

APPENDIX A

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2019-1880

TODD C. BANK,

Appellant,

v.

AL JOHNSON'S SWEDISH
RESTAURANT & BUTIK, INC.,

Appellee.

Appeal from the United States Patent
and Trademark Office, Trademark
Trial and Appeal Board in No. 92069777.

Decided: December 9, 2019

TODD C. BANK, Kew Gardens, NY, pro se.

KATRINA HULL, Markery Law LLC,
Gaithersburg, MD, for appellee. Also represented by
JACQUELINE PATT.

Before WALLACH, CLEVINGER, and HUGHES,
Circuit Judges.

WALLACH, *Circuit Judge.*

Appellant Todd C. Bank appeals the opinion of the U.S. Patent and Trademark Office’s Trademark Trial and Appeal Board (“TTAB”) granting Appellee Al Johnson’s Swedish Restaurant & Butik, Inc.’s (“Swedish Restaurant”) motion to dismiss Mr. Bank’s petition to cancel registration of the Swedish Restaurant’s trade dress that “consists of goats on [a] grass roof,”¹ bearing the Registration Number 2,007,624 (“Goats on the Roof Registration”), under Federal Rule of Civil Procedure 12(b)(6). *Bank v. Al Johnson’s Swedish Restaurant & Butik, Inc.*, No. 92069777 (T.T.A.B. Mar. 27, 2019) (A.A. 2–16);² see A.A. 14–16 (Petition to Cancel).³ For the limited purpose of determining whether Mr. Bank has

¹ “[T]rade dress constitutes a ‘symbol’ or ‘device’ for purposes of the” Lanham Act that may be registered as a trademark.” *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 209 (2000); see 15 U.S.C. § 1127 (2012).

² “A.A.” refers to the Appellant’s Appendix attached to its Principal Brief.

³ Following the issuance of its opinion on March 27, 2019, the TTAB granted Mr. Bank twenty days to amend his Petition to Cancel. A.A. 1 (Order Denying the Petition to Cancel). Because Mr. Bank did not amend within the allotted twenty days, on May 2, 2019, the TTAB denied the Petition to Cancel with prejudice. A.A. 1.

standing to bring his claim, we have jurisdiction pursuant to 28 U.S.C. § 1295(a)(4)(A) (2012).

DISCUSSION

I. Standard of Review and Legal Standard

“Standing is a question of law that this court reviews de novo.” *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1376 (Fed. Cir. 2012). While a plaintiff must show a “case or controversy” between parties to establish standing before a federal court, “[t]he ‘case’ and ‘controversy’ restrictions do not . . . apply to matters before [an] administrative agency[.]” such as the TTAB. *Id.* (citing *Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999)). Instead, standing before an administrative agency is conferred by statute. Here, “[a] petition to cancel a registration of a mark” may be filed “by any person who believes that he [or she] is or will be damaged . . . by the registration of a mark[.]” 15 U.S.C. § 1064. “[C]ancellation is most often premised on the grounds listed in [15 U.S.C. § 1052.]” *Young v. AGB Corp.*, 152 F.3d 1377, 1380 (Fed. Cir. 1998). “The party seeking cancellation must prove two elements: (1) that it has standing; and (2) that there are valid grounds for canceling the registration.” *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 945 (Fed. Cir. 2000) (citing 15 U.S.C. § 1064).

To successfully establish standing in a trademark opposition prosecution, the opposer must plead and prove facts showing that he or she has “a real interest

in the proceedings and [has] a reasonable basis for his [or her] belief of damage.” *Ritchie*, 170 F.3d at 1095 (internal quotation marks omitted). Typically, standing is not a demanding requirement. Regarding the real interest requirement, “an opposer must have a legitimate personal interest in the opposition.” *Coach Servs.*, 668 F.3d at 1376 (internal quotation marks and citation omitted). Regarding the second inquiry, an “opposer’s belief of damage must have a reasonable basis in fact.” *Id.* (internal quotation marks and citation omitted). “[T]here is no requirement that damage be proved in order to establish standing[.]” *Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 727 F.2d 1087, 1092 (Fed. Cir. 1984).

II. Mr. Bank Lacks Standing to Petition to Cancel a Registration Because He Failed to Plead a Real Interest and Reasonable Basis for His Belief of Damage

The TTAB concluded that Mr. Bank lacked standing to bring the appeal and granted the Swedish Restaurant’s Motion to Dismiss. A.A. 8. Specifically, the TTAB explained that, as “the only grounds for cancellation is the claim of functionality . . . [Mr. Bank] must adequately plead his standing to assert a claim of functionality.” A.A. 7 (emphasis omitted).⁴ The

⁴ Under the Lanham Act, “[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . . comprises any matter that, as a whole, *is functional*.” 15 U.S.C. § 1052(e)(5) (emphasis added). Moreover,

TTAB determined that Mr. Bank did not sufficiently allege standing for a number of reasons. First, the TTAB stated that Mr. Bank failed to “plead[] that he has a present or prospective right or interest in [the Swedish Restaurant’s] involved mark or any other facts sufficient to allege his standing.” A.A. 8. Second, it explained that Mr. Bank’s “pleading of standing is vague and does not relate specifically to the involved service mark.” A.A. 8. Finally, the TTAB concluded that the petition “d[id] not allege that [Mr. Bank] ha[d] a reasonable belief of harm.” A.A. 8. Mr. Bank contends that the TTAB incorrectly interpreted the standing requirements for a petition to cancel a registration by conflating the standing and merits requirements, Appellant’s Br. 4, and by incorrectly finding standing limited to competitors of a mark holder, *id.* at 9. We disagree with Mr. Bank.

Mr. Bank failed to plead “a real interest in the

a petition to cancel registration is permitted on the grounds of functionality. *Id.* § 1064(3) (permitting petitions to cancel “[a]t any time if the registered mark . . . is functional”). To determine functionality, the following factors are reviewed:

(1) the existence of a utility patent disclosing the utilitarian advantages of the design; (2) advertising materials in which the originator of the design touts the design’s utilitarian advantages; (3) the availability to competitors of functionally equivalent designs; and (4) facts indicating that the design results in a comparatively simple or cheap method of manufacturing the product.

Valu Eng’g, Inc. v. Rexnord Corp., 278 F.3d 1268, 1274 (Fed. Cir. 2002).

proceedings” and “a reasonable basis” for his belief of damage. *Ritchie*, 170 F.3d at 1095 (internal quotation marks and citation omitted). Mr. Bank sought to cancel the Goats on the Roof Registration as functional, alleging that the trade dress “is demeaning to” goats, which, in turn, “is offensive to [Mr.] Bank and denigrates the value he [and others] place[] on the respect, dignity, and worth of animals.” A.A. 15. As an initial matter, the sole standing argument that Mr. Bank raised before the TTAB, A.A. 6–8, and recites on appeal, Appellant’s Br. 9, is that the Swedish Restaurant’s trade dress was disparaging to himself as it “is demeaning to” goats, A.A. 15. Yet as Mr. Bank conceded before the TTAB, the Supreme Court’s decision in *Matal v. Tam*, 137 S. Ct. 1744, 1764 (2017), foreclosed his argument, as it held unconstitutional the prohibition on the registration of disparaging marks under the Lanham Act. A.A. 31–32 (explaining that, following the issuance of *Tam*, Mr. Bank “acknowledge[d] that disparagement [wa]s no longer a cognizable claim under the [Lanham] Act”). In *Tam*, the Court held as unconstitutional 15 U.S.C. § 1052(a) of the Lanham Act, concluding that its prohibition on disparaging marks was invalid under the First Amendment protection of speech. *See Tam*, 137 S. Ct. at 1765. To the extent that Mr. Bank relies upon disparagement either as the grounds for his petition or, as discussed below, to establish his standing, the argument is without merit after *Tam*.

In any event, Mr. Bank provided no grounds for standing. First, Mr. Bank failed to plead a real interest in the cancellation proceedings. *See Ritchie*, 170 F.3d

at 1095. To make such a pleading, an “opposer must have a direct and personal stake in the outcome of the opposition.” *Id.*; see *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 1275 (Fed. Cir. 2014) (explaining that a real interest may be shown by a “legitimate commercial interest,” such as a rejection of a competitor’s proposed mark). Mr. Bank failed to provide any reason other than to allege that the Goats on the Roof Registration is “demeaning to goats” and that the “respect, dignity, and worth of animals” were affected by that alleged demeaning. *See generally* A.A. 15. For the reasons discussed above, the disparagement clause of the Lanham Act is stricken as unconstitutional. *See Tam*, 137 S. Ct. at 1765; *see also Iancu v. Brunetti*, 139 S. Ct. 2294, 2299 (2019) (holding the Lanham Act’s bar on the registration of “immoral” or “scandalous” trademarks in violation of the First Amendment). Mr. Bank provided no other basis to suggest he maintained a direct and personal stake in the outcome and so we conclude that Mr. Bank failed to plead to a real interest.

Second, Mr. Bank failed to plead “a reasonable basis for his belief of damage.” *Ritchie*, 170 F.3d at 1095. While Mr. Bank asserted that the trade dress “is offensive to numerous persons,” including himself, because it was demeaning to goats, he failed to articulate how this reason survives *Tam*. *See generally* Appellant’s Br. 3–10. While Mr. Bank is not required to prove his case at the pleading stage, he must provide allegations sufficient to show his assertion of damage. *See Ritchie*, 170 F.3d at 1098 (explaining that “[f]or standing purposes, the facts asserted by an opposer

need not prove his case on the merits,” but “the reasonableness of an opposer’s basis for his belief of damage” must be shown). Mr. Bank did not do so here. Accordingly, the TTAB properly determined that Mr. Bank lacked standing.

On appeal, Mr. Bank raises several counterarguments, all of which are unavailing. First, Mr. Bank contends that the TTAB erred in granting the Swedish Restaurant’s Motion to Dismiss by “misunderstanding [the] basic standing doctrine” with the merits of his claim when the TTAB stated that “an individual’s personal offense to a mark is [not] sufficient to plead standing to assert a claim of functionality.” Appellant’s Br. 4 (quoting A.A. 7) (emphasis altered). The TTAB’s opinion itself belies such an argument. The TTAB first analyzed standing as a threshold matter and concluded that it was not alleged in the petition. A.A. 8. In doing so, the TTAB explained that Mr. Bank had conceded that *Tam* prevented the use of disparagement as a ground for his opposition petition. A.A. 6–7. The TTAB subsequently addressed Mr. Bank’s claim of functionality and determined the pleadings also provided no standing. A.A. 7. The TTAB did not conflate the two requirements and instead reviewed Mr. Bank’s petition in total to see if standing was sufficiently alleged. *See Ritchie*, 170 F.3d at 1095.

Second, Mr. Bank argues that the TTAB improperly limited standing to a mark holder’s competitors. Appellant’s Br. 7. He is incorrect. Instead, the TTAB identified a variety of grounds which would

provide standing. A.A. 5 (“In order to plead standing to challenge a registration based on a claim that the mark is functional, a plaintiff must plead that it is a competitor, that it is engaged in the manufacture or sale of the same or related goods, *or that it otherwise has a current or prospective right or interest in using the mark.*” (emphasis added)). Moreover, the TTAB relied upon *Ritchie*, which itself provides for the proposition that standing is not limited to competitors. *See generally* A.A. 4–8. *See Ritchie*, 170 F.3d at 1096–97 (“In no case has this court ever held that one must have a specific commercial interest, not shared by the general public, in order to have standing as an opposer.”).

Finally, Mr. Bank contests the TTAB’s alleged conclusion that “the mark in question [must be] part of a class of marks to which the petitioner might also object.” Appellant’s Br. 9 (capitalization altered); *see* A.A. 8 (asserting that Mr. Bank’s “pleading of standing is vague and does not relate specifically to the involved service mark”). To the extent that Mr. Bank is challenging the statement as one which creates a “class of marks” requirement, such an interpretation strains the meaning of the cited portion of the TTAB’s opinion. Instead, when read in its entirety, the cited portion does not create a new requirement for a “class of marks” and is consistent with the remainder of the opinion in establishing Mr. Bank’s failure to sufficiently allege his standing. *See generally* A.A. 7.

Swedish Restaurant moves for its costs and attorney fees under Federal Rule of Appellate

Procedure 38. *See* Fed. R. App. P. 38 (“If a court of appeals determines that an appeal is frivolous, it may, after a separately filed motion or notice from the court and reasonable opportunity to respond, award just damages and single or double costs to the appellee.”). Swedish Restaurant explains that because Mr. Bank petitioned the TTAB three times on this matter, all of which were dismissed for lack of standing, and appealed the final decision to this court, where the case was “frivolous as filed and frivolous as argued[,]” damages are warranted. Appellee’s Mot. for Sanctions 6 (citing *State Indus., Inc. v. Mor-Flo Indus., Inc.*, 948 F.2d 1573, 1578 (Fed. Cir. 1991)). Mr. Bank responded with his own motion for sanctions, rebutting assertions made in Swedish Restaurant’s motion and seeking excessive costs under 28 U.S.C. § 1927, which permits a court to order a party “who so multiplies the proceedings in any case unreasonably and vexatiously” to pay attorney fees. *See generally* Appellant’s Mot. for Sanctions. *See also* 28 U.S.C. § 1927. We conclude that this appeal and Mr. Bank’s motion for sanctions are frivolous. Mr. Bank filed multiple petitions with the TTAB regarding the Goats on the Roof Registration, all of which were dismissed for, inter alia, standing. Mr. Bank was afforded the opportunity to revise his petition and remedy the standing defect, which he did not do. Despite the fact that Mr. Bank was informed by the TTAB that his disparagement claim was based on an unconstitutional and stricken section of the Lanham Act, he raises it again before this court. Based on these facts and our analysis, Mr. Bank’s appeal is frivolous. *See Finch v. Hughes Aircraft Co.*, 926 F.2d 1574, 1583 (Fed. Cir. 1991) (concluding that the

appellant’s “decision to file this appeal can only be seen as a frivolous waste of the resources of this court and of the time and money of his hapless opponent” where there were multiple grounds to affirm the underlying opinion, each of which “would be sufficient to require affirmance”). Even though Mr. Bank appears pro se before us, he is an attorney and bears the commensurate obligations. *Id.* at 1583 (concluding that, even when an attorney appears pro se, he or she is “chargeable with knowledge of . . . our rules”). Accordingly, we grant Swedish Restaurant’s motion for costs and attorney fees, including the costs and fees incurred in relation to the parties’ sanctions motions, and deny Mr. Bank’s motion for sanctions.

CONCLUSION

DISMISSED

COSTS

Costs and attorney fees to Swedish Restaurant.

APPENDIX B

THIS ORDER IS NOT A
PRECEDENT OF THE TTAB

**UNITED STATES PATENT AND TRADEMARK
OFFICE Trademark Trial and Appeal Board
P.O. Box 1451
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General Contact Number: 571-272-8500
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mbm

March 27, 2019

Cancellation No. 92069777

Todd C. Bank

v.

*Al Johnson's Swedish
Restaurant & Butiks, Inc.*

By the Trademark Trial and Appeal Board:

This proceeding now comes before the Board for consideration of the motion (filed November 28, 2018) of Al Johnson's Swedish Restaurant and Butiks, Inc. ("Respondent") to dismiss the petition to cancel of Todd C. Bank ("Petitioner") for failure to state a claim upon

which relief may be granted under Fed. R. Civ. P. 12(b)(6). Petitioner filed a response to the motion to dismiss on November 30, 2018.

I. Background

Respondent is the owner of Registration No. 2007624, for the mark displayed below, for “Restaurant services” in International Class 42:¹

[display of mark]

The description of the involved mark is as follows: “The mark consists of goats on a roof of grass. The dotted lines in the drawing are intended to indicate the location of the mark and are not a feature of the mark.”

On October 12, 2018, Petitioner filed a petition to cancel Respondent’s involved registration on the ground that the mark is functional under Section 2(e)(5) of the Trademark Act, 15 U.S.C. § 1052(e)(5).²

In lieu of filing an answer to the petition to cancel, Respondent filed a motion to dismiss. Respondent contends that Petitioner has failed to adequately plead

¹ Registration No. 2007624, issued October 15, 1996, alleging June 1, 1973 as both the date of first use and the date of first use in commerce. Section 8 and 9 declaration accepted January 19, 2017.

² In his response to the motion to dismiss, Petitioner acknowledges that functionality is the only asserted ground for cancellation in the petition to cancel.

his standing or a cognizable ground for relief.

II. Motion to Dismiss

To survive a motion to dismiss, “a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 663, 129 S. Ct. 1937, 1949 (2009), quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570, 127 S. Ct. 1955, 1974 (2007). A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw a reasonable inference that the defendant is liable for the misconduct alleged. *See Twombly*, 550 U.S. at 556-557. However, the plausibility standard does not require that a plaintiff set forth detailed factual allegations. *Id.* Rather, a plaintiff need only allege “enough factual matter...to suggest that [a claim is plausible]” and “raise a right to relief above the speculative level.” *Totes-Isotoner Corp. v. U.S.*, 594 F.3d 1346, 1354 (Fed. Cir. 2010). Moreover, it is well established that whether a plaintiff can actually prove its allegations is not a matter to be determined upon motion to dismiss, but rather at final hearing or upon summary judgment, after the parties have had an opportunity to submit evidence. *See Libertyville Saddle Shop Inc. v. E. Jeffries & Sons, Ltd.*, 22 USPQ2d 1594, 1597 (TTAB 1992) (“A motion to dismiss does not involve a determination of the merits of the case...”).

For purposes of determining such motion, all of the plaintiff’s well-pleaded allegations must be accepted as

true, and the complaint must be construed in the light most favorable to the plaintiff. *See Advanced Cardiovascular Sys. Inc. v. SciMed Life Sys. Inc.*, 988 F.2d 1157, 1161, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993). As plaintiff, the claimant must plead factual content that allows the Board to draw a reasonable inference that it has standing and that a valid ground for cancellation exists. *Cf. Twombly*, 550 U.S. at 556. In particular, the claimant must allege well-pleaded factual matter and more than “[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements,” to state a claim plausible on its face. *Iqbal*, 129 S. Ct. at 1949 (citing *Twombly*, 550 U.S. at 555).

A. Standing

Section 14 of the Trademark Act provides that “[a] petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed...by any person who believes that he is or will be damaged...by the registration of a mark on the [P]rincipal [R]egister.” Section 14 thus establishes a broad doctrine of standing; by its terms, the statute requires only that a person have a belief that he would suffer some kind of damage if the mark is registered. As interpreted in binding precedent, a petitioner must have a “real interest” in the outcome of the proceeding, and a “reasonable basis” for its belief that it would suffer some kind of damage by the continued registration of the mark. *See Empresa Cubana del Tabaco*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (citing *Ritchie v. Simpson*, 170 F.3d 1902, 50

USPQ2d 1023, 1025-26 (Fed. Cir. 1999)); *Universal Oil Prods. Co. v. Rexall Drug & Co.*, 463 F.2d 1122, 1123, 174 USPQ 458, 459 (CCPA 1972). To prove a “real interest” in the case, Opposer must show that it has a “direct and personal stake” in the outcome and is more than a “mere intermeddler.” *Ritchie*, 50 USPQ2d at 1026-27.

In order to plead standing to challenge a registration based on a claim that the mark is functional, a plaintiff must plead that it is a competitor, that it is engaged in the manufacture or sale of the same or related goods, or that it otherwise has a current or prospective right or interest in using the mark. *Poly-America, L.P. v. Illinois Tool Works Inc.*, 124 USPQ2d 1508, 1512 (TTAB 2017) (“A petitioner is required only to be in a position to have a right to use the mark in question...This test logically also applies to the question of whether Petitioner has standing to assert its claim that Respondent’s mark ... comprises matter that, as a whole, is functional.”); *AS Holdings, Inc. v. H & C Milcor, Inc.*, 107 USPQ2d 1829, 1832 (TTAB 2013) (finding standing to assert claim of functionality where opposer demonstrated that it was engaged in the manufacture of goods similar to those in the subject application).

In support of his standing, Petitioner alleges, *inter alia*, the following:

- “[Petitioner] believes that the granting ... of a trademark, including a service mark ... that applies to the activity of an animal (as opposed

to a trademark that is merely a representation of such activity) is demeaning to the type of animal that is the subject of such mark.” Petition to cancel ¶ 1.

- “The demeaning of animals in the manner set forth in the previous paragraph is offensive to [Petitioner] and denigrates the value he places on the respect, dignity, and worth of animals.” *Id.* at ¶ 2.
- Numerous persons believe that the granting to, or possession by, a person of a mark that applies to the activity of an animal is demeaning to the type of animal that is the subject of such mark.” *Id.* at ¶ 3.
- “The demeaning of animals in the manner set forth above is offensive to numerous persons and denigrates the value they place on the respect, dignity, and worth of animals.” *Id.* at ¶ 4.

Respondent argues that Petitioner has failed to plead his standing to bring a claim that Respondent’s involved mark is functional. Respondent contends that the Supreme Court found in *Matal v. Tam*, 127 S.Ct. 1744, 1764 (2017) that the prohibition against registering disparaging marks under Section 2(a) of the Trademark Act is unconstitutional. 4 TTABVue 5. As a result, Respondent contends that Petitioner’s assertions that he finds the involved mark offensive to Petitioner and demeaning to goats cannot form the

basis for Petitioner’s purported standing to bring this proceeding. *Id.*

In response, Petitioner acknowledges that disparagement is no longer a cognizable claim under the Trademark Act. 6 TTABVUE 7. Petitioner argues, however, that his allegations that the mark is offensive to him are sufficient to support a pleading of standing. *Id.* Accordingly, Petitioner argues that although he “may not rely upon the offensiveness of [Respondent’s] trademark in order to prevail **on the merits ... the foreclosure upon such reliance has **nothing to do with standing...****” *Id.* at 8 (emphasis in original). Petitioner relies upon *Ritchie v. Simpson*, 170 F.3d 1092, 1098 (Fed. Cir. 1999) for the proposition that a plaintiff may have standing where the plaintiff pleads that a mark “would disparage members of a certain group [and] could allege that he is a member of that group.” *Id.* at 10.

In this case, as acknowledged by Petitioner, the only ground for cancellation is the claim of functionality. Thus, Petitioner must adequately plead his standing **to assert a claim of functionality**. *Ritchie* found that the plaintiff adequately pleaded his standing to assert that the subject marks were scandalous under Section 2(a) of the Trademark Act, 15 U.S.C. § 1052(a), by alleging that he found the subject mark offensive to his personal values. *See Ritchie*, 170 F.3d at 1094 (“[T]he controlling precedents of this court, as well as the precedents of the Board, are fully consistent with recognizing that someone in Mr. Ritchie’s position has standing to oppose a

registration **on the grounds raised here.**”) (emphasis added). *Ritchie* does not establish that an individual’s personal offense to a mark is sufficient to plead standing to assert a claim of functionality. Thus, Petitioner may not rely upon allegations that the involved mark is personally offensive to him to plead his standing to assert a claim that the involved mark is functional.³

Here, Petitioner has not pleaded that he has a present or prospective right or interest in Respondent’s involved mark or any other facts sufficient to allege his standing to assert a claim that Respondent’s involved mark is functional. *See Poly-America, L.P.*, 124 USPQ2d at 1512.

Moreover, Petitioner’s pleading of standing is vague and does not relate specifically to the involved

³ If a plaintiff adequately pleads its standing to assert one claim, then the plaintiff may also plead any other legally sufficient claim. *Corporacion Habanos SA v. Rodriguez*, 99 USPQ2d 1873 (TTAB 2011) (finding pleading of standing different for different claims and finding that once a plaintiff has pleaded standing as to at least one properly pleaded ground, the plaintiff may also plead any other legally sufficient claims); *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 101 USPQ2d 1713, 1728 (Fed. Cir. 2012) (“[O]nce an opposer meets the requirements for standing, it can rely on any of the statutory grounds for opposition set forth in 15 U.S.C. § 1052” and finding that because the plaintiff had established a real interest and reasonable basis for belief of damage “in the form of likelihood of confusion or dilution, it also has standing to assert a claim on descriptiveness grounds.”). Inasmuch as the only claim asserted is functionality, however, Petitioner must plead standing to assert that claim.

service mark. Petitioner pleads that a registration “that applies to the activity of an animal is demeaning to the type of animal that is the subject of such mark.” Petition to cancel ¶¶ 1-3. The pleading therefore appears to allege, in general, that a trademark registration for any mark involving the use of animals for use in connection with any services is “demeaning.” The petition to cancel does not allege that Petitioner has a reasonable belief of harm from Respondent’s involved registration for restaurant services.

In view thereof, Respondent’s motion to dismiss Petitioner’s claim in its entirety for failure to adequately allege his standing is **granted**.

Notwithstanding the foregoing, it is the Board’s well-established practice to freely grant leave to amend pleadings found to be insufficient upon challenge under Fed. R. Civ. P. 12(b)(6). *See Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1714 (TTAB 1993); *IdeasOne Inc. v. Nationwide Better Health Inc.*, 89 USPQ2d 1952, 1955 (TTAB 2009). In view thereof, Petitioner is allowed time in which to amend his pleading, if justified and appropriate, as further set forth below.

B. Functionality

In support of his claim of that the involved mark is functional, Petitioner pleads, *inter alia*, the following:

- “The primary use of the Marks[sic] is as a form of entertainment that increases, to customers,

the appeal of [Respondent's] place of business, which is Al Johnson's Swedish Restaurant & Butik (the 'Establishment')." Petition to cancel ¶ 5.

- "To whatever extent the Marks[sic] serve as identification with respect to the Establishment, such service is not the primary effect of the Marks[sic], and such service pales in comparison to the provision, by the Marks[sic], of entertainment that increases, to customers, the appeal of the Establishment." *Id.* at ¶ 6.
- "The use of the Marks[sic] as a form of entertainment that increases, to customers, the appeal of the Establishment is unique." *Id.* at ¶ 7.
- "The use of the Marks[sic] as a form of entertainment that increases, to customers, the appeal of the Establishment is functional." *Id.* at ¶ 8.
- "The use of the Marks[sic] as a form of entertainment that increases, to customers, the appeal of the Establishment is superior to other methods." *Id.* at ¶ 9.
- "The placement of goats on a grass roof negates or ameliorates, due to the goats' grazing, the need to cut the grass, and is thus economically advantageous and, therefore, functional." *Id.* at ¶ 10.

A mark is unregistrable under Section 2(e)(5) of the Trademark Act where it “comprises any matter that, as a whole, is functional.” There are two forms of functionality: utilitarian functionality and aesthetic functionality. *See In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 213 USPQ 9, 13 n.1 (CCPA 1982); *In re Florists’ Transworld Delivery Inc.*, 106 USPQ2d 1784, 1786-87 (TTAB 2013). A product feature is functional “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.” *Mag Instrument Inc. v. Brinkmann Corp.*, 96 USPQ2d 1701, 1718 (TTAB 2010) (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 214 USPQ 1, 4 n.10 (1982)). A functional feature is one the “exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage.” *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 34 USPQ2d 1161, 1164 (1995). “[I]t is well settled that functionality must be assessed in connection with the goods or services at issue....” *Doyle v. Al Johnson’s Swedish Restaurant & Butik, Inc.*, 101 USPQ2d 1780, 1783 (TTAB 2012) (citing *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769-70 (1992) and *Duramax Marine LLC v. R.W. Fernstrum & Co.*, 80 USPQ2d 1780, 1791-94 (TTAB 2006)).

Petitioner has pleaded that placing goats on a grass roof is “economically advantageous” because it reduces the need to cut grass on a grass roof; however, Petitioner does not allege that goats on grass roofs are essential to the use or purpose or affect the cost or quality of **restaurant services**. *See Doyle*, 101 USPQ2d at 1783 (“[W]hile petitioner alleges that respondent’s goats and sod roof affect respondent’s

costs, by reducing respondent's energy and mowing expenses, this allegation is not specific, and is in fact completely unrelated, to **restaurant or gift shop services.**") (emphasis in original).

Petitioner also pleads that use of the involved mark is primarily a form of entertainment and that it "increases the appeal" of Respondent's services and that the use of goats on a grass roof is a superior form of entertainment. Petitioner has again failed to plead a nexus between the alleged aesthetic superiority of the design and Respondent's restaurant services. Moreover, "functionality hinges on whether registration of a particular feature hinders competition and not on whether the feature contributes to the product's commercial success." *M-5 Steel Mfg, Inc. v. O'Hagin's Inc.*, 61 USPQ2d 1086, 1097 (TTAB 2001). Petitioner has failed to allege that the alleged superior design hinders competition or "provide[s] a competitive advantage." See *id.* In other words, Petitioner has failed to allege that the involved registration is functional, as opposed to merely aesthetically pleasing. See *Qualitex Co. v. Johnson Products Co., Inc.*, 514 U.S. 159, 165 (1995) ("The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm's reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature.").

In view thereof, Respondent's motion to dismiss Petitioner's claim of functionality is **granted**. Petitioner is allowed time in which to replead, however, if justified and appropriate, as further set

forth below.

Petitioner is allowed until **twenty days** from the date of this order in which to file and serve an amended petition to cancel that properly pleads his standing and states a valid claim for relief, if Petitioner has a sound basis for doing so pursuant to Fed. R. Civ. P. 11, failing which the petition to cancel will be denied with prejudice.

In turn, Respondent is allowed until **twenty days** from the date of service of the amended petition to cancel in which to file and serve an answer or otherwise respond to the amended pleading.

III. Schedule

Proceedings herein are resumed. Remaining dates are reset as follows: [regarding discovery and trial]

APPENDIX C

**THIS ORDER IS NOT A
PRECEDENT OF THE TTAB**

**UNITED STATES PATENT AND TRADEMARK
OFFICE Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451
General Contact Number: 571-272-8500
General Email: TTABInfo@uspto.gov**

mbm/tdc

May 2, 2019

Cancellation No. 92069777

Todd C. Bank

v.

*Al Johnson's Swedish
Restaurant & Butiks, Inc.¹*

By the Trademark Trial and Appeal Board:

On March 27, 2019, Petitioner was allowed twenty

¹ Registrant's revocation and power of attorney filed April 18, 2019 is noted. The Board records have been updated to reflect this change.

days in which to file and serve an amended petition to cancel that properly pleads his standing and states a valid claim for relief, if Petitioner has a sound basis for doing so pursuant to Fed. R. Civ. P. 11, failing which the petition to cancel will be denied with prejudice.

To date, no response has been received.

In view thereof, the petition to cancel is denied with prejudice.

APPENDIX D

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2019-1880

TODD C. BANK,

Appellant,

v.

AL JOHNSON'S SWEDISH
RESTAURANT & BUTIK, INC.,

Appellee.

Appeal from the United States Patent
and Trademark Office, Trademark
Trial and Appeal Board in No. 92069777.

**ON PETITION FOR PANEL REHEARING AND
REHEARING EN BANC**

Before PROST, *Chief Judge*, NEWMAN,
LOURIE, CLEVINGER*, DYK, MOORE,
O'MALLEY, REYNA, WALLACH, TARANTO,

* Circuit Judge Clevenger participated only in the decision on the petition for panel rehearing.

CHEN, HUGHES, and STOLL, *Circuit Judges*.

PER CURIAM.

ORDER

Todd C. Bank filed a combined petition for panel rehearing and rehearing en banc. The petition was referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

The mandate of the court will issue on February 5, 2020.

FOR THE COURT

January 29, 2020

Date

/s/ Peter R. Marksteiner

Peter R. Marksteiner

Clerk of Court