currently pending inter partes cases. However, insofar as the parties had already designated materials as confidential pursuant to the tiers of confidentiality under their own stipulated protective order (filed October 22, 2014 at 23 TTABVUE and approved on November 4, 2014 at 24 TTABVUE), those designations remain in effect.

when the facts may not be discussed. The Board needs to be able to discuss the evidence of record, unless there is an overriding need for confidentiality, so that the parties and a reviewing court will know the basis of the Board's decision. Therefore, in rendering our decision, we will not be bound by petitioner's designations and in this opinion, we will treat only testimony and evidence that is clearly of a private nature or commercially sensitive as confidential.

See also Gen. Motors Corp. v. Aristide & Co., Antiquaire de Marques, 87 USPQ2d 1179, 1182 (TTAB 2008); TBMP § 703.01(p) ("Confidential or Trade Secret Material").¹³ We see no reason not to follow the Board's practice noted above. Nonetheless, we are mindful of the parties' concerns, and accordingly we have not disclosed any truly confidential information such as customer names or financial data.

Both parties also failed to follow the Board's well-established practice of including the TTABVUE docket entries and page numbers in their briefs when citing to publicly available evidence in the record and the TTABVUE entry number for matter designated as confidential. Instead, the parties cited to the evidentiary record by document title and paragraph number, transcript page number, exhibit number or Bates number, making it inordinately time-consuming for the Board to ascertain the precise location of evidence in the record. This added unnecessarily to the length of time for the Board to render an opinion in this case. We therefore direct the parties to the guidance set forth in *Turdin v. Trilobite, Ltd.*, 109 USPQ2d at 1476 n.6, and TBMP §§ 106.03, 801.01, 803.03. Suffice to say, the parties are urged to adhere to this practice in future cases with the Board.

¹³ This practice was recently codified in amendments made in 2017 to Trademark Rule 2.116(g), 37 C.F.R. § 2.116(g) that "[t]he Board may treat as not confidential that material which cannot reasonably be considered confidential, notwithstanding a designation as such by a party."

Compounding matters, Petitioner failed to follow the proper procedure in making its evidence of record resulting in a highly disorganized trial record. Petitioner's case rests on the testimony deposition on written questions of Mr. Sander, Petitioner's President, which in large part consists of his introducing into the record various documents numbered sequentially as exhibits to his testimony transcript. This of course falls within the parameters of the rules which permit parties to introduce witness testimony in this format and make of record documents with the appropriate identification and authentication by the witness during the course of the deposition. *See* Trademark Rules 2.123, 2.124, 2.125 and 2.126; 37 C.F.R. §§ 2.123, 2.124, 2.125 and 2.126. *See also* TBMP §§ 702.02, 703.02. Inexplicably, however, instead of filing with the Board under a single cover the deposition transcript with the exhibits attached thereto in numerical order, Petitioner inappropriately submitted the testimony transcript and exhibits under multiple notices of reliance, none in numerical order. Duplicates of the same publicly available exhibits were in some instances submitted twice under different notices of reliance. Even the Sander testimony deposition transcript itself is identified as an exhibit under notice of reliance and not as an individual stand-alone submission. The Board notes with disfavor Petitioner's deviation to such a large degree from the Trademark Rules of Practice and Board practice as explained in the TBMP. Testimony, whether taken orally, by affidavit or upon written questions, is to be submitted under separate cover, not under notice of reliance. Any documents introduced into the record by testimony of the witness are to be submitted as exhibits to the testimony deposition transcript in numerical order, not haphazardly under individual notices of reliance. The notice of reliance procedure is reserved as an option for making of record certain specified types of evidence, such as

“official records” and “printed publications” as described in Trademark Rule 2.122(e), 37 C.F.R. § 2.122(e) that may, but need not, be introduced in connection with the testimony of a witness. By presenting its record in an improper and illogical manner, Petitioner unnecessarily protracted the time period for the Board to render a decision. A jumbled record does not lend itself to the orderly determination of issues. *Cf. RxD Media, LLC v. IP Application Dev. LLC*, 125 USPQ2d 1801, 1803 (TTAB 2018) (“Judges are not like pigs, hunting for truffles buried in briefs.”) (quoting *U. S. v. Dunkel*, 927 F.2d 955, 956 (7th Cir. 1991)). Counsel for Petitioner is urged to review the Trademark Rules of Practice and Chapter 700 of the TBMP.

With that said, we now turn to a summary of the record as presented by Petitioner and Respondent. The record includes the pleadings and, by operation of Trademark Rule 2.122, 37 C.F.R. § 2.122, the registration file for Respondent’s mark.¹⁴

A. Petitioner’s Evidence

1. Notice of Reliance No. 1 (filed October 22, 2015) marked as Exhibits 8, 46, and 48, which comprise an ISO 9001:2000 Certificate of Approval, a City of Houston Alarm Permit, and records from the Texas Secretary of State and Harris County Assumed Name records. 41 TTABVUE.
2. Notice of Reliance No. 2 (filed October 22, 2015) marked as Exhibit 2, comprised of printouts of Galperti, Inc.’s Website (www.galperti.com). 42 TTABVUE.

¹⁴ Petitioner incorrectly states in its trial brief that the application file history of its pleaded Application Serial No. 85891629 is automatically of record. In order to make the application file history of record, Petitioner was required to file during its testimony period, a copy of the application file under notice of reliance specifying the application and indicating generally its relevance. *See* Trademark Rules 2.122(e) and (g), 37 C.F.R. § 2.122(e) and (g). Alternatively, Petitioner could have made the application file of record by appropriate identification and introduction during the taking of testimony. *See* TBMP § 704.03(b)(2) and cases cited therein. In short, neither the application nor its file history are of record. That being said, this omission has no bearing on the final outcome of the case.

3. Notice of Reliance No. 3 (filed October 22, 2015) marked as Exhibits 6, 50, 51, and 52, comprised of Galperti, Inc. brochures, catalogues and listings in trade directories. 43 & 44 TTABVUE.
4. Notice of Reliance No. 4 (filed October 22, 2015): Testimony from 2006 Litigation Between Petitioner and Respondent, including excerpts of the transcript and accompanying exhibits, case styled *Galperti, Inc. and Officine Nicola Galperti & Figlio S.p.A. v. Galperti S.R.L.*, Cause No. 2005-47073, in the 129th District Court of Harris County, Texas.¹⁵ 45 TTABVUE.
5. Notice of Reliance No. 5 (filed October 23, 2015): Transcript of October 16, 2015 Testimony Deposition on Written Questions of Scott Sander, President of Galperti, Inc., in Houston, Texas and Exhibits 1-48¹⁶ (Publicly Available and Confidential) thereto; Transcript of October 16, 2015 Deposition on Written Questions¹⁷ of Scott Sander (Exhibit 49A – Publicly Available and Exhibit 49 B – Confidential). 46-48 TTABVUE (Publicly Available) and 49-54 (Confidential).
6. Notice of Reliance No. 6 (March 1, 2017): Excerpts from the Deposition on Written Questions of Dina Galperti, marked as Exhibits 54A and 54B. 81 & 82 TTABVUE (Confidential).

B. Respondent's Evidence

1. Notice of Reliance No. 1 (filed January 22, 2017): Printouts from Respondent's website www.galpertisrl.com; miscellaneous product certifications and a Wikipedia printout about Cortenova, Italy. 73 TTABVUE.
2. Notice of Reliance No. 2 (filed January 22, 2017): Petitioner's Responses to Respondent's First Set of Interrogatories. 75 TTABVUE (Confidential).
3. Notice of Reliance No. 3 (filed January 22, 2017): Respondent's corporate records from Italian Chamber of Commerce, online records

¹⁵ On January 22, 2016, the Board granted Petitioner's motion for leave to use the prior testimony "as consented, subject to Respondent's right to object to the relevance or materiality of the testimony." 58 TTABVUE 2.

¹⁶ For a complete listing of the Mr. Sander's testimonial exhibits, see Appendix A.

¹⁷ Petitioner mistakenly labeled this in its notice of reliance as Mr. Sander's discovery deposition.

from WIPO trademark database, and records from ICANN WHOIS database for domain names. 76 TTABVUE.

4. Notice of Reliance No. 4 (filed January 22, 2017): Miscellaneous trade publication, Italian membership directories, and Excerpt from Database of Italian Company Registry. 77 TTABVUE.
5. Certified English translation of the transcript of the July 26, 2016 Testimony Deposition on Written Questions of Dina Galperti, President of the Board of Directors of Galperti S.r.L, taken in Lecco, Italy (filed January 13, 2017) and Exhibits 1-72.¹⁸ 71 TTABVUE (Confidential) & 72 TTABVUE (Publicly Available).

In reaching our decision, we have not considered any statements made by either party in their briefs that are unsupported by evidence in the record. *See Saul Zaentz Co. v. Bumb*, 95 USPQ2d 1723, 1725 n.7 (TTAB 2010). Likewise, we have not considered any allegations in the pleadings unsupported by trial evidence. Indeed, the Board is compelled to comment in this proceeding that it is unusual to see such a large deviation between what has been argued in the briefs and at oral argument compared with what the record supports. This will become self-evident as we proceed to our discussion below.

IV. The Parties' Prior Civil Litigation

Both parties operate in a niche industry, offering highly-specialized and often customized products for use in the oil and gas, chemical and petrochemical industries. In 2005, Petitioner, along with Officine Nicola Galperti e Figlio, S.p.A. as co-plaintiff, initiated a lawsuit against Respondent in the 129th Judicial District of Harris County, Texas (Case No. 2005-47073). *See Galperti Dep., Ex. 11* (Transcript of October 9, 2006 “Motion to Extend TRO Motion for Temporary Injunction” with exhibits); 72 TTABVUE

¹⁸ For a complete listing of Ms. Galperti's testimonial exhibits, see Appendix B.

320-475.¹⁹ As noted above, Petitioner in briefing this case argued that Petitioner and Respondent settled this matter by agreeing that in exchange for Petitioner's payment to Respondent of \$55,000, Respondent would discontinue use of the word mark GALPERTI in the United States and would instead modify its trademark to add design elements in order to distinguish its trademark from Petitioner's.

The record shows otherwise. Petitioner failed to submit documentary evidence that the parties agreed to settle the state court litigation by restricting in any way Respondent's use or registration of the word mark GALPERTI in the United States. Nor did Petitioner offer any testimony to this effect. Thus, while formal settlement was perhaps contemplated and discussed, no written, signed and duly executed settlement agreement was ever reached. *See Galperti Dep.*, 49:22-23, 50:4-21; 72 TTABVUE 53, 54 denying the existence of any settlement agreement. Rather, the Texas state court denied Petitioner's and its co-plaintiff's request for an extension of the restraining order. *Galperti Dep.*, 186:17-189:15, Ex. 72 (Harris County, Texas District Court October 10, 2006 "Order Denying [Plaintiffs'] Extension of TRO"); 72 TTABVUE 190-191, 931. Subsequently, the parties filed a Joint Motion to Dismiss with Prejudice on November 16, 2006. *See Sander Dep.*, Ex. 45 (confidential). On November 22, 2006 Petitioner reimbursed Respondent \$55,000 for legal expenses incurred in litigating the civil suit, not as a quid pro quo for agreeing to discontinue use in the United States of its GALPERTI word mark and making

¹⁹ Neither party submitted the pleadings from the Texas civil suit so we are assuming that the lawsuit was initiated in 2005 based on the documents we have before us. From what we can glean from the record, Petitioner and its co-plaintiff sought and obtained a temporary restraining order against Respondent under Texas state law; however, the court denied the plaintiffs' motion for a permanent injunction. *Galperti Dep.* Ex. 11 (Transcript of October 9, 2006 "Motion to Extend TRO Motion for Temporary Injunction" with exhibits), *passim*; 72 TTABVUE 320-475.

modifications thereto. *See* Galperti Dep., 49:22-23; 72 TTABVUE 53 (“There was no settlement agreement. Galperti, Inc. paid all legal expenses after we abandoned the proceeding.”); Galperti Dep., 50:4-21, 72 TTABVUE 54 (“I deny the existence of any agreement regarding the limitation on the use of the Galperti trademark by Galperti S.r.l.”). The Board is baffled as to why Petitioner would state unequivocally in briefing this case before the Board that the parties had reached a formal, written settlement agreement to conclude the prior litigation when the record clearly shows otherwise. Suffice to say, we have given no consideration to Petitioner’s unsupported statements on this issue.

V. Preliminary Pleading and Trial Issues

Before turning to the substantive claims before us, we address the following issues.

A. Whether Abandonment Was Tried by Implied Consent?

At oral hearing, counsel for Petitioner argued that while not pleaded, a claim of abandonment was tried by implied consent under Fed. R. Civ. P. 15(b)(2), made applicable to Board proceedings by Trademark Rule 2.116(a), 37 C.F.R. § 2.116(a).²⁰ Rule 15(b)(2) provides in part that when issues not raised by the pleadings are tried by express or implied consent of the parties, an amendment of the pleadings may be made to cause them to conform to the evidence. “Implied consent to the trial of an unpleaded issue can be found only where the non-offering party (1) raised no objection to the introduction of evidence on the issue, and (2) was fairly apprised that the evidence was being offered in support of the

²⁰ Trademark Rule 2.116(a), 37 C.F.R. § 2.116(a) states “[e]xcept as otherwise provided, and wherever applicable and appropriate, procedure and practice in inter partes proceedings shall be governed by the Federal Rules of Civil Procedure.” Inter partes proceedings before the Board are also governed by the Federal Rules of Civil Procedure, except as otherwise provided in the Trademark Rules of Practice, and “wherever applicable and appropriate,” and by the Federal Rules of Evidence.

issue.” TBMP § 507.03(b). *See also Morgan Creek Prods. Inc. v. Foria Int’l Inc.*, 91 USPQ2d 1134, 1138 (TTAB 2009); *H.D. Lee Co. v. Maidenform Inc.*, 87 USPQ2d 1715, 1720-1721 (TTAB 2008); *Boise Cascade Corp. v. Cascade Coach Co.*, 168 USPQ 795, 797 (TTAB 1970) (“Generally speaking, there is an implied consent to contest an issue if there is no objection to the introduction of evidence on the unpleaded issue, as long as the adverse party was fairly informed that the evidence went to the unpleaded issue.”). “The question of whether an issue was tried by consent is basically one of fairness. The non-moving party must be aware that the issue is being tried, and therefore there should be no doubt on this matter.” *Morgan Creek*, 91 USPQ2d at 1139. *See also* TBMP § 507.03(b).

The Board has carefully reviewed the evidentiary record and briefs and has found nothing to suggest that this claim was tried by implied consent. None of Petitioner’s testimony or evidence was introduced for the express purpose of proving abandonment.²¹ *Compare Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana Inc.*, 98 USPQ2d 1921, 1925-26 (TTAB 2011) (Board found petitioner’s likelihood of confusion claim based on petitioner’s common law use of the mark LA MICHOCACANA and the mark comprising an Indian girl design was tried by implied consent where petitioner’s notices of reliance and testimony fairly apprised respondent that it was relying on these marks to show priority). Furthermore, neither Petitioner’s main brief nor reply mention abandonment or even the critical elements of such a claim, much less argue that

²¹ “For all evidence offered by notice of reliance, the notice must indicate generally the relevance of the evidence and associate it with one or more issues in the proceeding.” Trademark Rule 2.122(g), 37 C.F.R. § 2.122(g) (Jan. 17, 2017) (codifying the holding in *FUJIFILM SonoSite, Inc. v. Sonoscape Co., Ltd.*, 111 USPQ2d 1234, 1237 (TTAB 2014)).

abandonment was tried by implied consent.²² To take this position for the first time at oral hearing represents, at best, a misunderstanding of the doctrine of trial by implied consent. Thus, we cannot conclude that abandonment was tried by implied consent under Fed. R. Civ. P. 15(b)(2), given that Respondent had no notice that Petitioner's evidentiary materials would be used to support this claim, and also given Petitioner's failure to argue abandonment in its briefs. *See Levi Strauss & Co. v. R. Josephs Sportswear, Inc.*, 28 USPQ2d 1464, 1471 n.11 (TTAB 1993), *recon. denied*, 36 USPQ2d 1328 (TTAB 1994) (party was not fairly apprised that evidence used for a pleaded claim of descriptiveness was also being offered in support of unpleaded likelihood of confusion claim). *Compare Nextel Commc'ns, Inc. v. Motorola, Inc.*, 91 USPQ2d 1393, 1399 (TTAB 2009) (although opposer did not plead issue preclusion as a ground for opposition, because applicant did not object to opposer's assertion of that ground in its brief and, in fact, addressed the issue in its brief, the Board deemed the pleadings to be amended pursuant to Fed. R. Civ. P. 15(b)).

B. Whether Priority Based on Petitioner's Alleged Trade Name Use Was Pleaded and/or Tried by Implied Consent?

In briefing its Section 2(d) claim, Petitioner seeks to establish priority and likelihood of confusion through trade name use by Petitioner and various predecessors in interest

²² To the extent, if any, Petitioner surmises that its assertions in its brief that Respondent's use of the GALPERTI trademark has only been occasional or sporadic rise to the level of abandonment tried by implied consent, Petitioner is mistaken. The elements of an abandonment claim are very specific. Section 1127 of the Trademark Act, 15 U.S.C. § 1127, provides, in pertinent part, that a mark is abandoned "[w]hen its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for three consecutive years shall be prima facie evidence of abandonment. 'Use' of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in a mark."

and affiliates. *See, e.g.*, Petitioner’s Brief, p. 4; 88 TTABVUE 11 (“As explained by the testimony of Petitioner’s President, Scott Sander, Petitioner began using the GALPERTI trademark and trade name in the United States at least as early as 1978, and such trademark use has been continuous and extensive from 1978 to the present time (about 39 years) through Petitioner (Galperti Inc.) and its predecessor companies.”). Respondent objects throughout its brief to Petitioner’s evidence regarding trade name use as irrelevant. *See, e.g.*, Respondent’s Brief, pp. 13-15; 90 TTABVUE 14-16 (“Petitioner’s record provides no evidence of trademark use (it only shows entity name)”) and p. 18, 90 TTABVUE 19 (“... such documents fail to show trademark use and only show that the term ‘Galperti’ had been employed as part of certain company names.”).

Section 2(d) of the Trademark Act permits a party to petition to cancel a registered mark on the basis of ownership of “a mark or trade name previously used in the United States ... and not abandoned.” 15 U.S.C. § 1052(d). A “trademark” is defined as “any word, name, symbol, or device or any combination thereof ... to identify and distinguish [a person’s] goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” Trademark Act Section 45, 15 U.S.C. § 1127. By contrast, as per the statute, a trade name “mean[s] any name used by a person to identify his or her business or vocation.” *Id.* “[T]rade identity rights arise when the term is distinctive, either inherently or through the acquisition of secondary meaning.” *Hoover Co. v. Royal Appliance Mfg. Co.*, 238 F.3d 1357, 57 USPQ2d 1720, 1723 (Fed. Cir. 2001).²³ As noted above, the operative complaint in this case only

²³ In addition,

sets forth allegations concerning “common law trademark rights” in the “GALPERTI Marks” and “priority of use” in the “GALPERTI Marks and variations thereof.” Second Amended Petition for Cancellation ¶ 5; 21 TTABVUE 3. As with registered marks or marks based on common law rights, a plaintiff asserting a Section 2(d) claim must specifically plead any rights in trade names on which it is relying and may not rely at trial on unpleaded trade names in order to prove priority. *Brooks v. Creative Arts By Calloway LLC*, 93 USPQ2d 1823, 1831 n.7 (TTAB 2009). *Cf. Harry Winston, Inc. v. Bruce Winston Gem Corp.*, 111 USPQ2d 1419, 1424 n.14 (TTAB 2014) (opposer may not rely on registrations that were unpleaded, the underlying applications were unpleaded and opposer did not assert that the pleadings should be amended); *Productos Lacteos Tocumbo*, 98 USPQ2d at 1924 (“Because petitioner may not rely on unpleaded marks, we must determine whether petitioner’s attempt to prove its use of the mark LA MICHOACANA and petitioner’s Indian girl was tried by implied consent.”). Hence we are confronted with

[i]n those situations in which a party relies upon trade name use in support of its claim of damage, as in the case of reliance on a trademark or service mark, the trade name, per se, or the salient feature of the trade name must be of such a nature that the use thereof by the opposer would have been sufficient to create a proprietary right therein, namely, an association by the applicable trade of the name or term exclusively with opposer and its products. As previously indicated, without such an association, the likelihood of confusion would appear to be remote, if not nonexistent.

Fluid Energy Processing & Equip. Co. v. Fluid Energy, Inc., 212 USPQ 28, 31 (TTAB 1981). *See also Otto Roth & Co., Inc. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981).

the question of whether Petitioner's attempt to prove priority and likelihood of confusion through trade name use was tried by implied consent.

After reviewing the testimony and evidence introduced during the trial periods, as well as the parties' briefs, we find that Respondent was not put on notice that Petitioner's evidentiary materials would be used to prove priority and likelihood of confusion via trade name use. The testimony on written questions of Petitioner's sole witness, Mr. Sander, does not create the impression that Petitioner was attempting to establish prior trade name rights. Rather, his testimony was offered for the sole purpose of authenticating and introducing into the record various materials. In connection with the introduction of documents obtained from the Texas Secretary of State and Harris County Assumed Name records, Petitioner's President, Mr. Sander briefly refers to corporate name records as evidence of "Galperti's use of trademark and trade name in the U.S. ... at least as early as 1978." Sander Depo. 63:4-6; 47 TTABVUE 66. However, he failed to elaborate any further. None of the other documentary evidence Mr. Sander authenticated for introduction into the record (such as the sales invoices, drawings, material test reports) mentions that it is being introduced for the purpose of showing trade name use, or for that matter, rights in any particular trade name. By contrast, Mr. Sander, when introducing documents as evidence of trademark use, specifically testified to that fact, saying for example, that the purpose of the documents was to show "use of our Galperti Trademark" or "a variety of Galperti logos." *See* Sander Dep., Exs. 3-6, 31, 33-37, 39, 41-43; 47 TTABVUE 14-17, 44, 46-51, 53, 55-57. The fact that Respondent argued throughout its brief that Petitioner's trade name evidence was irrelevant to prove priority necessarily means that Respondent was not on notice that this issue had been tried by implied consent.

In addition, while the record includes copious materials such as invoices and drawings bearing several different trade names (for example, “Galperti, Inc.”, “Galperti Engineering and Flow Control, S.r.L.”, or “Officine Nicola Galperti e Figlio S.p.A.”), Petitioner’s witness, Mr. Sander, failed to identify which specific trade name or names it was relying upon to prove priority. This silence extends to Petitioner’s main brief and reply. Given how this issue was tried and briefed, it is impossible for Respondent (and for that matter, the Board) to ascertain which trade name or names Petitioner seeks to rely upon.²⁴ Because Respondent was not fairly apprised that Petitioner would be seeking to establish its Section 2(d) claim based on trade name use, this issue has not been tried by implied consent. Accordingly, we have not considered any of Petitioner’s evidence or arguments made in connection with common law rights arising from trade names. *Compare Brooks v. Creative Arts By Calloway LLC*, 93 USPQ2d at 1831 n.7 (“Although opposer did not specifically plead trade name rights in the phrase THE CAB CALLOWAY ORCHESTRA, both parties proceeded as if opposer had done so. We deem the pleadings amended to conform to the evidence under Fed. R. Civ. P. 15(b), that is, to specifically include a claim of trade name rights in the phrase THE CAB CALLOWAY ORCHESTRA.”).

VI. Standing

Standing is a threshold issue that must be proven by the plaintiff in every inter partes case. *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014), *cert. denied*, 135 S. Ct. 1401 (2015). Our primary reviewing court,

²⁴ This is all the more confounding insofar as in the section in its brief discussing likelihood of confusion, Petitioner focuses only on the single word mark GALPERTI and its applied-for composite mark, asserting that “Petitioner and Respondent use identical word marks and their design marks both include the word GALPERTI.” Brief, p. 15, 88 TTABVUE 22.

the U.S. Court of Appeals for the Federal Circuit, has enunciated a liberal threshold for determining standing, namely that “[a] petitioner is authorized by statute to seek cancellation of a mark where it has both a real interest in the proceeding as well as a reasonable basis for its belief of damage.” *Empresa Cubana Del Tabaco*, 111 USPQ2d at 1062 (citing *Ritchie v. Simpson*, 170 F.3d 1902, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999)). A “real interest” is a “direct and personal stake” in the outcome of the proceeding. *Ritchie v. Simpson*, 50 USPQ2d at 1026.

Respondent challenges Petitioner’s standing to bring the instant cancellation proceeding, arguing that the record is devoid of documentary evidence tying Petitioner’s asserted use of the trademark GALPERTI in the United States for the years preceding 2004 with one of the affiliates named in Petitioner’s chain of title, Officine Nicola Galperti e Figlio, S.p.A. Respondent also questions whether Fial International Holding, the entity which executed a November 1, 1995 licensing agreement regarding use of the GALPERTI mark, had any relationship with Petitioner. It appears that Respondent is conflating the concepts of standing and priority. Petitioner need not establish priority in order to establish standing, i.e. “a real interest in the proceeding as well as a reasonable basis for its belief of damage.”

In its answer, Respondent admitted “that Petitioner filed a trademark application, Serial No. 85/891,629, for the mark GALPERTI & Design, which has been refused registration and is presently suspended.” Answer ¶ 2; 22 TTABVUE 2. This admission alone serves to show that Petitioner possesses a real interest in this proceeding beyond that of a mere intermeddler and a reasonable basis for its belief in damage. *WeaponX*

Performance Prods. Ltd. v. Weapon X Motorsports, Inc., 126 USPQ2d 1034, 1040 (TTAB 2018). As such, Petitioner's standing is not at issue.

VIII. Section 2(d) Claim

Turning to the substantive claims before us, we commence with Petitioner's Section 2(d) claim. Petitioner, as plaintiff in this proceeding, bears the burden of proof by a preponderance of the evidence. To prevail on a likelihood of confusion claim brought under Trademark Act Section 2(d), a party must first prove that it owns "a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States ... and not abandoned ..." Trademark Act Section 2(d), 15 U.S.C. § 1052(d). Trademark Act Section 2(d), 15 U.S.C. § 1052(d); *see also Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1848 (Fed. Cir. 2000); *Otto Roth*, 209 USPQ at 43; *Life Zone Inc. v. Middleman Grp. Inc.*, 87 USPQ2d 1953, 1959 (TTAB 2008).

A. Priority

As threshold issue, we analyze whether Petitioner has established priority before any date upon which Respondent may rely. As noted above, Petitioner has not pleaded ownership of a federal registration; rather Petitioner relies upon common law rights in the "GALPERTI Marks and variations thereof." Second Amended Petition for Cancellation ¶ 5; 21 TTABVUE 3. Accordingly, to establish priority, Petitioner must prove ownership and prior use, under common law, of a distinctive, inherently or otherwise, mark "in connection with the manufacture, marketing, and sale of flanges, swivel ring assemblies, buckle arrestors, rolled rings, and other forged products." Second Amended Petition for Cancellation ¶ 5; 21 TTABVUE 3. *See Otto Roth*, 209 USPQ at 43 (plaintiff

must establish proprietary rights, either inherent in or by acquisition of secondary meaning in, pleaded common-law mark).

1. Respondent's Priority Date

Our first task is to determine Respondent's relevant date since Petitioner, in order to prevail, will have to demonstrate priority before that date. Under Section 7(c) of the Trademark Act, 15 U.S.C. § 1057(c), a party may rely upon the filing date of the application underlying its registration for purposes of priority as its constructive use date. *See Cent. Garden & Pet Co. v. Doskocil Mfg. Co.*, 108 USPQ2d 1134, 1140 (TTAB 2013); *Larami Corp. v. Talk to Me Programs, Inc.*, 36 USPQ2d 1840, 1844 (TTAB 1995) (parties may rely on the constructive use i.e. filing dates for purposes of priority). As a corollary to this general rule, in instances where a party's registration has been issued under Trademark Act Section 66(a) as is the case here, the party is entitled to rely on its claimed priority date, i.e. the filing date of the underlying application of the international registration, as its constructive use date under Sections 66(b)(3) and 67 of the Trademark Act, 15 U.S.C. §§ 114f(b) and 1141g. 37 C.F.R. § 7.27(c). *See also* TRADEMARK MANUAL OF EXAMINING PROCEDURE ("TMEP") §§ 206.02 and 1904.01(g) (Oct. 2017). The fact that a mark is registered under Section 2(f) of the Trademark Act, 15 U.S.C. §1052(f), does not alter the benefits of constructive use. *RxD Media*, 125 USPQ2d at 1809 (citing *Larami*, 36 USPQ2d at 1846) (benefits of constructive use under Section 7(c) apply "even if the claim of acquired distinctiveness was made after the filing date of the application and even if the use on which the claim of distinctiveness was predicated was made mostly after the filing date of the application"). A party may, of course, rely on an earlier priority date based on common law rights including the date of first use set forth in its registration or in any statement

made during the prosecution history of the underlying application; however, any such earlier priority date must be established by competent evidence.

According to the underlying application of the involved registration, Respondent claimed September 28, 2006 as its priority date, i.e. the filing date of underlying foreign application. Respondent, however, seeks to establish an earlier actual use date, contending that it has demonstrated actual common law use as of 1965 (the alleged date of first use in the United States as set forth in its Section 2(f) declaration) or alternatively, as of 1993. As noted above, insofar as Respondent's word mark GALPERTI is registered on the Principal Register under Trademark Act Section 2(f), this constitutes an admission that the mark is not inherently distinctive. *See The Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 92 USPQ2d 1626, 1629 (Fed. Cir. 2009). Thus, any assertion by Respondent of common law rights in the surname GALPERTI prior to its constructive use date must be accompanied by evidence of a proprietary interest in the mark or secondary meaning.²⁵ *See Otto Roth*, 209 USPQ at 43. *See also Joel Gott Wines LLC v. Rehoboth Von Gott Inc.*, 107 USPQ2d 1424, 1429 (TTAB 2013) ("Because opposer's registration for the mark GOTT issued on the Supplemental Register, while opposer need not establish priority of use of its mark GOTT to prevail on its claim of likelihood of confusion with respect to the mark, opposer must still establish ownership of a proprietary interest in the mark by competent evidence.") (internal citations omitted). The factors to

²⁵ Section 2(f) by its terms only applies to the question of registrability, not use. 15 U.S.C. § 1052(f) ("Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, *nothing herein shall prevent the registration* of a mark used by the applicant which has become distinctive of the applicant's goods in commerce.") (emphasis added). Thus, proof of substantially exclusive and continuous use of a mark in commerce for five years only constitutes prima facie evidence of distinctiveness in the context of registrability and not at common law.

be considered in determining whether a mark has acquired secondary meaning include: whether actual purchasers associate the mark with Respondent, the degree and manner of use of Respondent's mark, and whether Respondent's use of the mark has been exclusive. *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297, 29 USPQ2d 1277 (9th Cir. 1994), *cert. granted on other grounds*, 512 U.S. 1287 (1994).

Although the parties did not brief this issue, the Board has carefully reviewed the record and has determined that when considered as a whole, the record fails to establish Respondent's proprietary interest in the mark GALPERTI based on secondary meaning as of any of Respondent's asserted actual use dates, or for that matter, any date prior to its constructive use date. Respondent argues that through testimony and documentary evidence, Respondent has shown "multi-million dollars" annually in U.S. sales from 2004-2015. Respondent's Brief, p. 19; 90 TTABVUE 20 (citing to Galperti Depo. at 184:20-186:15 and Ex. 71 (chart of U.S. sales by dollar); 72 TTABVUE 188-190). None of the testimony or documentary evidence, however, breaks down these sales figures by product or trademark. And we have no other relevant testimony or documentary evidence in the record on this issue. *Compare Joel Gott Wines*, 107 USPQ2d at 1429 (opposer demonstrated a superior proprietary interest in the mark GOTT in connection with wine through its actual use dating from 2005, its significant sales and advertising and the unsolicited media attention directed to GOTT its brand). That being said, because Respondent's mark GALPERTI registered under Section 2(f), it is entitled to the presumption that it has acquired distinctiveness as of its constructive use date. *See RxD Media*, 125 USPQ2d at 1809 (citing *Larami*, 36 USPQ2d at 1846). For this reason, the earliest date Respondent can rely upon is its constructive use date of September 28, 2006.

2. Petitioner's Priority Date

Having now determined Respondent's relevant priority date, we next consider whether Petitioner has demonstrated prior common law rights. Petitioner argues that it commenced use of the "Galperti trademark" as early as 1978 through its predecessors in interest and related companies. To establish use since that date and a continuous chain-of-title, Petitioner points to Mr. Sander's testimony in connection with the introduction into the record of documents from the Texas Secretary of State and Harris County Assumed Name records. *See* Sander Dep., 61:17-63:7, Ex. 48; 47 TTABVUE 64-66, 42 TTABVUE 6-89. For ease of reference we have reproduced the chart Petitioner included in its brief summarizing Petitioner's purported predecessors and successors in interest and related entities:

Date Entity Formed (mm/dd/yr)	Entity Name	Assumed Names	Later History	Dates of GALPERTI Trademark Use (mm/dd/yr)
7/25/77	Texas Pipe & Accessories Supply Corporation	9/7/78 – filed assumed name certificate for Galperti USA with Texas Secretary of State 9/8/78 – Filed Assumed Name with Harris County Clerk for GALPERTI USA 11/3/80 – Filed Assumed Name with Harris County Clerk for GALPERTI USA	Became Galperti USA, Inc.	9/7/78 to 12/10/90
2/9/87	Galperti USA, Inc.	---	Trademark assets transferred to Galperti U.S.A., Corp.	2/9/87 to 1991
---	Officine Nicola Galperti e Figlio S.p.A. (Italian company purportedly related)	Filed assumed name with Harris County Clerk for Galperti USA	---	10/10/90 (expired)

Cancellation No. 92057016

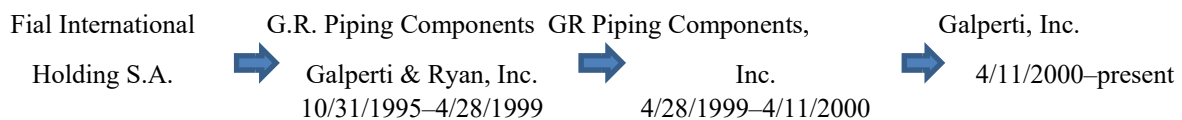
6/25/90	Galperti Machinework Corporation	---	Merged into Ameri-Forge Corp. on 2/1/93	6/25/90 to 2/1/93
8/22/91	Galperti U.S.A. Corp.	---	Trademark assets transferred to Galperti, Inc.	8/22/91 to 1995
10/31/95	GR Piping Components Galperti & Ryan, Inc.	---	Became GR Piping Components, Inc. on 4/28/99 and later merged into Galperti, Inc. on 4/11/00	10/31/95 to 4/11/00
11/1/95	Galperti, Inc.	---	Active primary U.S. operating entity	11/1/95 to present
11/03/97	Galperti Investments, Inc.	---	Active U.S. parent company; becomes sole shareholder of Galperti, Inc., Galperti Realty, Inc., Galperti Realty II, Inc., and Galperti Forging U.S.A., Inc.	11/03/97 to present
2/29/00	Galperti Realty, Inc.	---	Merged into Galperti Inc. on 6/19/02	2/29/00 to 6/19/02
6/20/00	Galperti Forging U.S.A., Inc.	---	Merged into Galperti Inc. on 6/19/02	6/20/00 to 6/19/02
11/9/00	Galperti Realty II, Inc.	---	Merged into Galperti Inc. on 6/19/02	11/9/00 to 6/19/02
7/25/05	Galperti Tech USA, Inc.	---	Trademark assets transferred to Galperti, Inc.	7/25/05 to 12/5/11
12/2/08	Galperti Canada Holding, Inc.	---	Active U.S. Subsidiary	12/2/08 to present
9/11/13	Galperti Engineering and Flow Control USA Inc.	---	Active U.S. Subsidiary	9/11/13 to present

Petitioner's Brief, pp. 4-5; 88 TTABVue 11-12. Included relatively early in its alleged chain of title is an Italian company, Officine Nicolas Galperti e Figlio, S.p.A., Petitioner's co-plaintiff in the Texas state litigation. Petitioner asserts that both companies are

affiliates, and that their relationship “can be seen in Petitioner’s brochures and catalogues in which the Galperti family of companies is listed as including, amongst others, Petitioner and Galperti SpA.” *Id.* at 5-6; 88 TTABVUE 12-13.

Respondent in turn challenges the validity of Petitioner’s chain of title, arguing that Petitioner failed to present testimony and documentary showing a transfer of trademark assets. Respondent argues that Petitioner’s relationship to Officine Nicolas Galperti e Figlio, S.p.A. has not been clearly established for the record, and that Petitioner’s own evidence shows multiple interruptions, two of which occurred prior to the formation of Petitioner (Galperti, Inc.): Galperti USA, Inc. to Galperti U.S.A. Corp., and Galperti U.S.A. Corp. to Galperti, Inc..

In reply, Petitioner offers an alternative chain of title of ownership whereby Fial International Holding (an entity omitted from Petitioner’s original chain of title in the chart above, and for that matter, not mentioned at all in Petitioner’s main brief) entered into a licensing agreement with G.R. Piping Components Galperti & Ryan, Inc. for use of the name “Galperti” and the logo and trademark in the United States.



Reply Brief, p. 3; 90 TTABVUE 9. Under this theory, G.R. Piping Components Galperti & Ryan, Inc. changed its name to GR Piping Components, Inc. before then becoming Galperti, Inc.. Petitioner more explicitly acknowledges that Petitioner, Galperti, Inc., is an affiliate of Officine Nicolas Galperti e Figlio, S.p.A. but then argues that both entities as well as Galperti Engineering and Flow Control S.p.A. and other unspecified companies are under the “direct or indirect control of FIAL S.p.A.” *See* Petitioner’s Response to

Respondent's Interrogatory No. 10 ("the affiliates of Galperti Inc. are: Officine Nicolas Galperti e Figlio SpA, Galperti, Engineering and Flow Control SpA, and other companies under the direct or indirect control of FIAL SpA ...") (confidential); 54 TTABVUE. In addition Petitioner asserts that the relationship between Petitioner and its affiliates can be seen in Petitioner's brochures and catalogues in which the Galperti family of companies is listed. Sander Dep., Ex. 6; 44 TTABVUE 2-108.

By Petitioner's own admission, Officine Nicolas Galperti e Figlio, S.p.A. and Galperti Engineering and Flow Control S.p.A are neither predecessors nor successors in interest but rather are affiliates vis-à-vis Petitioner. An affiliate or related company is different from predecessors or successors who are in privity with one another. *See Wells Cargo, Inc. v. Wells Cargo, Inc.*, 197 USPQ 569, 570 (TTAB 1977), *aff'd*, 606 F.2d 961, 203 USPQ 564 (CCPA 1979). The Trademark Act uses "related company" as a term of art to designate

... any person whose use of a mark is controlled by the owner of the mark with respect to the nature and quality of the goods or services on or in connection with which the mark is used.

Section 45 of the Act, 15 U.S.C. § 1127. Where the mark is used by a related company, the owner is the party who controls the nature and quality of the goods sold or services rendered under the mark. In other words, when a mark is used by a related company, use of the mark inures to the benefit of the entity who controls the nature and quality of the goods or services. *Noble House Home Furnishings, LLC v. Floorco Enters., LLC*, 118 USPQ2d 1413, 1421 (TTAB 2016). In cases where the involved entities are sister corporations, the fact that two sister corporations are controlled by a single parent corporation does not mean that they are "related" companies within the meaning of the statute. Where two corporations are wholly owned subsidiaries of a common parent, use

by one sister corporation is not considered to inure to the benefit of the other, unless the other sister corporation exercises appropriate control over the nature and quality of the goods or services on or in connection with which the mark is used. *Great Seats, Ltd. v. Great Seats, Inc.*, 84 USPQ2d 1235, 1242 (TTAB 2007); *In re Pharmacia Inc.*, 2 USPQ2d 1883, 1884 (TTAB 1987); *Greyhound Corp. v. Armour Life Ins. Co.*, 214 USPQ 473, 475 (TTAB 1982). Here, there is no testimony or evidence clarifying which entity controls the nature and quality of goods sold under any particular trademark and to whom that benefit inures. Instead, we are confronted with a deluge of invoices and other documents bearing various company names such as Officine Nicolas Galperti e Figlio, S.p.A. and others without testimony explaining the extent, if any, to which control is exercised and by whom. Thus, on the record before us, we cannot find that any use by Officine Nicola Galperti e Figlio S.p.A. or Galperti Engineering and Flow Control S.p.A inures to the benefit of Petitioner.

Furthermore, the evidence does not support Petitioner's supposition that the licensing agreement between Fial International Holding and G.R. Piping Components Galperti & Ryan, Inc. somehow establishes or re-establishes a link in the chain of title inuring to Petitioner's benefit. The entire agreement between G.R. Piping Components Galperti & Ryan, Inc. and Fial International Holding executed on November 1, 1995 is as follows:

In consideration for the use of the name "Galperti" in the company name, and the use of the logo and trademark as pursuant to paragraph 1.1 of the Agreement between Proposed Shareholders today executed, it is understood and agreed that that GR will pay to F.I.H. as compensation for said use the amount of \$30,000 per year to be paid by GR to F.I.H. within the end of the relevant year.

Sander Dep., Ex. 28; 48 TTABVUE 66. We do not have in the record a copy of the proposed shareholder agreement referenced above. According to Mr. Sander, the G.R. Piping Components Galperti & Ryan, Inc. and Fial International Holding agreement is “a trademark license from our Italian parent company to the predecessor company of Galperti, Inc., for the use of Galperti’s mark.” Sander Dep., 37:21-38:22, 47 TTABVUE 41. Thus, based on what we can glean from the scant evidence on record regarding this issue, Galperti, Inc.’s purported predecessor G.R. Piping Components Galperti & Ryan, Inc. did not own trademark rights in the term “Galperti” but rather, it was permitted to use the trademark and logo under license from Petitioner’s parent company Fial International Holding. If anything, this document suggests that Petitioner may not be the owner of its pleaded “Galperti marks or variations thereof” but is rather the beneficiary of a licensing arrangement from Fial International Holding, its parent, as a licensee.²⁶

We direct our attention now to the remaining links in Petitioner’s purported chain of title. The best evidence of a predecessor’s ownership in trademark rights is a written assignment; we have none in the record. Nonetheless, “[i]t is well settled that an assignment in writing is not necessary to pass common law rights to trademarks. That is, an assignment or transfer of interest in a trade designation may be established by clear and uncontradicted testimony by a person or persons in a position to have knowledge of the transactions affecting said designation and the common law rights in a mark will be presumed to have passed, absent contrary evidence, with the sale and transfer of the

²⁶ Respondent has challenged Petitioner’s standing to bring the instant cancellation proceeding on this ground. We however do not have sufficient evidence in the record to dismiss this case for lack of standing on this basis.

business with which the mark has been identified.” *Airport Canteen Servs., Inc., et al. v. Farmer’s Daughter, Inc.*, 184 USPQ 622, 627 (TTAB 1974). *See also Diebold, Inc. v. Multra-Guard, Inc.*, 189 USPQ 119, 124 (TTAB 1975); *Sun Valley Co. Inc. v. Sun Valley Mfg. Co.*, 167 USPQ 304, 309 (TTAB 1970). *See also Stagecoach Props., Inc. v. Wells Fargo & Co.*, 199 USPQ 341, 347 (TTAB 1978) (“[A] formal assignment is not necessary to pass a trademark or trade name from a predecessor to a successor, and when the business with which marks and a trade name were associated is transferred, the presumption is that rights to the marks and name were transferred with the business.”). We must therefore examine the testimony of Petitioner’s President Mr. Sander, its sole witness. Petitioner took the unusual step of presenting the testimony of its sole witness by written questions, despite the fact that the witness resides and works in the United States. This of course was Petitioner’s prerogative, but the deposition on written questions procedure does have inherent limitations.²⁷ Ms. Sander’s testimony is devoid of any narrative or chronology concerning Petitioner’s predecessors in interest and related companies; instead, it consists of series of questions authenticating and introducing into the record various documents. The primary piece of evidence Petitioner relies upon to demonstrate an unbroken chain of title are the Texas Secretary of State and Harris County Assumed Name records. His testimony in introducing these documents for the record is as follows:

Q. I direct your attention to Exhibit 48 attached to the

²⁷ “A deposition on written questions is a cumbersome, time-consuming procedure. It requires that cross questions, redirect questions, recross questions, and objections all be framed and served before the questions on direct examination have even been answered. Moreover, it deprives an adverse party of the right to confront the witness and ask follow-up questions on cross examination.” TBMP § 703.02(m).

notice of intention to take deposition of written questions of Scott Sander. Do you recognize Exhibit 48?

A. Yes.

Q. What is Exhibit 48?

A. It's Galperti, Inc. Secretary of State records, and also Harris County records -- assumed name records for the years 1977, 1980, 1987, 1990, 1991, 1995, 1999, 2000, 2002, 2005, 2008 and 2013. They show the use of Galperti since 1977. This was by Galperti, Inc.'s [sic] and its predecessor companies.

Q. Are the records in Exhibit 48 true, correct, fair and accurate copies of the original records?

A. Yes.

Q. Were the records in Exhibit 48 made at or near the time of the events they record?

A. Yes.

Q. Were the records in Exhibit 48 made by a person or from information transmitted by a person with knowledge of the events they record?

A. Yes. We made -- have copies of all these records from previous years [for] the Secretary of State and Harris County.

Q. Are the records in Exhibit 48 kept in the ordinary course of Galperti, Inc.'s business?

A. Yes.

Q. Was it the regular practice of Galperti, Inc.'s business to make the records in Exhibit 48?

A. Yes.

Q. Are all of the companies identified in the records in Exhibit 48 predecessors or otherwise related companies of Galperti, Inc.?

A. Yes.

Q. When did Galperti, Inc. begin using the Galperti trademark and tradename in the United States?

A. By 1978, and perhaps as early as 1976.

Q. Has Galperti, Inc.'s use of the Galperti trademark and tradename been continuous and extensive from 1978 to the present time through Galperti, Inc. and its predecessor companies?

A. Yes. Galperti's use of Galperti trademark and tradename in the U.S. began as early -- at least as early as 1978. The trademark use has been continuous and extensive in the U.S. from 1978 to the present, or about 37 years.

Q. Who has title to the Galperti trademark in the United States?

A. Galperti, Incorporated.

Sander Dep., 61:21-63:10; 47 TTABVUE 64-66. As noted above, Mr. Sander testified that all of the companies identified in the records were either "predecessors or otherwise related companies of Galperti, Inc." Critically, he failed to distinguish which entities listed

in the records were predecessors-in-interest and which were related companies. In addition, as noted earlier, any of his testimony as to events prior to his employment in 2001 are inadmissible for lack personal knowledge since he failed to lay the proper foundation in his testimony. Without these specifics, it is impossible for us to conclude that common law trademark rights were transferred from one entity to the next. *Compare Farmer's Daughter*, 184 USPQ at 627 (“It is clear from the record that Mr. Guagenti has been the leading light or owner of what can be considered to be family enterprises or, if you will, corporate sales, and that, for purpose of convenience, he, at the advice of counsel or accountant, transferred ownership of his various interests to one or another of his corporations without disturbing, and that is the important fact, the continuance of operation of his different activities including that of the ‘FARMER’S DAUGHTER’ restaurant.”). In light of Petitioner’s failure to show an unbroken chain of title by a preponderance of the evidence, we are compelled to begin our priority analysis with Petitioner itself, i.e., Galperti, Inc.

This brings us to the next problem with Petitioner’s evidence. Mr. Sander’s testimony, as the sole witness, is atypical of common law priority disputes to the extent, as previously noted, it consists of authenticating documents for introduction into the record as opposed to questions directly posed to the witness concerning use of the mark. Mr. Sander provided no detailed testimony regarding the nature and extent of Petitioner’s use of its Galperti trademarks or common law rights; instead, it appears that Petitioner hoped that in the process of having Mr. Sander authenticate each document, the document would speak for itself. As we shall see, this approach presents a number of limitations in a priority contest.

Bearing in mind that we must “look at the evidence as a whole, as if each piece of evidence were part of a puzzle which, when fitted together, establishes prior use,” *W. Fla. Seafood Inc. v. Jet Rests. Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1663 (Fed. Cir. 1994), we shall discuss Petitioner’s documentary evidence. To establish 1978 as its first use in commerce of the GALPERTI word mark in connection with “the manufacture, marketing, and sale of flanges, swivel ring assemblies, buckle arrestors, rolled rings, and other forged products,” Petitioner relies primarily on the Texas Secretary of State and Harris County Assumed Name records as well the passage from Mr. Sander’s testimony transcript quoted above introducing this piece of evidence into the trial record. Brief, p. 18, 88 TTABVUE 25. In some cases, testimony alone of a single, credible witness is enough to establish common law use of a mark for the identified goods or services. *Powermatics, Inc. v. Glebe Roofing Prods. Co.*, 341 F.2d 127, 144 USPQ 430, 432 (CCPA 1965). “Nonetheless, oral testimony is obviously strengthened by documentary evidence which corroborates use.” *Nationstar Mortg. LLC v. Ahmad*, 112 USPQ2d 1361, 1372 (TTAB 2014) (citing *Elder Mfg. Co. v. Int’l Shoe Co.*, 194 F.2d 114, 92 USPQ 330, 333 (CCPA 1952)). Sander’s testimony coupled with these records fails to establish 1978 as Petitioner’s date of first use, or for that matter, any first date of use of the GALPERTI trademark. None of the Harris County Assumed name records include a reference to Petitioner’s “GALPERTI mark or variations thereof” used as a trademark or service mark as a source indicator. While oral testimony, even of a single witness, if “sufficiently probative,” may be sufficient to prove priority, *Powermatics*, 144 USPQ at 432, such is not the case here where the testimony consists primarily of authenticating a piece of evidence with only a brief reference to use since 1978 based on no personal knowledge and nothing more. “When, in cases like the one at bar,

the oral testimony of a single witness, testifying long after the events happened, is relied upon to prove priority, such testimony, while entitled to consideration, should be most carefully scrutinized; and if it does not carry conviction of its accuracy and applicability, it should not be permitted to thus successfully attack the presumed validity of a registered trade mark.” *B.R. Co. v. Lebow Bros.*, 66 USPQ 232, 236 (CCPA 1945). As noted above, Mr. Sander did not testify as to having any personal knowledge regarding Petitioner’s use of its mark commencing in 1978 up to the time he began working for Petitioner in 2001. Equally troubling, Petitioner’s own interrogatory response that the affiliates of Galperti, Inc. are Officine Nicolas Galperti e Figlio, S.p.A. and Galperti Engineering and Flow Control S.p.A. and various other companies under the direct or indirect control of Fial International Holding calls into question the accuracy of Mr. Sander’s testimony as well.

Alternatively, relying on its pending application file history, Petitioner asserts use of its applied-for composite GALPERTI word and design mark since at least as early as 2006. Aside from the fact that Petitioner’s pending application was not made of record, statements made in an application regarding dates of use are not evidence of use in an inter partes proceeding unless otherwise established by competent evidence. Trademark Rule 2.122(b)(2), 37 C.F.R. § 2.122(b)(2) (“The allegation in an application for registration, or in a registration, of a date of use is not evidence on behalf of the applicant or registrant; a date of use of a mark must be established by competent evidence.”). *See UMG Recordings, Inc. v. O’Rourke*, 92 USPQ2d 1042, 1047 (TTAB 2009) (dates of use not evidence); *Life Zone*, 87 USPQ2d at 1960 (alleged date of use in application not evidence). Mr. Sander did authenticate and introduce into the record “the cover of [Petitioner’s] company brochure” displaying “the same mark covered by our application.” Sander Dep.,

9:12-10:10, Ex. 1; 47 TTABVUE 12-13, 73-74. The brochure, however, is undated, and Mr. Sander failed to provide the date of use. Equally problematic, the mark is not used on the brochure cover in connection with any of Petitioner's pleaded goods or services. He also authenticated and introduced into the record a printout of Petitioner's website displaying the design element of Petitioner's applied-for composite mark as well as the wording "The Original." Sander Dep., 10:17-11:9, Ex. 2; 47 TTABVUE 13-14, 75-83. Aside from the fact that the website printout is dated 2013, after Respondent's constructive use date, the design marks displayed on the first page of the website do not include GALPERTI as an element. While GALPERTI may appear associated with the design element on marks on Petitioner's building and lawn sign (*see* third page of the website at 47 TTABVUE 77), neither of these examples of the mark is fully legible. Moreover, although the website provides some background on Petitioner (*see* first page of the website at 47 TTABVUE 75), the website evidence is only probative for what it shows on its face and not the truth of what has been printed. *See WeaponX Performance Products Ltd. v. Weapon X Motorsports, Inc.*, 126 USPQ2d at 1040 (citing *Couch/Braunsdorf Affinity, Inc. v. 12 Interactive, LLC*, 110 USPQ2d 1458, 1467 n.30 (TTAB 2014) (Internet webpage evidence admissible only to show what has been printed and not for the truth of what has been printed)).

As further evidence of use of the "GALPERTI marks and variations thereof" Petitioner relies on the following as summarized below:

- **Invoices and related documents from Petitioner and Galperti SpA for the years 1993-2014.** Sander Dep., Ex. 5 (confidential); 49 TTABVUE. The invoices dated 2007-2014 were issued after Respondent's constructive use date. The vast majority of the remaining invoices were issued under the trade name Officine Nicola Galperti e

Figlio S.p.A., Petitioner's affiliate. Some of the invoices issued by Petitioner dated prior to Respondent's constructive use date show "Galperti, Inc." as a trade name in a stylized font as part of Petitioner's address.

- **Material test reports for the years 1998, 2000, and 2004-2006 and 2015.**

Sander Dep., 11:12-20, 12:13-21, Exs. 3 and 4 (confidential); 47 TTABVUE 84-85, and 49 TTABVUE. Several reports issued by Petitioner dated prior to Respondent's constructive use date display "Galperti, Inc." as a trade name in a stylized font as part of Petitioner's address. Others were issued by Galperti Engineering and Flow Control, S.r.L and Officine Nicola Galperti e Figlio S.p.A., Petitioner's affiliate. Some of the reports are dated subsequent to Respondent's constructive use date.

- **Brochures and catalogs.** Mr. Sander introduced into the record as a single exhibit "an example of the Galperti Incorporated²⁸ brochures and catalogues for years 2001, 2002, and 2009" with one "undated," each purportedly showing use of the GALPERTI trademark by Petitioner in the United States. Sander Dep., 14:16-23, Ex. 6; 47 TTABVUE 17, 86-158. Mr. Sander's testimony fails to associate any particular brochure with any particular date. In addition, the Board has carefully reviewed each page of this exhibit and has been unable to find any materials that are dated.

- **Certificate of Approval issued by Lloyd's Quality Assurance.** Sander Dep., Ex. 8; 41 TTABVUE 4. On its face, the Certificate merely states that "Galperti, Inc. Houston, Texas, USA has been approved by Lloyd's Quality Assurance to the following

²⁸ The materials also list the names and addresses of other entities such as Officine Nicola Galperti e Figlio, S.p.A.

Quality Management System Standards ...”; that “The Quality Management System is applicable to: Manufacture of Ferrous and Non-ferrous Piping Fittings, Branch Connections, and Flanges”; that the original approval date was May 2, 1997; and that the current certificate commenced on April 26, 2006 with an expiration date of February 28, 2009. *Id.* As such, the Certificate fails to show actual use or acquisition of any of Petitioner’s pleaded Galperti marks or common law rights therein.

- **Petitioner’s Pipe and Pipe Fitting Manufacturer Approval Record for the year 2000.** Sander Dep., Ex. 7 (confidential); 50 TTABVUE. This document displays “Galperti, Inc.” as a trade name, and on its face, shows nothing more than that Petitioner was approved to manufacture certain products.

- **Confidential customer drawings from the year 1995.** Sander Dep., Ex. 42 (confidential); 54 TTABVUE. The drawings display various trade names, including Galperti & Ryan, Inc.

- **Confidential customer drawings during the years 1996 through 2000, which were given to customers confidentially.** Sander Dep., Ex. 31 (confidential); 51 TTABVUE. The drawings show Galperti & Ryan, Inc. and Galperti Inc. used as trade names.

- **Customer files for AC Central/Canada²⁹ for the years 1996 to 1997.** Sander Dep., Ex. 32 (confidential); 53 TTABVUE. This evidence consists of correspondence between Galperti & Ryan, Inc. (used as a trade name) and a customer.

²⁹ Petitioner partially waived confidential designation of this exhibit by including the customer name in its brief.

- **Files containing customer orders from 1996.** Sander Dep., Exs. 34, 35, 36, and 37 (confidential); 54 TTABVUE. These materials show Galperti & Ryan, Inc. used as a trade name on purchase orders.

- **File for the Swept T-Let design for the years 1997 to 1998, including drawings and customer brochures.** Sander Dep., Ex. 33 (confidential); 54 TTABVUE. These materials display Galperti & Ryan, Inc. used as a trade name on brochures, letters, and faxes.

- **Files containing purchase orders, order entry forms, faxes, letter, and drawings from 1998.** Sander Dep., Exs. 39, 40, 41, and 43 (confidential); 54 TTABVUE. These materials display Galperti & Ryan, Inc. used as a trade name on faxes, letterhead and drawings.

- **Invoice dated November 17, 2000 requesting payment upon receipt from USI Insurance Services of Texas for Petitioner's insurance renewal.** Sander Dep., Ex. 9; 48 TTABVUE 38. On its face the invoice only shows that Petitioner was required to pay a premium to renew its insurance policy and nothing more.

- **City of Houston Alarm Permit.** Sander Dep., Ex. 46; 48 TTABVUE 115. The Permit only shows on its face that Petitioner was issued a "Business Burglary" Alarm Permit on October 29, 2000.

- **"Engineering Procedures and Specification" manual dated August 30, 2000.** Petitioner contends that the manual reflects use of the Galperti mark throughout, including drawings given to customers with the GALPERTI mark. Sander Dep., Ex. 29 (confidential); 50 TTABVUE. Upon review, the manual displays "Galperti, Inc." only as a trade name.

- **Customer drawings for flanges for the year 2001.** Sander Dep., Ex. 30 (confidential); 51 TTABVUE. These drawings from Petitioner display “Galperti, Inc.” as a trade name in a relatively larger font in relation to the remainder of Petitioner’s address.
- **An excerpt from Petitioner’s website dated September 17, 2015 and evidence of 87,753 visits to Petitioner’s website beginning October 1, 2009 through February 23, 2015.** Sander Dep., Exs. 2 and 27; 47 TTABVUE 75. This evidence is subsequent to Respondent’s constructive use date.

We have considered the totality of the testimony and all of the aforementioned evidence and find that Petitioner has failed to demonstrate priority by a preponderance of the evidence. Many of the materials bear only the names of Petitioner’s affiliates and as such cannot be relied upon by Petitioner to prove priority. Some of the materials are dated after September 28, 2006, Respondent’s constructive use date. Technical documents such as customer drawings designated confidential are less likely to create a public association with any purported trademark or trade name. *Compare W. Fla. Seafood*, 31 USPQ2d at 1663 (“[E]ach of these [newspaper] advertisements shows the mark ‘FAST EDDIE’S’ used in association with restaurant services, and there can be no question that a potential customer would have regarded these advertisements as notices to the public that there was a restaurant operating under the name ‘FAST EDDIE’S’ at the advertised location at the time that they were published.”). The majority of the documentary evidence fails to show trademark use but instead evinces trade name use which as noted earlier was neither pleaded nor tried by implied consent. However, even if we were to have found that Petitioner’s attempt to prove priority through prior common law rights in Petitioner’s trade name “Galperti, Inc.” was tried by implied consent, we still would not find priority.

Whether we interpret Petitioner's display of the "Galperti, Inc." in stylized form as a trade name or trademark, Petitioner failed to demonstrate prior proprietary rights in "Galperti, Inc." prior to Respondent's constructive use date of September 28, 2006. Because "Galperti, Inc." is primarily merely a surname,³⁰ Petitioner must show it obtained proprietary rights in "Galperti, Inc." by evidence of secondary meaning. *See Fluid Energy*, 212 USPQ at 31. *See also Otto Roth*, 209 USPQ at 43. This issue was not briefed by either party. Nonetheless, we have reviewed the record and found that Petitioner's strongest evidence of secondary meaning is contained in its responses to Respondent's interrogatories authenticated by Mr. Sander that Petitioner has spent \$100,000 annually for sales visits to customers and \$25,000 annually for trade shows; that Petitioner has printed two brochures in 12 years at a cost of \$25,000³¹ and annual sales figures as stated below:³²

- at least \$6.1 million under the Galperti marks in 1999;
- at least \$7.1 million under the Galperti marks in 2000;
- at least \$5.7 million under the Galperti marks in 2001;

³⁰ To the extent Petitioner argues that the involved marks are "identical," in light of Respondent's concession that its word mark GALPERTI is a primarily merely a surname within the meaning of Section 2(e)(4) by virtue of its registration under Section 2(f), then Petitioner's identical GALPERTI mark must be a surname, too, even with the non-distinctive "Inc." entity identifier added. *Cf. The Cold War Museum*, 92 USPQ2d at 1629.

³¹ The confidentiality designation as to Petitioner's responses to Respondent's Interrogatory Nos. 7 and 8 was waived by Petitioner in its brief. Brief, pp. 6-8; 88 TTABVUE 13-15.

³² We need not consider the annual sales figures or any other potentially relevant evidence subsequent to Respondent's constructive use date. *See, e.g.*, Sander Depo. Exs. 50-52; 43 TTABVUE 2-11 (excerpts from the following trade publication directories showing Petitioner's membership: Southern Gas Ass'n (2013-2014), Pipeliner's Ass'n of Houston (2014) and INGAA Foundation Membership (2012-13)).

- at least \$9.8 million under the Galperti marks in 2002;
- at least \$10.0 million under the Galperti marks in 2003;
- at least \$15.1 million under the Galperti marks in 2004;
- at least \$24.7 million under the Galperti marks in 2005; and
- at least \$38.1 million under the Galperti marks in 2006.

Sander Dep., 58:10–60:15, Ex. 47, Response to Interrogatory Nos. 7 and 8; 54 TTABVUE (confidential). Neither interrogatory response, however, associates any of the dollar figures with a specific trademark, trade name or product. We have also taken into account the documentary evidence that some of Petitioner’s customers have put Petitioner on their approved manufacturers list. Sander Dep., 20:20–23:24, 25:4–29:6, 30:12–33:13, Exs. 12-14, 16-19, and 21-23. While somewhat relevant given that Petitioner operates in a niche market, when considered with the other evidence it nonetheless fails to rise to the level of showing secondary meaning in a common law mark or trade name. For these reasons, Petitioner failed to establish secondary meaning, and by logical extension, a prior proprietary interest in the trademark or trade name “Galperti, Inc.” prior to Respondent’s constructive use date.

In sum, the evidence of priority as a whole falls short, especially given the sparse testimony offered by Petitioner’s sole witness Mr. Sander. We emphasize that we have not evaluated each piece of evidence in isolation, but rather viewed the evidence as a whole. *See W. Fla. Seafood*, 31 USPQ2d at 1663. Perhaps on a more developed record we may have found otherwise.

In view of the foregoing, we find that Petitioner failed to demonstrate priority by a preponderance of the evidence. *Compare id.*, 31 USPQ2d at 1663 (finding priority of use

of mark for restaurant services on the basis of three advertisements in local newspapers, a Florida state service mark registration, three regulatory licenses, and a food service inspection report). Because priority is an essential element of any claim under Section 2(d), we need not reach the issue of likelihood of confusion. *See Exec. Coach Builders, Inc. v. SPV Coach Co.*, 123 USPQ2d 1175, 1199 (TTAB 2017). Accordingly, Petitioner's Section 2(d) claim is dismissed.

IX. LACHES

Respondent pleaded laches as an affirmative defense to both Petitioner's Section 2(d) and fraud claims. As a legal matter, while laches is available as an affirmative defense to a Section 2(d) claim, *see Nat'l Cable Television Ass'n Inc. v. Am. Cinema Editors, Inc.*, 971 F.2d 1572, 19 USPQ2d 1424, 1431 (Fed. Cir. 1991), this equitable defense does not apply to claims of fraud because it is in the public interest to remove registrations from the register procured or maintained by fraud.³³ *See Hornby v. Tjx Cos. Inc.*, 87 USPQ2d 1411, 1419 (TTAB 2008). *See also La Republique Francaise v. Saratoga Vichy Spring Co.*, 191 U.S. 427, 439 (1903) (laches unavailable in the case of actual fraud or in case where there is a conscious attempt to mislead the public as to sponsorship). Although Respondent pursued laches at trial, in light our dismissal of Petitioner's Section 2(d) claim, this defense is now moot.

X. FRAUD

Lastly, we consider Petitioner's fraud claim. Fraud in procuring a trademark registration occurs only when a registrant knowingly makes a false, material

³³ In fact, Respondent conceded at oral hearing that this affirmative defense does not apply to fraud.

representation with the intent to deceive the PTO. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof. *Id.* at 1939 (citing *W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001, 153 USPQ 749, 750 (CCPA 1967)). Indeed, “the very nature of the charge of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.” *Id.* (quoting *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981)).

As noted earlier, the USPTO initially refused registration of Respondent’s word mark GALPERTI as primarily merely a surname pursuant to Trademark Action Section 2(e)(4). In order to overcome the refusal, Respondent amended its application to seek registration on the Principal Register under Trademark Act Section 2(f) based on a claim of acquired distinctiveness. In connection therewith, Respondent submitted a signed but undated declaration executed by Ms. Galperti stating that Respondent commenced use in the United States of its mark in 1965, and attesting to various sales figures and advertising expenditures promoting the mark. In addition, Respondent separately averred through a statement made by its former counsel that the mark had become “distinctive of the goods listed in the application through the Applicant’s substantially exclusive and continuous use in commerce for at least the five years immediately before the date of this statement.” The claim of acquired distinctiveness was ultimately accepted by the Trademark Examining Attorney and the surname refusal was withdrawn.

Petitioner’s fraud claim is predicated in part on the purportedly false statement Ms. Galperti made in her declaration submitted in support of Respondent’s claim of acquired

distinctiveness that Respondent had used the mark in U.S. interstate commerce since 1965. Petitioner contends that this statement directly contradicts Ms. Galperti's testimony in the Texas civil suit that Respondent's first U.S. sales of flanges did not occur until much later in 1993, and that this alleged misrepresentation was material to the Examining Attorney's decision to accept Respondent's amendment to register the mark under Section 2(f).

The statutory language of Section 2(f) provides, inter alia:

Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Director may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made.

15 U.S.C. § 1052(f). The underlying rationale of Section 2(f) has been explained as follows:

[U]nlike the first five sections of 15 U.S.C. § 1052 which define the grounds upon which a trademark registration is to be refused, Section 2(f) serves as an exception to a rejection under the provisions of one of the other sections, Section 2(e) (citation omitted). Section 2(f) permits registration of marks that, despite not qualifying for registration in light of Section 2(e), have nevertheless "become distinctive of the applicant's goods in commerce." Thus, "Section 2(f) is not a provision on which registration can be refused," ... but is a provision under which an applicant has a chance to prove that he is entitled to a federal trademark registration which would otherwise be refused.

Yamaha Int'l Corp. v. Hoshino Gakki Co., 840 F.2d 1572, 6 USPQ2d 1001, 1008 (Fed. Cir. 1988); (quoting *In re Capital Formation Counselors, Inc.*, 219 USPQ 916, 917 n.2 (TTAB 1983)) (emphasis added). "The statute is silent as to the weight of evidence required for a

showing under Section 2(f) ‘except for the suggestion that substantially exclusive use for a period of five years immediately preceding filing of an application may be considered prima facie evidence.’” *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1125, 227 USPQ 417, 422 (Fed. Cir. 1985) (quoting *In re Hehr Mfg. Co.*, 279 F.2d 526, 126 USPQ 381, 383 (CCPA 1960)).³⁴

A critical element of fraud is that any false misrepresentation must be “material.” A material misrepresentation is “one vital for overcoming the ground for rejection.” *Morehouse Mfg. Corp. v. J. Strickland and Co.*, 407 F.2d 881, 160 USPQ 715, 719 (CCPA 1969). It is clear from the prosecution history of the registration that the Trademark Examining Attorney did not withdraw the surname refusal and approve Respondent’s amendment seeking registration under Section 2(f) based on Ms. Galperti’s statement that Respondent commenced use in interstate commerce in 1965. In fact, it does not appear that the Examining Attorney relied on any of the statements Ms. Galperti made in her declaration regarding sales or advertising expenditures under the GALPERTI mark. Rather, as indicated in the Examiner’s Amendment issued prior to approval of the mark for publication in the Official Gazette, the Trademark Examining Attorney accepted “Applicant’s 2(f) claim based on 5 years use” and “[a]ccordingly” withdrew the Section 2(e)(4) refusal. November 13, 2007 Examiner’s Amendment, TSDR 1. The statement tracking the statutory language of Section 2(f), that Respondent’s mark had become “distinctive of the goods listed in the application through the Applicant’s substantially

³⁴ Trademark Rule 2.41, 37 C.F.R. § 2.41, entitled “*Proof of distinctiveness under section 2(f)*,” fills in this gap by affording applicants other means of demonstrating acquired distinctiveness.

exclusive and continuous use in commerce for at least the five years immediately before the date of this statement,” was made on September 26, 2007, making the relevant time period the five years preceding that date. *See* September 26, 2007 Response to Office Action, TSDR 1. For this reason, whether Respondent began use of the GALPERTI mark in U.S. interstate commerce in 1965 or 1993 was immaterial to the Examining Attorney’s decision to allow Respondent’s mark to register under Section 2(f). As such, this aspect of Petitioner’s fraud claim necessarily fails.

Petitioner’s fraud claim is also based on the supposition that Respondent knowingly made false, material misrepresentations with the intent to deceive the USPTO in alleging ownership and “substantially exclusive and continuous” use of the GALPERTI word mark. As evidentiary support, Petitioner points to Respondent’s filing of the underlying application less than a week following dismissal of the Texas litigation and in alleged violation of a purported settlement agreement that Respondent would use a composite mark with design elements to distinguish Respondent’s goods from Petitioner. Petitioner also cites Ms. Galperti’s testimony in the Texas litigation admitting knowledge of Petitioner’s presence in the U.S. market and of its sales of flanges in the U.S. for over 30 years. In addition, Petitioner highlights that the file history of Respondent’s registration shows that the Examining Attorney attached as evidence in support of the surname refusal an excerpt from Petitioner’s affiliate *Officine Nicola Galperti e Figlio, S.p.A.* based on the mistaken assumption that both entities were one and the same, and that Respondent failed to point out this discrepancy to the Examining Attorney. Petitioner contends that these false statements and inaction were material because it is unlikely that the Examining Attorney would have approved the application had it known about

Petitioner's substantial use in U.S. commerce of its mark. As Petitioner asserts, the registration would have never issued had Respondent pointed out the Examining Attorney's mistake and disclosed that Petitioner was another entity using the GALPERTI mark in the United States.

To ascertain the precise meaning of the word "substantially exclusive" in Section 2(f) we look to the guidance set forth by the Federal Circuit in *L.D. Kichler Co. v. Davoil Inc.*, 52 USPQ2d 1307 (Fed. Cir. 1999). In that case, the Federal Circuit reversed a district court's grant of summary judgment on the ground of fraud and cancellation of a registration based on the finding that the registrant filed a false Section 2(f) declaration because it did not disclose third-party use of the mark. In explaining the meaning of the term "substantially exclusive" use under Section 2(f), the court emphasized that

[t]his language must be read in the context of the statute. Section 2(f) declares that prima facie evidence of distinctiveness includes "proof of *substantially* exclusive and continuous use" of a mark for five years. (citation omitted). As the Trademark Manual of Examining Procedure, Section 1212.05(b), recognizes: "The five years of use does not have to be exclusive, but may be 'substantially' exclusive. This makes allowance for use by others which may be inconsequential or infringing and which therefore does not necessarily invalidate the applicant's claim." *See generally In re International Flavors & Fragrances, Inc.*, 51 USPQ2d 1513, 1516 (Fed. Cir. 1999) ("Although the Manual does not have the force of law, it 'sets forth the guidelines and procedures followed by the examining attorneys at the PTO.'" (quoting *West Fla. Seafood, Inc. v. Jet Restaurants, Inc.*, 31 F.3d 1122, 1127 n.8, 31 USPQ2d 1660, 1664 n.8 (Fed. Cir. 1994))). The district court, therefore, erred in suggesting that *any* use by others is sufficient to preclude an applicant's declaration of "substantially exclusive" use. *Cf. Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1583, 6 USPQ2d 1001, 1010 (Fed. Cir. 1988) (affirming board's rejection of section 2(f) opposition, in spite of evidence that four other companies made similar products prior to registration). Consequently, the grant of summary judgment was improper

because there is a genuine issue of fact regarding the extent of the other companies' use--i.e., whether it was inconsequential or infringing.

Even if others' use of the [mark] was significant, to cancel the '172 trademark for fraud there must also be a showing that [registrant] knowingly submitted a false declaration with an intent to deceive. (citation omitted). The district court, however, made no attempt to determine whether [registrant] had the requisite intent. Therefore, we remand the case so the district court may determine whether there existed significant prior use by others, and if so, whether [registrant] knowingly submitted a false declaration with an intent to deceive.

Id. at 1309. *See also Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355, 1359 (TTAB 1989) (“A pleading of fraud requires a showing of intent and, in this case, also requires a showing of the extent of third party uses known to plaintiff at the time it filed its Section 2(f) affidavit.”).

Given the parties' prior involvement in civil litigation, Respondent was well aware of Petitioner and its affiliate Officine Nicola Galperti e Figlio, S.p.A. (who was co-plaintiff in the civil suit) and their presence in the U.S. marketplace. Indeed, Ms. Galperti testified that because the parties operate in a specialized, niche market, “all operators know each other, all operators in the world know each other.” Galperti Depo. 27:15-25, 72 TTABVUE 31. Her knowledge of other players in the marketplace does not make the September 26, 2007 averment of “substantially exclusive” use of the GALPERTI word mark per se false. *L.D. Kichler Co.* makes clear that the five years of use does not have to be exclusive, thereby making an allowance for some use by unrelated third parties. And as noted earlier, contrary to Petitioner's assertion, the parties never agreed to settle the Texas lawsuit by restricting Respondent's use of the GALPERTI mark in the United States. In fact, the court denied Petitioner and its co-plaintiff Officine Nicola Galperti e Figlio, S.p.A.'s

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request for a restraining order against Respondent.

Accordingly, Petitioner's fraud claim is dismissed.

Decision: The petition to cancel is dismissed.

**APPENDIX A – Petitioner’s Exhibits to the Deposition on Written Questions of
Scott Sander**

- EXHIBIT 1 Cover page of Galperti, Inc. Brochure
- EXHIBIT 2 Excerpts Galperti, Inc.’s Website
- EXHIBIT 3 Material Test Reports
- EXHIBIT 4 Material Test Reports
- EXHIBIT 5 Invoices
- EXHIBIT 6 Brochures and Catalogs
- EXHIBIT 7 Galperti, Inc. Pipe and Pipe Fitting
- EXHIBIT 8 Galperti, Inc. Certificate of Approval
- EXHIBIT 9 Invoice to Galperti, Inc. from USI Insurance Services of Texas
- EXHIBIT 10 Faxes to Galperti Inc. about Galperti
- EXHIBIT 11 Letter from A. Corti to M. DeAyala dated August 31, 2006
- EXHIBIT 12 Email from Susan Kuhlmann to Scott Sander dated August 20, 2002
- EXHIBIT 13 Email from Chris Benich to Scott Sander dated August 24, 2002
- EXHIBIT 14 Email from Peter Sandy to Scott Sander dated July 18, 2001
- EXHIBIT 15 Letter from McJunkin to Galperti, Inc. dated October 1, 2002
- EXHIBIT 16 Email from Tom Starke to Scott Sander dated March 18, 2002
- EXHIBIT 17 Letter from ExxonMobil to Galperti, Inc. dated July 29, 2002
- EXHIBIT 18 Email from Bruce Heather to Scott Sander dated August 21, 2002
- EXHIBIT 19 Email from Dubose National Energy Services, Inc. to Galperti, Inc.
dated July 28, 2004

- EXHIBIT 20 Email and attachment from Paul Townsend to Dion Ruzicka dated September 20, 2006
- EXHIBIT 21 Fax from Sunoco to Galperti, Inc. re Accepted Manufacturers List dated May 6, 2004
- EXHIBIT 22 Fax from Phillips 66 to Galperti, Inc. dated November 4, 2002
- EXHIBIT 23 Email from R. Moore to Scott Sander dated October 9, 2003
- EXHIBIT 24 Letter from American Supply Association to Scott Sander dated March 2, 2015
- EXHIBIT 25 Letter from SGA to Scott Sander (undated)
- EXHIBIT 26 Email from Ruth Mitchell to Scott Sander dated July 25, 2014
- EXHIBIT 27 Letter from Whole Wheat Creative, Inc. to Galperti, Inc. dated February 24, 2015
- EXHIBIT 28 Agreement between G.R. Piping Components Galperti & Ryan, Inc. and Fial International Holding, S.A. dated November 1, 1995
- EXHIBIT 29 Galperti, Inc. Engineering Procedure Manual dated August 30, 2000
- EXHIBIT 30 Flange Drawings dated 2001
- EXHIBIT 31 Drawings dated 1996-2000
- EXHIBIT 32 Galperti, Inc. ACI Central / Canada File 1996-1997
- EXHIBIT 33 Galperti, Inc. Sweep T-Let Design Data Drawings File 1997-1998
- EXHIBIT 34 Drawings File (1996)
- EXHIBIT 35 Drawings File (1996)
- EXHIBIT 36 Drawings File (1996)

- EXHIBIT 37 Drawings File (1996)
- EXHIBIT 38 Affidavit of Dion Ruzicka dated September 22, 2006
- EXHIBIT 39 Drawings dated 1998
- EXHIBIT 40 Galperti, Inc. Order Entry Forms dated 1998
- EXHIBIT 41 Galperti, Inc. Customer Drawings dated 1998
- EXHIBIT 42 Customer Drawings 1995
- EXHIBIT 43 Purchase Order and Drawings dated 1998
- EXHIBIT 44 Fax from Wilson Supply to Galperti, Inc. dated November 26, 2007
- EXHIBIT 45 Galperti, Inc.'s files from litigation between Galperti, Inc., Officine Nicola Galperti e Figlio, S.p.A and Galperti, S.r.l.
- EXHIBIT 46 City of Houston Alarm Permit for Galperti, Inc. dated October 29, 2000
- EXHIBIT 47 Petitioner's Responses to Respondent's First Set of Interrogatories dated November 14, 2013
- EXHIBIT 48 Galperti, Inc. Secretary of State Records and Harris County Assumed Name Records: 1977, 1980, 1987, 1990, 1991, 1995, 1999, 2000, 2002, 2005, 2008, 2013

**APPENDIX B – Respondent’s Exhibits to the Deposition on Written
Questions of Dina Galperti**

EXHIBIT 1	Excerpts from Galperti S.r.l.’s Website
EXHIBIT 2	Diploma
EXHIBIT 3	Museum Certificate
EXHIBIT 4	Excerpt from publication
EXHIBIT 5	Advertising
EXHIBIT 6	Equipment Directory
EXHIBIT 7	Official Directory Italian Companies
EXHIBIT 8	Advertising Material
EXHIBIT 9	Advertising Material
EXHIBIT 10	Advertising Material/Assessment Certificates
EXHIBIT 11	Transcript of October 9, 2006 “Motion to Extend TRO Motion for Temporary Injunction” with exhibits
EXHIBIT 12	Section 2(f) Affidavit of Ms. Galperti ³⁵
EXHIBIT 13	Invoices and Related Confirmation Correspondence
EXHIBIT 14	Chemical Analysis
EXHIBIT 15	Test Certificate
EXHIBIT 16	Brochure and Product List
EXHIBIT 17	Brochure
EXHIBIT 18	Bill of Lading

³⁵ By operation of Trademark Rule 2.122, 37 C.F.R. § 2.122, the contents of the registration file for Respondent’s mark are automatically of record.

EXHIBIT 19	Certificate
EXHIBIT 20	Certificate
EXHIBIT 21	Certificate of Withdrawal
EXHIBIT 22	Certificate
EXHIBIT 23	Company Registration Report
EXHIBIT 24	Newspaper Publication
EXHIBIT 25	Galperti Inc. Publication Material
EXHIBIT 26	Galperti Inc. Publication Material
EXHIBIT 27	Publication Material
EXHIBIT 28	Test Certificate
EXHIBIT 29	Certificate (Customer Specific)
EXHIBIT 30	Certificate (Customer Specific)
EXHIBIT 31	Certificate (Customer Specific)
EXHIBIT 32	Certificate (Customer Specific)
EXHIBIT 33	Certificate (Customer Specific)
EXHIBIT 34	Corporate Formation Documents
EXHIBIT 35	Brochure/Advertising
EXHIBIT 36	WIPO/Romarin Database Excerpt
EXHIBIT 37	General Catalogue
EXHIBIT 38	Real Estate Survey
EXHIBIT 39	Shipment Receipt
EXHIBIT 40	Product Invoice
EXHIBIT 41	Product Invoice

EXHIBIT 42	Product Invoice
EXHIBIT 43	Historical Certificate from Ministry of Arms 121
EXHIBIT 44	Documents Related to Transfer of Business
EXHIBIT 45	Product Invoice
EXHIBIT 46	Test Certificate
EXHIBIT 47	Certificate (Customer Specific)
EXHIBIT 48	Book Excerpt
EXHIBIT 49	Export Documents
EXHIBIT 50	Export Documents
EXHIBIT 51	Export Documents
EXHIBIT 52	Export Documents
EXHIBIT 53	Export Documents
EXHIBIT 54	Export Documents
EXHIBIT 55	Export Documents
EXHIBIT 56	Invoice/Order Records
EXHIBIT 57	Invoice/Order Records
EXHIBIT 58	Export Documents
EXHIBIT 59	Export Documents
EXHIBIT 60	Bill of Lading
EXHIBIT 61	Invoice/Order
EXHIBIT 62	Certificate (Customer Specific)
EXHIBIT 63	Product Order
EXHIBIT 64	Product Order

EXHIBIT 65	Company Registration Report
EXHIBIT 66	Company Registration Report
EXHIBIT 67	Company Registration Report
EXHIBIT 68	Pictures of Products and Packaging
EXHIBIT 69	Pictures of Products and Packaging
EXHIBIT 70	ICANN WHOIS Records
EXHIBIT 71	List – Estimates/Sales
EXHIBIT 72	T.R.O. Order