

19-1880

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

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 Cancellation No. 92069777*

**APPELLEE'S RESPONSE IN OPPOSITION
TO APPELLANT'S MOTION FOR SANCTIONS**

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Attorneys for Appellee
November 25, 2019

INTRODUCTION

Appellee Al Johnson’s Swedish Restaurant and Butik, Inc. (“Al Johnson’s Restaurant”), by its undersigned attorneys, hereby responds to Appellant Todd C. Bank’s (“Bank”) motion for sanctions under 28 U.S.C. § 1927 (Doc. 33) “for making the Restaurant’s motion for sanctions against Bank (Doc. 31).” Bank filed his § 1927 motion for sanctions (the “§ 1927 Motion”) to retaliate against Al Johnson’s Restaurant for filing a motion under Rule 38 of the Federal Rules of Appellate Procedure against Bank for filing and arguing a frivolous appeal (the “Rule 38 Motion”). As detailed below, Bank’s § 1927 Motion is frivolous and should be denied.

ARGUMENT

A. Al Johnson’s Restaurant’s Rule 38 Motion Relied on Multiple Federal Circuit Cases for Support.

Al Johnson’s Restaurant’s Rule 38 Motion against Bank pointed to representative examples of Bank’s conduct in filing and arguing a frivolous appeal as well as multiple Federal Circuit cases sanctioning analogous conduct under Rule 38. *See, e.g.*, Appellee’s Motion (Doc. 31) at 7-10 (describing Bank’s misstatements regarding issues on appeal and his failure to argue he plead a plausible claim on appeal); *id.* 11-13 (describing Bank’s reliance on a statutory provision of the Lanham Act ruled unconstitutional by the Supreme court); *see also E-Pass Techs., Inc. v. 3Com Corp.*, 559 F.3d 1374, 1380 (Fed.

Cir. 2009) (noting that “misrepresentations” on appeal are sanctionable and “far outweigh any non-frivolous argument that may be lurking in its briefs”); *State Indus., Inc. v. Mor-Flo Indus., Inc.*, 948 F.2d 1573, 1579 (Fed. Cir. 1991) (finding an appeal frivolous when appellant distorted the record, mischaracterized clear authority and attempted to draw illogical deductions from the facts and law).

That Al Johnson’s Restaurant’s Rule 38 Motion is based on Federal Circuit case law is enough to dismiss Bank’s retaliatory § 1927 Motion. “On its face, § 1927 only applies to actions that result in unreasonable and vexatious *multiplication of proceedings.*” *Gust, Inc., v. Alphacap Ventures, LLC*, 905 F.3d 1321, 1328 (Fed. Cir. 2018). Further, this Court has observed that § 1927 sanctions are to be “strictly construed” to limit abuse of the judicial process. *Waymark Corp. v. Porta Sys. Corp.*, 334 F.3d 1358, 1365 (Fed. Cir. 2003). For example, in *Waymark*, this Court reversed a sanction’s award under § 1927 even though a party’s briefing “was virtually non-existent.” *Id.* at 1366.

By no means will Al Johnson’s Restaurant’s Rule 38 Motion result in an unreasonable or vexatious multiplication of the proceedings. Instead, Al Johnson’s Restaurant sought relief under Rule 38 and based its motion on the precedents of this Court as applied to Bank’s specific arguments and statements on appeal. Even if the Federal Circuit declines to grant Al Johnson Restaurant’s Rule 38 Motion, that is not a reason to sanction Al Johnson’s

Restaurant or its counsel under § 1927 for filing the motion. *See, e.g., Soroof Trading Dev. Co. v. GE Fuel Cell Sys., LLC*, 842 F. Supp. 2d 502, 519 (S.D.N.Y. 2012) (declining to impose § 1927 sanctions against a party that filed an un-meritorious motion for sanctions).

B. Bank’s Modus Operandi Is to Respond to a Motion for Sanctions by Filing a Motion for Sanctions.

This is not the first time that Bank has responded to a motion for sanctions by filing a retaliatory motion for sanctions. Indeed, he engaged in the same pattern of conduct in *McCabe v. Lifetime Entm’t Servs., LLC*, 761 Fed. Appx. 38 (2d Cir. 2019), *cert. denied.*, No. 18-1353, 2019 WL 4921303 (U.S. Oct. 7, 2019).

When Lifetime’s counsel moved to sanction Bank under Rule 11 for filing the same meritless case for the third time, Bank responded by filing a cross motion against Lifetime’s counsel under Rule 11 and § 1927 for filing a frivolous motion for sanctions. *Id.* at 40. The district court granted the motion for sanctions against Bank and denied Bank’s cross motion for sanctions; the Second Circuit affirmed. *Id.* at 41 (finding that the district court did not abuse its discretion when sanctioning Bank because “none of the arguments Bank made before the district court were objectively ‘good faith argument[s] for the extension, modification or reversal of the existing law.’”); *see also id.* at 42 (denying Bank’s cross motion for sanctions against Lifetime’s counsel for filing a frivolous motion for sanctions).

Bank's sanctioned conduct in *McCabe* is comparable to his conduct in this case. In *McCabe*, as in the procedural history before the Board in this case (Doc. 31 at 2-4), Bank files the same meritless claims over and over that are dismissed over and over and, when faced with a sanction's motion based on this conduct, Bank's retaliates by filing a sanction's motion that alleges the motion against him is frivolous. While we agree with Bank that this Court cannot sanction Bank under Rule 38 for his conduct before the Board, the Rule 38 Motion describes a pattern of conduct for Bank similar to Bank's conduct in *McCabe* of repeatedly bringing the same claims and disregarding clear legal authority in continuing to pursue previously-dismissed claims. *See* Doc. 31 at 2-4; *McCabe*, 761 Fed. Appx. at 42 (affirming sanctions against Bank because when "the law of this Circuit is clearly contrary to a litigant's arguments, such cases cannot constitute a good-faith argument that existing law should be reversed.")

This pattern of conduct by Bank supports granting Al Johnson's Restaurant's Rule 38 Motion and denying Bank's retaliatory § 1927 Motion.

C. Bank's § 1927 Motion Is Filled with Misrepresentations.

Bank's § 1927 Motion continues a pattern of misrepresentations similar to those described in the Rule 38 Motion, including the following examples:¹

¹ Bank's Declaration filed in support of the § 1927 Motion also misrepresents the telephone conversation between Bank and counsel for Al Johnson's Restaurant. Because Bank does not rely on his declaration to support the § 1927 Motion, Al

Bank claims that “in *Doyle*, the Board, in referring to Rule 11, did so in relation to standing.” Bank’s § 1927 Motion at 3; Doc. 33 at 4. This is untrue, and below is the Board’s warning—which clearly referred to pleading both standing and a plausible claim:

Specifically, petitioner is allowed until **TWENTY DAYS** from the mailing date of this order to, if warranted, file an amended petition for cancellation which sufficiently alleges petitioner’s standing, and a proper and appropriate claim of functionality, failing which the original petition for cancellation will stand dismissed with prejudice. However, in considering whether to attempt to replead his allegations, petitioner should carefully review Fed. R. Civ. P. 11.

Doyle v. Al Johnson’s Swedish Restaurant and Butik, Inc., No. 92054059, 2012 WL 695211, at *4 (T.T.A.B. Feb. 10, 2012 (emphasis added)).

Bank claims “the Restaurant’s attempt to invoke ‘numerous persons’ in order to further connect *Doyle v. Mastercard* to the present matter is yet another transparent (and deceptive) attempt by the Restaurant to encourage this Court to show disfavor towards Bank due to a matter that is not at issue.” Bank’s § 1927 Motion at 7; Doc. 33 at 8. The “numerous persons” language is directly quoted from Bank’s 2018 Petition (Appx15), the dismissal of which Bank is appealing. There is no deception here; the language comes directly from Bank’s 2018 Petition and his alleged basis for standing.

Johnson’s Restaurant does not address the substance of his declaration in this response. *See* Declaration of Katrina G. Hull, submitted herewith, regarding the parties’ telephone conversation.

As one last example of Bank's continued misrepresentations in the § 1927 Motion, Bank claims the Restaurant has not "cited a single binding rule that precludes Bank's claims." Bank's § 1927 Motion at 8; Doc. 33 at 9. While the binding cases may not be "preclusive" in the sense that they contain identical facts, they are controlling. The Rule 38 Motion argues that Bank's appeal is frivolous because he ignores and/or misrepresents the controlling legal authority, including the following: *Ashcroft v. Iqbal*, 556 U.S. 662 (2009); *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007); *Matal v. Tam*, 137 S. Ct. 1744 (2017); and *Ritchie v. Simpson*, 170 F.3d 1092 (Fed. Cir. 1999). *See State*, 948 F.2d at 1580 (finding a party's misrepresentations on appeal of the controlling law and "its patently illogical and irrelevant arguments" to be frivolous as filed and argued).

While the Al Johnson's Restaurant's Rule 38 Motion is not frivolous, Bank's § 1927 Motion is frivolous. It is Bank's actions, and not Al Johnson's Restaurant or its counsel's actions, that are vexatious and warrant sanctions.

CONCLUSION

WHEREFORE, Al Johnson's Restaurant respectfully requests that the Court deny Bank's § 1927 Motion.

Dated: November 25, 2019 Respectfully submitted,

/s/ Katrina G. Hull
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*Counsel for Appellee Al Johnson's Swedish
Restaurant and Butik, Inc.*

CERTIFICATE OF INTEREST

Counsel for Appellee, Al Johnson's Swedish Restaurant & Butik, Inc., certifies the following:

1. Full name of the party represented by me:

Al Johnson's Swedish Restaurant & Butiks, Inc.

2. Name of the real party in interest represented by me is:

N/A

3. Parent corporations and publicly held companies that own 10% or more of the stock in the party:

None

4. The names of the all law firms and the partners or associates that appeared for the party now represented by me in the agency or are expected to appear in this court are:

Katrina G. Hull and Emily M. Haas of Michael Best and Friedrich LLP appeared before the agency; Katrina G. Hull and Jacqueline L. Patt of Markery Law, LLC are appearing in this Court.

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal.

None

Dated: November 25, 2019

/s/ Katrina G. Hull

Katrina G. Hull

DECLARATION OF KATRINA G. HULL

1. I am an attorney duly admitted to practice law in the State of Wisconsin and I am of counsel with Markery Law, LLC, counsel to the Appellee Al Johnson's Swedish Restaurant and Butiks, Inc. ("Al Johnson's Restaurant").
2. I have personal knowledge of the facts set forth in this declaration.
3. I make this declaration in response to Attorney Bank's declaration (Doc. 33 at 15-23) filed in support of his motion for sanctions under 28 U.S.C. § 1927 (the "Bank's Sanctions Motion").
4. Attorney Bank and I disagree on the substance and the length of the discussion required under Federal Circuit Rule 27(a)(5) to discuss a motion before filing it with the Court.
5. On November 13, 2019, I spent an hour and 15 minutes on the phone with Attorney Bank at his request to discuss Bank's Sanctions Motion.
6. Early in the call and before I ended the call, I explained to Attorney Bank that I would oppose his motion because I had researched Federal Circuit case law and believed that I had good-faith basis to file for sanctions under Rule 38 of the Federal Rules of Appellate Procedure (the "Restaurant's Rule 38 Motion").
7. Bank spent much of the call attacking the Restaurant's Rule 38 Motion, referring to it as dishonest, unwarranted and brought in bad faith.

8. Bank also dominated the conversation during the call by asking questions about the Restaurant's Rule 38 Motion. I responded to these questions by either referring him to the Restaurant's Rule 38 Motion or responding to the question to the extent I understood the question.

9. To the extent I understood Attorney Bank's questions, I did the best I could to respond to his questions; however, if he did not like the answer that I provided, then he repeated the same question over and over. He often interrupted me before I could finish answering his question.

10. I ended the call because I felt harassed by Attorney Bank and because the discussion was not productive.

11. Other than to end the call after an hour and 15 minutes on the phone, I do not recall interrupting Attorney Bank during the call.

12. A true and correct copy of the email I sent to Attorney Bank summarizing the November 13, 2019 phone call is attached to Bank's Declaration as Exhibit B (Doc. 33 at 22).

13. I declare under the penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on November 25, 2019

/s/ Katrina G. Hull
Katrina G. Hull

CERTIFICATE OF SERVICE

I hereby certify that on November 25, 2019, I filed this document with the Court's CM/ECF filing system, which delivered notice of this filing to the below email address for Appellant Todd C. Bank:

tbank@toddbanklaw.com

ecf@toddbanklaw.com

I also certify that on November 25, 2019, I sent a copy of this document by U.S. mail to Appellant Todd C. Bank, as follows:

Todd C. Bank
119-40 Union Turnpike
Fourth Floor
Kew Gardens, New York 11415

/s/ Katrina G. Hull
Katrina G. Hull

**CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME
LIMITATION, TYPEFACE REQUIREMENTS
AND TYPE STYLE REQUIREMENTS**

1. This motion complies with the type-volume limitation of Federal Rule of Appellate Procedure 32(a)(7)(B) or Federal Rule of Appellate Procedure 28.1(e) because the motion contains **1531** words, excluding the parts of the motion exempted by Federal Rule of Appellate Procedure 27(d)(2) and Fed. Cir. R. 27(d)

2. This motion complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6) because it has been prepared in a proportionally spaced typeface using MS Word in a 14-point Times New Roman font.

Signed November 25, 2019

/s/ Katrina G. Hull

Katrina G. Hull