

**This Opinion is Not a
Precedent of the TTAB**

Mailed: March 31, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

—
Trademark Trial and Appeal Board
—

Christian M. Ziebarth

v.

Del Taco, LLC
—

Cancellation No. 92053501
against Registration No. 1043729
—

Kelly K. Pfeiffer of Amezcua-Moll Associates PC
for Christian M. Ziebarth.

April L. Besl and Joshua A. Lorentz of Dinsmore Shohl LLP
for Del Taco, LLC.

—
Before Mermelstein, Lykos and Adlin,
Administrative Trademark Judges.

Opinion by Lykos, Administrative Trademark Judge:

On December 20, 2010, Christian M. Ziebarth (“Petitioner”) filed a petition to cancel Del Taco’s (“Respondent” or “Del Taco”) registration on the Principal Register for the mark **NAUGLES**, in typed format,¹ for “restaurant services” in

¹ Prior to November 2, 2003, “standard character” drawings were known as “typed” drawings. A typed mark is the legal equivalent of a standard character mark. Trademark Manual of Examining Procedure (“TMEP”) § 807.03(i) (January 2015).

International Class 35.² As set forth in the petition to cancel, Petitioner asserts a claim of abandonment alleging, in relevant part:

4. Upon information and belief, Respondent has abandoned the NAUGLES mark shown in Respondent's Registration pursuant to Section 14(3), 15 U.S.C. § 1064(3).
5. Upon information and belief, Respondent is not currently using the NAUGLES mark as shown in Respondent's Registration in connection with "restaurant services."
6. Upon information and belief, Respondent discontinued use of the NAUGLES mark as shown in Respondent's Registration in connection with "restaurant services" many years ago.
7. Upon information and belief, for at least the last three consecutive years, Respondent has not used the NAUGLES mark as shown in Respondent's Registration in connection with "restaurant services," thereby constituting prima facie evidence of abandonment of the NAUGLES mark as shown in Respondent's Registration.
8. Although Respondent filed Sections 8 & 9 Affidavits to renew Respondent's Registration on May 18, 2006 ("2006 Renewal"), upon information and belief, Respondent had, at the time of the 2006 Renewal, previously discontinued and abandoned use of the NAUGLES mark as shown in Respondent's Registration in connection with "restaurant services." The specimen submitted to support such renewal was a website printout that does not demonstrate bona fide use of the NAUGLES mark in connection with "restaurant services." The website merely discusses the *prior* history of the Naugles restaurants and nothing more. (See Exhibit 1).³ In addition, upon information and belief, "restaurant services" were not being provided by Respondent under the NAUGLES mark as shown in Respondent's registration at the time of the 2006 Renewal.

² Registration No. 1043729, issued July 13, 1976, alleging December 13, 1970 as the date of first use anywhere and in commerce; Sections 8 and 15 affidavits accepted and acknowledged; renewed on July 13, 2006.

³ With the exception of a petitioner's pleaded registration, materials submitted with a petition to cancel are not of record unless properly introduced at trial. See Trademark Rule 2.122(d); 37 C.F.R. § 122(d).

9. In addition, although Respondent filed sections 8 & 9 Affidavits to renew Respondent's Registration on July 8, 1996 ("1996 Renewal"), upon information and belief, Respondent had at the time of the 1996 Renewal, previously discontinued and abandoned use of the NAUGLES mark as shown in Respondent's Registration in connection with "restaurant services." In addition, upon information and belief, "restaurant services" were not being provided by Respondent under the NAUGLES mark as shown in Respondent's Registration at the time of the 1996 Renewal.

Respondent, in its answer to the petition to cancel, denied the salient allegations therein.⁴

The case is now fully briefed.

I. ***The Record***⁵

The parties are commended for stipulating to the option of submitting witness testimony in affidavit form, with the proviso that the non-submitting party reserves the right to conduct live cross-examination of the affiant while the submitting party reserves the right to conduct live redirect examination.⁶ See "Parties Stipulation to

⁴ Respondent also asserted the affirmative defense of failure to state a claim upon which relief may be granted in its pleading. Insofar as Respondent neither filed a formal motion to dismiss pursuant to Fed R. Civ. P. 12(b)(6) during the interlocutory phase of this proceeding, nor argued this asserted affirmative defense in its brief, it is hereby deemed waived. See *Alcatraz Media v. Chesapeake Marine Tours Inc.*, 107 USPQ2d 1750, 1753 n.6 (TTAB 2013), *aff'd*, 565 Fed. Appx. 900 (Fed. Cir. 2014) (mem.).

⁵ Portions of the record have been designated confidential and have been treated as such. All citations to the record refer to the redacted, publicly available versions of each submission.

⁶ With the exception of the provisions regarding motions *in limine* which are prohibited under Board practice, the parties' stipulation (filed October 4, 2013) which also includes, among other items, provisions regarding the right to make objections, is approved. See Trademark Trial and Appeal Board Manual ("TBMP") § 527.01(f) (2014).

Submit Testimony in Affidavit Form” filed October 4, 2013; 56 TTABVUE.⁷ *See also* Trademark Trial and Appeal Board Manual (“TBMP”) § 702.04(e) (“Utilizing Stipulations in Non-ACR Board cases”) (2014).

Pursuant to Trademark Rule 2.122, the record includes the file of Respondent's involved registration and the pleadings. The parties also submitted the following evidence:

A. Petitioner's Evidence

Petitioner submitted a Notice of Reliance (filed September 20, 2013) consisting of the following items:

- Petitioner's First Set of Interrogatories and certain responses thereto;
- Petitioner's First Set of Requests for Admissions and certain responses thereto;⁸ and
- Article entitled “Adios to Naugles; Fast Food Chain to switch to Del Taco” from the *Orange County Register* dated May 17, 1989.

Petitioner also submitted the following:⁹

⁷ TTABVUE refers to the Board's publicly available online docket system. For the citations to the record in TTABVUE throughout the decision, 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.

⁸ Denials of requests for admission are inadmissible under notice of reliance. Trademark Rule 2.120(j)(3)(i). “[U]nlike an admission (or a failure to respond which constitutes an admission), the *denial* of a request for admission establishes neither the truth nor the falsity of the assertion, but rather leaves the matter for proof at trial. *Cf.* Fed. R. Civ. P. 36(b).” *See e.g., Life Zone Inc. v. Middleman Group Inc.*, 87 USPQ2d 1953, 1957 n.10 (TTAB 2008) (denials to requests for admission inadmissible).

⁹ In an interlocutory order dated August 12, 2013 (49 TTABVUE), the Board applied the estoppel sanction to preclude Petitioner from submitting the testimony of Mr. William Odell, who was first identified in Petitioner's pretrial disclosures. *See* Fed. R. Civ. P. 37(c)(1) and Trademark Rule 2.116(a). *See e.g., Great Seats, Inc. v. Great Seats, Ltd.*, 100 USPQ2d 1323, 1326-27 (TTAB 2011) and TBMP § 527.01(e) (2014) (“Estoppel Sanction”).

- Affidavit of Petitioner Christian M. Ziebarth, with Exhibits A-Q attached thereto (“Ziebarth Affidavit”);
- Affidavit of Rob Hallstrom, a third-party witness, with Exhibit H attached thereto (“Hallstrom Affidavit”);
- Affidavit of Daniel Dvorak, a third-party witness (“Dvorak Affidavit”); and
- Cross-Examination Testimony Deposition of Noah Chillingworth (“Chillingworth Cross-Examination Testimony”).

B. Respondent’s Evidence

Respondent submitted a notice of reliance (filed January 15, 2014) consisting of the following:

- Respondent’s uninvolved Registration No. 4261951, issued December 18, 2012 based on an application filed March 30, 2011 for the mark **NAUGLES** in standard character format for “[c]lothing, namely, shirts, t-shirts, hats, and jackets” in International Class 25, alleging September 15, 2011 as the date of first use anywhere and in commerce;
- Petitioner’s First Response to Respondent’s First Set of Interrogatories and Requests for Production of Documents and Things and Supplemental Responses thereto; and
- Petitioner’s First Response to Respondent’s First Set of Requests for Admission and Supplemental Responses Thereto.¹⁰

Respondent also introduced the following:

- Affidavit of Noah Chillingworth, Respondent’s Vice President of Marketing, with exhibits attached thereto (“Chillingworth Affidavit”);
- Cross-Examination Testimony Deposition of Petitioner Christian M. Ziebarth (“Ziebarth Cross-Examination Testimony”);
- Cross-Examination Testimony Deposition of Rob Hallstrom (“Hallstrom Cross-Examination Testimony”); and

¹⁰ See note 9.

- Cross-Examination Testimony Deposition of Daniel Dvorak (“Dvorak Cross-Examination Testimony”).

II. *Evidentiary Issues*

Before turning to the substantive claims before us, we address various evidentiary issues and motions. At the outset we observe that the discovery phase of this case was contentious, and that discovery disputes continued to be an issue at trial, notwithstanding the parties’ decision to stipulate to trial efficiencies. We further note that the trial record in this case is voluminous, and both parties have interposed numerous evidentiary objections. To the extent, if any, an objection has not been specifically addressed below, we have considered the objected-to evidence, keeping in mind the objections, and have accorded it whatever probative value it merits.¹¹

¹¹ Respondent’s motion (filed October 13, 2014, 95 TTABVUE) to strike the declaration and exhibits of Petitioner’s legal counsel Kelly K. Pfeiffer (“Pfeiffer Declaration”) submitted with Petitioner’s reply brief is granted to the extent, if any, that Petitioner relies on the declaration and exhibit in support of his case-in-chief (either to establish his standing to bring the present suit or prove his claim of abandonment). Respondent’s alternative motion pursuant to Trademark Rule 2.120(g) for discovery sanctions in the form of judgment is denied as untimely. The events in question occurred in November of 2013, and had Respondent believed that Petitioner’s conduct warranted the ultimate sanction of judgment, Respondent should not have delayed filing a motion until final briefing of the case.

A. Petitioner's Objections¹² to Noah Chillingworth's Testimony Concerning Events Prior to February 2009

Petitioner objects to and has moved to strike certain testimony of Respondent's sole witness, Noah Chillingworth, Vice President of Marketing, as well as any attendant exhibits, regarding "all events and actions taken by Del Taco prior to February 2009" on the ground that Mr. Chillingworth lacks personal knowledge of Respondent's business prior to that date. Mr. Chillingworth testified that he commenced working for Respondent in February 2009, and that prior to that date he worked for a competitor, Taco Bell, from 2004-2009. Chillingworth Cross-Examination Testimony 8:24-11:5; 85 TTABVUE 12-15. His affidavit states that "[T]he NAUGLES brand has been owned and used by Del Taco and its predecessors since 1988 in connection with Del Taco's restaurant services." Chillingworth Affidavit ¶ 2; 78 TTABVUE 2. However, Mr. Chillingworth's cross-examination testimony makes clear that his knowledge of relevant events prior to February 2009 is based largely on his conversations with Respondent's legal counsel and others he was unable to name. Chillingworth Cross-Examination Testimony 40:7-43:22, 85

¹² Respondent contends that because Petitioner improperly filed his evidentiary objections in the form of a motion to strike appended to his main trial brief, and not within Petitioner's main trial brief, the objections are waived. Substantive objections to trial testimony, whether taken live or in affidavit form, may be maintained in a party's main brief on the case, as an appendix to its brief on the case or in a separate statement of objections filed with its brief on the case. Trademark Rule 2.128(b) ("[E]videntiary objections that may properly be raised in a party's brief on the case may instead be raised in an appendix or by way of a separate statement of objections. The appendix or separate statement is not included within the page limit."). See *Anthony's Pizza & Pasta International, Inc. v. Anthony's Pizza Holding Co.*, 95 USPQ2d 1271, 1273 n.4 (TTAB 2009) (objection to testimony raised in deposition may be maintained in appendix to brief or by separate statement of objections), *aff'd*, 415 Fed. Appx. 222 (Fed. Cir. 2010). See also, *Alcatraz Media*, 107 USPQ2d at 1753. Accordingly, Petitioner's separate "motion to strike" does not result in waiver of the objections.

TTABVUE 44-7 Mr. Chillingworth testified that “I know through conversations with fellow employees as well through – with my legal counsel that I am informed and believe.” *Id.* at 42:12-15, 85 TTABVUE 46.

Federal Rule of Evidence 602¹³ 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.” General references to conversations with others do not constitute the proper foundation to establish personal knowledge. *See City National Bank v. OPGI Management GP Inc./Gestion OPGI Inc.*, 106 USPQ2d 1668, 1674-75 (TTAB 2013) (testimony of in-house legal counsel regarding events that pre-existed his employment with defendant not considered). Mr. Chillingworth’s testimony is based upon his general recollection of conversations that took place with various unidentified individuals during the course of his employment with Respondent since 2009, and with Respondent’s counsel, and as such the testimony is not based on Mr. Chillingworth’s personal knowledge.

However, 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 in evaluating the probative value (if any) of the testimony. *See Krause v. Krause Publications Inc.*, 76 USPQ2d 1904, 1907 (TTAB 2005). *See also, Marshall Field & Co. v. Mrs. Fields Cookies*, 25 USPQ2d 1321, 1326 (TTAB 1992). In accordance with this practice, we have not stricken any of Mr. Chillingworth’s testimony about events prior to February 2009, but we have

¹³ Trademark Rule 2.122(a) provides that the Federal Rules of Evidence apply to Board *inter partes* proceedings.

accorded his testimony the appropriate probative weight in light of the above. to the extent it is inadmissible. *See Coach Services Inc. v. Triumph Learning LLC*, 96 USPQ2d 1600, 1603 (TTAB 2010), *aff'd in relevant part*, 668 F.3d 1356, 1010 USPQ2d 1713, 1730 (Fed. Cir. 2012) (sustaining objection to testimony about business matters prior to the witness' employment and for which she did not otherwise have personal knowledge).

B. Petitioner's Objection to Exhibit 11 (menu) to the Chillingworth Affidavit

Petitioner moved to strike Exhibit 11 to the Chillingworth Affidavit which consists of a menu displaying the phrase "Viva Naugles Viva Del Taco," on the ground that Mr. Chillingworth lacks personal knowledge of the exhibit, cannot authenticate it and is unable to lay the proper foundation for its introduction into the record. In his testimony, Mr. Chillingworth described the menu as "an example of advertising previously used by Del Taco in connection with its restaurant services prominently featuring the NAUGLES mark." Chillingworth Affidavit ¶ 3; 78 TTABVUE 2. However, upon cross-examination, he testified that since he began working for Del Taco in February 2009, he had not seen the menu actually used in marketing Respondent's restaurant services. Chillingworth Cross-Examination Testimony 60:11-14; 85 TTABVUE 64. In addition, he was unable to indicate when Del Taco used the menu, testifying only that he believed it was used in marketing Respondent's NAUGLES-branded restaurant services because it was kept in Del Taco's archives. *Id.* at 57:19-25; 59:1-3; 85 TTABVUE 61, 63.

Petitioner's motion to strike is overruled, *see* Fed. R. Evid. 803(6) (business record exception to the hearsay rule), but we are unable to give this evidence any significant probative value because of Mr. Chillingworth's inability to provide exact, or even approximate dates of use, as well as his admission that since being employed with Del Taco, he has not personally observed the menu in actual use.

C. Petitioner's Objection to Exhibit 29 (Photographs of Clothing Articles) to the Chillingworth Affidavit

Mr. Chillingworth introduced as Exhibit 29 to his affidavit photographs of articles of clothing sold by Respondent bearing the term NAUGLES. Petitioner has moved to strike the exhibit on the ground that Mr. Chillingworth lacks personal knowledge, cannot authenticate the exhibit and is unable to lay the proper foundation for its introduction into the record. During his cross-examination, Mr. Chillingworth testified that he did not take either photograph, that he could not identify the person who did. He further testified that prior to executing his affidavit, he had never seen the photographs, and that he could not identify who provided them. Chillingworth Cross-Examination Testimony 15:18-16:18; 85 TTABVUE 20. In view thereof, Petitioner's objection is sustained. Mr. Chillingworth was unable to authenticate and provide the proper foundation for the exhibit.

D. Petitioner's Objection to Testimony elicited by Respondent during his Cross-Examination on the Subjects of Respondent's Clothing Registration and the sale of "Naugles"-Branded Clothing

Petitioner objects to all testimony elicited by Respondent during cross-examination of Petitioner on the subject of Respondent's clothing registration, as well as any statements regarding the actual sales of "Naugles"-branded clothing on

the ground that these subjects were not included in Petitioner's testimonial affidavit. Federal Rule of Evidence 611(b) states "Cross-examination should not go beyond the subject matter of direct examination." Petitioner's affidavit, which took the place of Petitioner's live direct testimony, is silent on these particular subjects, and therefore Petitioner's objection is sustained.

E. Petitioner's Objection to Respondent's Twitter Posts Made after the Filing of His Application

Petitioner objects on the ground of relevancy to all testimony Respondent elicited from Petitioner during cross-examination on the subject of posts Petitioner made to his "Senor Naugles" Twitter account after the filing of Petitioner's intent-to-use application. Petitioner contends that the only "tweets" that are relevant to the issue of standing are those which took place prior to the filing of Petitioner's application. Respondent maintains that the evidence is relevant not to Petitioner's standing but rather to consumer perceptions and the "goodwill" associated with the NAUGLES mark, which Respondent claims is directly relevant to abandonment.

The testimony elicited on cross-examination concerns Petitioner's Twitter postings which took place in 2013, after the filing of the petition to cancel and are such are not relevant to the issue of standing. *See* Fed. R. Evid. 401. Petitioner's objection is therefore sustained.

F. Respondent's Objections to Alleged Statements Made by Third-Parties to Petitioner

Respondent objects to all testimony by Petitioner pertaining to alleged statements made by non-parties to this proceeding as inadmissible hearsay. More

specifically, Petitioner testified as to alleged conversations with the following individuals: Barbara Caruso, Jeff Naugle, John Joseph Naugle, Bill Naugle and William O'Dell.¹⁴ Insofar as the out of court statements are black letter hearsay and Respondent has not established that any exceptions to the hearsay rule apply, these objections are sustained.¹⁵ *See* Fed. R. Evid. 801.

G. Respondent's Objection to Article Entitled "Adios to Naugles; Fast Food Chain to Switch to Del Taco"

Respondent objects to an article entitled "Adios to Naugles; Fast Food Chain to switch to Del Taco" from the *Orange County Register* dated May 17, 1989 on the ground of hearsay. Respondent maintains that Petitioner relies on the article for the truth of the matter asserted therein, namely that Respondent has abandoned use of its registered NAUGLES mark in connection with restaurant services with no intent to resume.

We agree with Respondent that the article is hearsay if relied upon for the truth of the statements in it, Fed. R. Evid. 801, and can only be used to demonstrate what the article shows on its face, in other words, that the article was published and available to the public on that particular date. *See Syngenta Crop. Prot. Inc. v. Bio-Chek LLC*, 90 USPQ2d 1112, 1117 n. 7 (TTAB 2009). It is therefore of little, if any, probative value in proving Petitioner's claim of abandonment. Respondent's objection is therefore sustained.

¹⁴ As noted earlier (footnote 9), Petitioner is estopped from submitting the testimony of William O'Dell.

¹⁵ In view thereof, Respondent's objection to Petitioner's testimony regarding alleged conversations and interactions with Jeff Naugle based on documents and evidence not produced during discovery is moot.

H. Respondent's Objection to Petitioner's Opinion Testimony

Pursuant to Federal Rule of Evidence 701, Respondent objects to all opinion testimony offered by Petitioner regarding ultimate conclusions of law as to his claim of abandonment and the sufficiency of Respondent's 2006 renewal of its involved registration. With or without his testimony, we assume Petitioner's belief in the merit of his claims. Nonetheless, it is the Board which must determine the issues in this case, and Petitioner's legal opinions are not helpful in that task. Respondent's objection is sustained to the extent that we have disregarded any opinion testimony regarding the ultimate disposition of the abandonment claim asserted herein as well as any opinions concerning Respondent's registration renewal. *See, e.g., Alcatraz Media v. Chesapeake Marine Tours Inc.*, 107 USPQ2d at 1753 n.6; *Steiger Tractor, Inc. v. Steiner Corp.*, 221 USPQ 165, 169 (TTAB 1984); *Mennen Co. v. Yamanouchi Pharm. Co.*, 203 USPQ 302, 305 (TTAB 1979).¹⁶

III. Background

Commencing in the 1970s, Naugles, Inc. operated a chain of restaurants in California under the NAUGLES service mark. In 1988, Respondent purchased all assets of the Naugles restaurant business, including the NAUGLES brand name. Chillingworth Affidavit ¶ 2; 78 TTABVUE 2. The last restaurant named Naugles

¹⁶ *See also Jones & Laughlin Steel Corp. v. Jones Eng'g Co.*, 292 F.2d 294, 130 USPQ 99, 100 (CCPA 1961) ("The witnesses did not cite any instances of actual confusion but merely expressed an opinion as to the origin of the goods. Such opinions are not controlling."); *Quaker Oats Co. v. St. Joe Processing Co.*, 232 F.2d 653, 109 USPQ 390, 391 (CCPA 1956) ("[W]e deem it necessary to comment on the weight to be given the witnesses' opinions that the marks would be likely to cause confusion. In this respect it has been held that such testimony amounts to nothing more than an expression of opinion by the witness, which obviously is not binding upon either the tribunals of the Patent Office or the courts.").

closed on approximately October 25, 1995, and Respondent has not re-opened or operated any Naugles “branded” restaurants since then. Chillingworth Affidavit ¶ 2; 78 TTABVUE 2. Respondent’s Admission Nos. 1-17, 22, and 23; Chillingworth Cross-Examination Testimony 54:1-24, 85 TTABVUE 58.

Petitioner is an online blogger who writes about the topic of food in Orange County, California. Ziebarth Affidavit ¶ 2; 757 TTABVUE 2. Petitioner posted a blog entry in 2008 reminiscing about the “old” Naugles Southern California restaurants. *Id.* at ¶ 2; 57 TTABVUE 2-3. He testified that he originally intended the blog entry to be a “remembrance” of the chain, but noticed that “the entry got a lot of attention by way of people posting responses, indicating how much they liked the Naugles food and wished it would return.” *Id.*; Ziebarth Cross-Examination Testimony 16:17-17:17 (discussing statistics regarding visits to Petitioner’s food blog); 76 TTABVUE 19-20. Petitioner then arranged a meeting with Ms. Barbara Caruso, whom he believed was the “long-time public relations representative for Del Taco,” and whom he first became acquainted with after she sent him information to post on his blog about Del Taco menu items. Ziebarth Affidavit ¶ 6; 57 TTABVUE 4. He suggested to Ms. Caruso that Del Taco bring back the food items that were served in the former Naugles restaurants. *Id.* He further testified that despite his efforts to follow-up with an additional meeting, no further meetings occurred, with Ms. Caruso or anyone else affiliated with Respondent. *Id.* at ¶¶ 6-7; 57 TTABVUE 4-5. Believing that Respondent no longer had any interest in using the NAUGLES mark and that Respondent had legally abandoned the mark, Petitioner decided that

he would open his own restaurant under the name NAUGLES. *Id.* at ¶¶ 3 and 12; 57 TTABVUE 2, 7.

Petitioner then filed on May 17, 2010 Application Serial No. 85040746 for the mark NAUGLES in standard-character format for “cafeteria and restaurant services” in International Class 43, alleging a *bona fide* intent to use the mark in commerce. After the Trademark Examining Attorney refused registration under Section 2(d) of the Trademark Act citing the involved registration,¹⁷ Petitioner filed the complaint in this proceeding on December 20, 2010. Examination of Petitioner’s application was suspended pending the outcome of this proceeding.

On March 30, 2011, Respondent filed its own application to register NAUGLES in standard character format for “Clothing, namely, shirts, t-shirts, hats, and jackets” in International Class 25, alleging a date of first use in commerce of September 15, 2011. The application successfully registered on December 18, 2012 as Registration No. 4261951.

IV. **Standing**

A plaintiff in a Board proceeding must prove standing as a threshold matter in order to be heard on its substantive claims. *See, e.g., Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). The purpose of the standing requirement is to prevent mere intermeddlers from initiating proceedings, and derives from Section 14 of the Trademark Act which provides in relevant part “[a] petition to cancel a registration of a mark. . . may be filed . . . by any person who

¹⁷ A surname refusal was made as well.

believes that he is or will be damaged” by the registration. The Court of Appeals for the Federal Circuit has enunciated a liberal threshold for determining standing, namely, whether a plaintiff's belief in damage has a reasonable basis in fact and reflects a real interest in the case. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1028 (Fed. Cir. 1999). *See also Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 853 F.2d 888, 7 USPQ2d 1628 (Fed. Cir. 1988).

The petition to cancel contains the following allegations relevant to Petitioner's standing:

1. Petitioner is the owner of U.S. Trademark Application Serial No. 85/040,746 filed on May 17, 2010 for the mark NAUGLES in connection with “cafeteria and restaurant services” (“Petitioner's Application”) in International Class 43.
2. Petitioner has been, and continues to be, damaged in that Trademark Registration No. 1,043,729 has been cited against Petitioner's Application as a basis for refusal of registration under Trademark Act Section 2(d), 15 U.S.C. § 1052(d).

Respondent challenges Petitioner's standing to bring the cancellation proceeding.¹⁸

When a plaintiff in a Board proceeding pleads and later proves that it has been refused registration of its mark because of the defendant's registration, it has established a “reasonable belief” of damage, thereby satisfying the standing requirement. *See Saddlesprings Inc. v. Mad Croc Brands Inc.*, 104 USPQ2d 1948, 1950 (TTAB 2012) (standing adequately alleged by allegation that petitioner's

¹⁸ Petitioner, relying on a non-precedential Board interlocutory order in a different proceeding, asserts that because Respondent failed to amend its answer to assert an affirmative defense that Petitioner lacks standing, Respondent is now barred from arguing that issue. That proposition is contrary to the long-standing principle that standing must be proved by the plaintiff, *see Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982), and as such the lack of standing does not need to be pleaded as an affirmative defense.

intent-to-use application has been refused based on respondent's registrations). During the interlocutory phase of this proceeding, the Board informed the parties that "the fact that Petitioner's intent-to-use application was refused registration based on a likelihood of confusion with the involved registration does not preclude Respondent from challenging Petitioner's assertion in his application that he has a *bona fide* intent to use the mark in commerce. Because Petitioner bears the ultimate burden of proof on the issue of standing, petitioner may be required to go beyond the mere pendency of his applications and establish his entitlement to file the application upon which his standing claim is based." Interlocutory Order dated January 21, 2012; 16 TTABVUE 3-4. This is the precise basis upon which Respondent challenges Petitioner's standing, i.e. that Petitioner did not in fact have a *bona fide* intention to use the NAUGLES mark, and therefore has no real interest and reasonable belief in damage resulting from the citation of Respondent's mark as a bar to applicant's registration.¹⁹

Here, Petitioner has submitted evidence that his intent-to-use application was refused registration under Section 2(d) of the Trademark Act based on Respondent's registered mark. Ziebarth Affidavit ¶ 4, Exs. A and B; 57 TTABVUE 3, 19 (Application Serial No. 85040746 file history). In addition, the record shows that Petitioner took concrete steps towards using the mark, thereby demonstrating a

¹⁹ We hasten to add that standing in a Board *inter partes* proceeding is determined as of the filing date of the complaint, not the filing date of a plaintiff's pleaded application. For this reason, Petitioner's actions before and after the filing date of his application up to the filing date of the complaint are also relevant to the issue of standing.

bona fide intent to use sufficient to support his application. Petitioner testified that he discussed his ideas with Rob Hallstrom, owner of a public relations marketing agency which specializes in the restaurant industry and co-owner of three restaurants in Orange County, California. Mr. Hallstrom corroborated Petitioner's testimony by explaining that in January 2010, Petitioner approached him about helping him "make this idea of opening restaurants under the NAUGLES name a reality." Hallstrom Affidavit ¶ 2 and Ex. H; 59 TTABVUE 2 and 8-25 (Petitioner and Hallstrom email exchange). He further testified that he and Petitioner met in person to talk about Petitioner's idea, that they had several follow-up discussions about potential properties for restaurant locations and that he and Petitioner actually looked at a few properties, including one that was formerly a Naugles restaurant. Hallstrom Affidavit ¶3; 59 TTABVUE 3.

The record also shows that Petitioner recruited Daniel Dvorak, the Lead Industrial Designer/Product Designer for Alco Designs and owner of his own design consulting business Protodraft Designs, who offered to handle marketing for Petitioner's venture. Dvorak Affidavit ¶ 1, 4; 60 TTABVUE 3. Mr. Dvorak testified that between February and September 2010 he met regularly with Petitioner, and corroborated Petitioner's testimony that Petitioner was actively seeking financing for his planned business as well as scouting potential locations. Dvorak Affidavit ¶¶ 3 and 5; 60 TTABVUE 3.

Petitioner submitted evidence of his presence on the Internet and in social media to identify planned, upcoming restaurant services under the NAUGLES name based

on activities which took place prior to filing his intent to use application. For example, he submitted evidence that on January 13, 2010, he purchased the domain name www.nauglestacos.com and currently operates a website entitled “Naugles Tacos and Burgers” under that domain name. Ziebarth Affidavit ¶ 17, Exs. K (domain name order confirmation from GoDaddy.com) and Ex. L; 57 TTABVUE 9 and 133. Prior to filing his intent to use application, Petitioner also opened a Twitter account “@Naugles” and actively “tweeted” under the handle “Señor Naugles.” Ziebarth Affidavit ¶ 18, 57 TTABVUE 10.

The aforementioned evidence shows that Petitioner had a *bona fide* intent to use the mark and is therefore entitled to rely upon the ownership of his refused application to prove standing. In other words, the record shows that he is not a mere intermeddler, but has a real interest, that is to say, “a direct and personal stake” in the outcome of this proceeding and reasonable belief in damage, and therefore has standing. *See Ritchie v. Simpson*, 50 USPQ2d at 1027.

V. Petitioner’s Abandonment Claim

We now consider Petitioner’s abandonment claim. 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.

As explained by our primary reviewing court, the Court of Appeals for the Federal Circuit:

A showing of a prima facie case creates a rebuttable presumption that the trademark owner has abandoned the mark without intent to resume use. The burden then shifts to the trademark owner to produce evidence that he either used the mark during the statutory period or intended to resume use. The burden of persuasion, however, always remains with the [challenger] to prove abandonment by a preponderance of the evidence.

Crash Dummy Movie LLC v. Mattel Inc., 601 F.3d 1387, 94 USPQ2d 1315, 1316 (Fed. Cir. 2010) (internal citations omitted). “Use in commerce” for services is defined as:

The bona fide use of a mark in the ordinary course of trade.... [A] mark shall be deemed to be in use in commerce —... on services when [1] it is used or displayed in the sale or advertising of services *and* [2] the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

15 U.S.C. § 1127 (emphasis and numbering added). Respondent cannot rely on the mere existence of its federal registration or subsequent renewals to defend against Petitioner’s claim of abandonment. If it could do so, a contested cancellation based on abandonment could never be successful, despite the fact that such claims are clearly contemplated by statute. *See* Trademark Act § 14.

Noah Chillingworth, Respondent’s Vice President of Marketing, averred that “Del Taco stopped using the NAUGLES trademark as the actual name of a restaurant on October 25, 1995.” Chillingworth Affidavit ¶ 2; 78 TTABVUE 2. During cross-examination, he specifically explained that as part of transitioning the Naugles brand to Del Taco, “all Naugles restaurants were closed down as of October

25, 1995.” Chillingworth Cross-Examination Testimony 65:21-25; 85 TTABVUE 69. Respondent admitted that for the years 1995-2010 it “did not own a restaurant to the public [sic] named ‘Naugles,’” which corroborates Mr. Chillingworth’s testimony. See Respondent’s Answers to Requests for Admissions Nos. 1-16; 53 & 54 TTABVUE. Respondent further admitted that it currently does not own a restaurant named Naugles in the United States, nor does it have any plans to operate a restaurant under the name Naugles within the next five years. Respondent’s Answers to Requests for Admission Nos. 17 and 23; 53 TTABVUE 7, 14. Thus, the record unequivocally shows that Respondent ceased operating the last restaurant bearing the NAUGLES name on October 25, 1995.

Notwithstanding the uncontroverted evidence above, Respondent in its brief asserts that it continued to use the NAUGLES mark “immediately” following the closure of the last free-standing Naugles restaurant. Respondent’s Brief p. 9. More specifically, Mr. Chillingworth averred that Del Taco “has never stopped using the mark in connection with its restaurant services,” and “that since 1995 Del Taco has used the NAUGLES mark in advertising and on clothing.” Chillingworth Affidavit ¶¶ 2; 78 TTABVUE 2.

We focus first on Mr. Chillingworth’s statements regarding Respondent’s use of the NAUGLES mark in connection with clothing. To be clear, use of a mark on collateral or promotional goods such as clothing does not constitute service mark usage for the identified services. Use of a mark in connection with services requires that the mark be “used or displayed in the sale or advertising of services” *and* that

“the services are rendered in commerce.” Trademark Act § 45, 15 U.S.C. § 1127. “Use” of a service mark requires more than mere advertisement. Thus, even if Respondent’s clothing could be considered an advertisement for restaurant services, the mark is not in use in connection with restaurant services if restaurant services are no longer “rendered” or, in other words, no longer provided. *Couture v. Playdom, Inc.*, — F.3d —, — USPQ3d —, No. 2014–1480, slip op. at 5 (Fed. Cir. March 2, 2015) (“rendering of services” to obtain a trademark registration requires the actual provision of such services). See *Imperial Tobacco, Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1395 (Fed. Cir. 1990) (promotional use of mark in sales of “incidental” items such as whiskey, pens, watches, sunglasses, and food did not constitute use of mark for cigarettes). For this reason, Respondent cannot rely on any purported sale of clothing items bearing the NAUGLES mark to refute Petitioner’s abandonment claim because NAUGLES restaurants have been defunct since 1995 and Respondent has not rendered restaurant services under the mark since that time.

We turn our attention now to a one page food menu displaying the phrase “Viva Naugles Viva Del Taco,” which Respondent contends constitutes documentary evidence of continuous use of its registered mark for restaurant services. Chillingworth Affidavit ¶ 3, Ex. 11; 78 TTABVUE 2 and 7-8.

OUR MENU KEEPS IMPROVING.
JUST SOME OF THE NEW THINGS YOU'LL NOTICE.

HAMBURGERS
Hamburger - *The traditional burger. Hamburger patty, pickles, ketchup and mustard on our custom knit bun.*
Del Burger - *Crisp lettuce and tomato, pickles, onions, mayonnaise, ketchup, mustard and a specially seasoned hamburger patty on our custom knit bun.*
Double Del Burger - *Add another hamburger patty and two slices of cheese to our Del Burger.*

SIDE ORDERS
Fries - *Small/Regular - Extra thick crinkle cut french fries.*
Chips & Dips - *Corn tortilla chips served with your choice of salsa, guacamole, spicy cheese sauce or salsa dressing.*
Beans & Cheese - *A jumbo cup of refried beans topped with Monterey Jack and Cheddar cheeses.*
Mexican Rice - *A jumbo cup of seasoned rice.*
Fresh Guacamole - *Prepared daily with fresh avocados.*
Salsa - *Homemade with fresh tomatoes, scallions and cilantro in our special sauce.*

BREAKFAST *Served until 11:00 a.m.*
Egg & Cheese Soft Taco - *A grilled flour tortilla with an egg scrambled in real butter and Monterey Jack and Cheddar cheeses.*
Egg & Cheese Burrito - *A grilled flour tortilla with scrambled eggs, grated Monterey Jack and Cheddar cheeses and Mexican meat sauce.*
Egg & Bean Burrito - *A grilled flour tortilla with scrambled eggs, grated Monterey Jack and Cheddar cheeses, refried beans and Mexican meat sauce.*
Beef & Egg Burrito - *A grilled flour tortilla with scrambled eggs, grated Monterey Jack and Cheddar cheeses, seasoned ground beef and Mexican meat sauce.*
Chicken & Egg Burrito - *A grilled flour tortilla with marinated, grilled chicken, scrambled eggs, grated Monterey Jack and Cheddar cheeses topped with Mexican meat sauce.*
Steak & Egg Burrito - *A grilled flour tortilla with marinated, grilled steak, scrambled eggs, grated Monterey Jack and Cheddar cheeses topped with Mexican meat sauce.*

FOOD WORTH FIGHTING FOR.

*VIVA NAUGLES
VIVA DEL TACO*

These items available at Del Taco and Naugles restaurants.

FENGLAO 800-631-6986
3-
EX

Respondent argues in its brief that the menu is illustrative of its “Viva Naugles Viva Del Taco” marketing campaign. However, on cross-examination, when asked to

provide a date or dates when this particular menu was used, Mr. Chillingworth responded “I can’t tell you the date exactly it was used, but I believe it was used, since it was kept in our archive information.” Chillingworth Cross-Examination Testimony 58:22-59:3, 85 TTABVUE 62-63. He also stated that he did not know when this piece of advertising was created, *id.* at 66:1-8; 85 TTABVUE 70, and further testified that since working for Del Taco in 2009, he has not seen this particular menu in use. *Id.* at 60:11-15; 85 TTABVUE 64. Mr. Chillingworth *speculated* that the advertising material was designed to “facilitate the two brands coming together.” *Id.* at 60:8-10; 85 TTABVUE 60. Use of a mark on a menu clearly is an acceptable method of service mark usage for an actively operating restaurant. Nonetheless, Mr. Chillingworth’s testimony is insufficient to show use within the last three years or on any particular date, much less continuous use since the closure of the last free standing Naugles restaurant in 1995, or even an intent to resume use.

Mr. Chillingworth also averred that Respondent has maintained use of the NAUGLES mark on the “official Del Taco website advertising its restaurant services.” Chillingworth Affidavit ¶ 4; 78 TTABVUE 3. In support thereof, Respondent submitted thirteen screenshots from the Wayback Machine purporting to show use by Del Taco of the phrase “Viva Naugles Viva Del Taco” on the history page of its www.deltaco.com website over the three-year time period of 2003-2006 Respondent’s Notice of Reliance Exs. 16-28; 77 TTABVUE. Although the dates vary, the content of each screenshot is identical. Upon review, however, the web pages

merely recount the history of the merger of the Naugles and Del Taco chains. The web pages are clearly not advertisements for contemporaneously-rendered restaurant services. Again, advertising a service is not synonymous with rendering a service. *Couture*, slip op. at 4-5 (an “open and notorious public offering alone” is insufficient to establish use in commerce).

We hasten to add that even if we could construe the web pages as evidence of service mark usage of the registered term NAUGLES for restaurant services (and we cannot), there is no evidence of record of Respondent’s use or intent to resume use prior to 2003, leaving unrebutted Petitioner’s *prima facie* claim of abandonment for the years 1995-2003. Respondent’s activities in 2003 are not evidence of the use or the intent to resume use necessary to overcome the presumption of abandonment. Subsequent use of a mark cannot retroactively cure past abandonment. *See Hornby v. TJX Companies Inc.*, 87 USPQ2d 1411, 1422 (TTAB 2008). *Cf. General Motors Corp. v. Aristide & Co., Antiquaire de Marques*, 87 USPQ2d 1179, 1182 (TTAB 2008) (citing *Silverman v. CBS Inc.*, 870 F.2d 40, 9 USPQ2d 1778, 1783 (2d Cir. 1989)).

Respondent also argues that it incorporates into its current Del Taco restaurants “other aspects” of the now defunct Naugles restaurants relying primarily on the purported existence of a Naugles “secret menu.” Respondent’s Brief, p. 9. Indeed, Respondent asserts that the “secret menu” is “one of the most successful examples of the ongoing use and consumer recognition of the NAUGLES trademark, brand, and business as part of Del Taco’s *restaurant services* that has continued to the

present even after closure of the NAUGLES branded restaurants.” Respondent’s Brief, p. 10; 92 TTABVUE 15 (emphasis in original). The “secret menu” is not an actual, physical menu but rather, as Mr. Chillingworth explained, refers to the concept that consumers have the ability to request food items previously offered in Naugles restaurants:

[S]ince 1988, Del Taco has consistently offered menu items that were originally sold in NAUGLES named restaurants owned by the prior owner Naugles, Inc. I am informed and believe that consumers recognize these items as part of a “NAUGLES Secret Menu” within Del Taco’s restaurant services.

Chillingworth Affidavit ¶ 6; 78 TTABVUE 3. To further clarify the “secret menu” concept, Petitioner elicited the following testimony from Mr. Chillingworth upon cross-examination:

Q. ...What are these secret items you are referring to? What are they?

A. They are items you could previously buy at Naugles and that now you can buy at Del Taco.

Q. Okay. What are they?

A. As an example, the bun taco would be one.

Q. Anything else?

A. MACHO bacon and egg burrito, I believe. And the others that guests come up and ask us for that we in some cases try to make or can make for them.

Q. Like a special order, almost?

A. Yes, exactly if they request it.

Q. Okay.

A. So a cheese burrito or something to that effect.

...

Q. I'm trying to establish what you – what your testimony considers Naugles secret menu items. So I understand what you're saying, that there was kind of a fusion of the menus.

A. Yeah.

Q. But we're talking about customers' perception of Naugles items.

A. Yeah.

Q. So could you please – other than the bun taco and the MACHO bacon and egg burrito, are there other items that you're referring to that you consider part of the Naugles secret menu?

A. I would say mainly those two items.

Q. Okay. Is there any place online, flyers, in the restaurants itself, where Del Taco informs the customers that the bun taco or the MACHO bacon and egg burrito are old Naugles items?

A. Not specifically.

Chillingworth Cross-Examination Testimony 85:12-87:12; 85 TTABVUE 89-91. Respondent was unable to point to any further testimony or documentary evidence regarding the “secret” Naugles menu. There is thus no evidence of the appearance of the NAUGLES mark on a secret menu or advertising materials showing Del Taco's promotion of a Naugles “secret menu.” Nor did Respondent provide evidence of any advertising expenditures devoted to promoting NAUGLES or a Naugles “secret menu.” In any event, even if the record did support use of a “secret menu,” it is not at all clear that there is any use — by Respondent or its customers — of the NAUGLES mark itself in connection with the secret menu. Mr. Chillingworth testified that customers in Respondent's current restaurants sometimes ask for

items from the old Naugles restaurants, such as the “bun taco,” “MACHO bacon and egg burrito,” or “cheese burrito.” But there is no testimony or other evidence that the word NAUGLES is actually written or uttered in these transactions. Thus the current sale of food items that were previously served at the now-defunct Naugles restaurant establishments cannot be construed as service mark use of NAUGLES for restaurant services.

In another attempt to show continuous use of its mark, Respondent in its brief asserts that it ran commercials featuring the NAUGLES mark to advertise restaurant services. Respondent’s Brief, p. 9. The record, however, is utterly devoid of such evidence. Mere assertions in a brief, without evidentiary support, are insufficient. *In re Bookbinder's Rest., Inc.*, 240 F.2d 365, 112 USPQ 326, 328 (CCPA 1957).

Lastly we note that Respondent contends that it holds “considerable goodwill” in the Naugles mark, sufficient to defeat Petitioner’s claim of abandonment. The Board has never found residual goodwill to be a defense to abandonment, and we decline to do so here. The continued existence of enthusiasts of the old Naugles food items does not negate the statutory presumption of abandonment.

The record establishes that Respondent made no service mark use of NAUGLES after the closure of the last Naugles restaurant on October 25, 1995 for far longer than three consecutive years. Petitioner has therefore made a *prima facie* case of abandonment. The burden of production thus shifted to Respondent to prove that it either used the mark during the statutory period or intended to resume use. Since

Respondent's evidence shows no service mark use of NAUGLES, we next focus on whether Respondent intended to resume use.²⁰

Mr. Chillingworth averred that prior to the institution of this proceeding, Respondent began planning a new advertising campaign called "NAUGLES Secret Menu" for restaurant services designed to "play on the consumer driven 'NAUGLES Secret Menu.'" Chillingworth Affidavit ¶ 7; 78 TTABVUE 2. As documentary support, Mr. Chillingworth submitted and attested to the authenticity of copies of two separate internal marketing presentations made in April 2009 and June 2010 discussing "the details of the 'NAUGLES Secret Menu' campaign." *Id.* and Confidential Exs. 30 & 31. Because these materials are designated confidential, we cannot discuss their contents. Suffice to say, however, even if the materials showed an intent to resume use commencing in 2009, this is much too late to save Respondent's registration. Once a mark has been abandoned, the abandonment cannot be undone, and a registration of the mark can be cancelled on that basis notwithstanding any later use or intent to resume use. "Merely because a party used a mark a long time ago and it could use the mark in the future is not sufficient to avoid abandonment." *Hornby v. TJX*, 87 USPQ2d at 1421 (citing *Silverman v. CBS Inc.*, 870 F.2d 40, 9 USPQ2d 1778 (2d Cir. 1989)). In *Silverman v. CBS Inc.*, the Court of Appeals for the Second Circuit addressed the issue of whether the statutory phrase "intent not to resume use" means "intent *never* to resume use or

²⁰ Because it constitutes hearsay and cannot be used to prove the truth of the matter asserted, the article "Adios Naugles" does not establish that Respondent had no intent to resume use of NAUGLES.

does it merely mean intent not to resume use within the reasonably foreseeable future?" *Id.* at 1782,

We conclude that the latter must be the case. The statute provides that intent not to resume may be inferred from circumstances, and two [now three] consecutive years of non-use is prima facie abandonment. Time is thereby made relevant. Indeed, if the relevant intent were intent never to resume use, it would be virtually impossible to establish such intent circumstantially. Even after prolonged non-use, and without any concrete plans to resume use, a company could almost always assert truthfully that at some point, should conditions change, it would resume use of its mark.

We do not think Congress contemplated such an unworkable standard. More likely, Congress wanted a mark to be deemed abandoned once use has been discontinued with an intent not to resume within the reasonably foreseeable future. This standard is sufficient to protect against the forfeiture of marks by proprietors who are temporarily unable to continue using them, while it also prevents warehousing of marks, which impedes commerce and competition.

Id.

Respondent also attempts to rely on its use of the mark NAUGLES commencing in 2011 in connection with clothing as evidence of an intent to resume use in connection with restaurant services. Chillingworth Cross-Examination 19:10-17, 22:18-24:2, 24:3-15; 85 TTABVue 23, 26-28.²¹ Again, for the reasons stated above, the use of Respondent's mark on promotional items almost two decades after closure of the last restaurant does not fall within the "reasonably foreseeable future," and such long-after-the-fact evidence cannot be relied upon as evidence of an intent to resume use.

²¹ We further observe that Respondent filed its application which eventually matured into Registration No. 4261951 after this proceeding was instituted.

“[T]he Lanham Act was not intended to provide a warehouse for unused marks.” *Imperial Tobacco v. Philip Morris*, 14 USPQ2d at 1394. See 15 U.S.C. § 1064(3) (a claim for cancellation of a registration may be filed at any time if the registered mark has been abandoned). An inchoate wish to use a mark after a lengthy hiatus is an insufficient basis for maintaining a registration. Such is the case here where Petitioner has shown by a preponderance of the evidence that Respondent has abandoned use of its registered mark NAUGLES for “restaurant services” without an intent to resume.

DECISION: The petition for cancellation is granted on Petitioner’s claim of abandonment, and Registration No. 1043729 will be cancelled in due course.