

No. 19-\_\_\_\_\_

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**In the Supreme Court of the United States**

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TODD C. BANK,

*Petitioner,*

v.

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

*Respondent.*

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ON PETITION FOR WRIT OF *CERTIORARI*  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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**PETITION FOR A WRIT OF *CERTIORARI***

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TODD C. BANK  
TODD C. BANK,  
ATTORNEY AT LAW, P.C.  
119-40 Union Turnpike  
Fourth Floor  
Kew Gardens, New York 11415  
(718) 520-7125  
tbank@toddbanklaw.com

*Counsel for Petitioner*

## QUESTIONS PRESENTED FOR REVIEW

1. In *Matal v. Tam*, 137 S. Ct. 1744 (2017), this Court held that the disparagement clause of Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a), which “prohibit[s] the registration of trademarks that may ‘disparage ... or bring ... into contemp[t] or disrepute’ any ‘persons, living or dead,’” *Tam*, 137 S. Ct. at 1751, quoting 15 U.S.C. § 1052(a) (ellipses in original), violates the First Amendment. The question is whether *Tam* thereby precluded disparagement as the basis of one’s *standing* under Section 14 of the Lanham Act, 15 U.S.C. § 1064, to challenge the validity of a trademark where the basis of the *merits* of the challenge, *i.e.*, the challenger’s assertion as to *why* the mark is invalid, is unrelated to disparagement.

2. Whether a federal appeals court abuses its authority by sanctioning a party for arguing in favor of his position, even though: (i) the arguments and the position are meritorious; and (ii) the court claimed that the party had conceded that his position had been foreclosed by a decision of this Court, whereas the party, rather than having made such a concession, had argued that his position was *not* foreclosed by that decision.

**LIST OF PARTIES AND  
RULE 29.6 DISCLOSURE**

The caption lists all of the parties. Petitioner, Todd C. Bank (“Bank”), is a natural person. Therefore, no corporate-disclosure statement is required under Supreme Court Rule 29.6.

**STATEMENT OF DIRECTLY  
RELATED PROCEEDINGS**

There are no directly related proceedings.

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## INTRODUCTION

Todd C. Bank respectfully petition this Court for a writ of *certiorari* to the United States Court of Appeals for the Federal Circuit.

## ORDERS BELOW

The Order of the United States Court of Appeals for the Federal Circuit, dated December 9, 2019 (the “Subject Order”), which is not reported, is reprinted in the Appendix to this Petition (“Appx.”) at Appx. A, 1a-11a.

The Order of the Trademark Trial and Appeal Board of the United States Patent and Trademark Office (the “TTAB” or the “Board”), dated March 27, 2019, which is not reported, is reprinted at Appx. B, 12a-24a.

The Order of the TTAB dated May 2, 2019, which is not reported, is reprinted at Appx. C, 25a-26a.

The Order of the Court of Appeals denying Bank’s Petition for Rehearing with Suggestion for Rehearing *En Banc*, which is not reported, is reprinted at Appx. D, 27a-28a.

## STATEMENT OF JURISDICTION

On December 9, 2019, the Subject Order was entered.

On December 20, 2019, Bank filed a Petition for Rehearing with Suggestion for Rehearing *En Banc*, which the Court of Appeals denied on January 31, 2020.

This Court has jurisdiction under 28 U.S.C. § 1254(1).

### **STATUTORY PROVISIONS INVOLVED**

#### **15 U.S.C. § 1052(a)**

No 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—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after one year after the date on which the WTO Agreement (as defined in section 3501(9) of title 19) enters into force with respect to the United States.

### **15 U.S.C. § 1064(3)**

A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed as follows by any person who believes that he is or will be damaged, including as a result of a likelihood of dilution by blurring or dilution by tarnishment under section 1125(c) of this title, by the registration of a mark on the principal register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905: . . . (3) At any time if the registered mark . . . is functional . . . .

### **STATEMENT OF THE CASE**

Bank brought the underlying action (the “TTAB Proceeding”) before the Trademark Trial and Appeal Board (the “TTAB” or the “Board”) of the United States Patent and Trademark Office (the “USPTO”), which had jurisdiction under 15 U.S.C. § 1064(3) and 37 C.F.R. § 2.111.

Bank petitioned the USPTO for the cancellation of Trademark Registration No. 2007624.

## REASONS FOR GRANTING THE PETITION

As set forth below, the Court of Appeals, with respect to the question of standing: (i) decided an important Constitutional question that has not specifically been, but should be, settled by this Court; and (ii) disregarded relevant decisions of this Court.

As also set forth below, the Court of Appeals, in sanctioning Bank, so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's supervisory power.

### I. PETITIONER HAS STANDING

#### A. The Court of Appeals Conflated Standing with the Merits

The Court of Appeals found that Bank did not sufficiently plead standing before the TTAB, *see* Appx. A, 5a-6a, explaining: “[t]o the extent that Mr. Bank relies upon disparagement . . . to establish his standing, the argument is without merit after *Tam*.” *Id.*, 6a.

First, the court ignored the axiomatic principle that standing is distinct from the merits. *See Whitmore v. Arkansas*, 495 U.S. 149, 155 (1990) (“[o]ur threshold inquiry into standing ‘*in no way depends on the merits*’ of the [petitioner’s] contention that particular conduct is illegal,” quoting *Warth v. Seldin*, 422 U.S. 490, 500 (1975) (emphases added)); *accord, Ariz. State Legislature v. Ariz. Indep. Redistricting Comm’n*, 135 S. Ct. 2652, 2663 (2015). Whereas Bank asserted

standing based upon disparagement, he alleged, with respect to the merits, that the challenged trademark, which “consists of goats on [a] grass roof,” Appx. A, 2a (additional quotation marks omitted), is functional because of factors unrelated to disparagement, *i.e.*, that, “[t]he primary use of the [m]ark[] is as a form of entertainment that increases, to customers, the appeal of [Respondent]’s [restaurant],” Bank’s TTAB Petition, ¶ 5, that, “[t]o whatever extent the [m]ark[] serve[s] as identification with respect to [Respondent’s restaurant], such service is not the primary effect of the [m]ark[], and such service pales in comparison to the provision, by the [m]ark[], of entertainment that increases, to customers, the appeal of the [restaurant],” *id.*, ¶ 6, that, “[t]he use of the [m]ark[] as a form of entertainment that increases, to customers, the appeal of the [restaurant] is unique[,] . . . functional[,] . . . [and] superior to other methods.” *id.*, ¶¶ 7, 8, 9, and that, “[t]he 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.” *Id.*, ¶ 10.

Second, the Court of Appeals disregarded the plain language of the private-right-of-action provision that Bank invoked, *i.e.*, Section 14 of the Lanham Act, 15 U.S.C. § 1064, the first paragraph of which states: “[a] petition to cancel a registration of a mark, stating the grounds relied upon, may . . . be filed . . . by any person who believes that he is or will be damaged . . . by the *registration* of [the] mark.” 15 U.S.C. § 1064 (emphasis added). Thus, by its plain language, Section 14 does not require that any *particular* aspect of a trademark

be the source of alleged damage, but, rather, that the *mere existence* of a mark *i.e.*, its *registration*, be that source.

In *Ritchie v. Simpson*, 170 F.3d 1092 (Fed. Cir. 1999), the court held in favor of the standing of the petitioner, who had opposed the applications to register certain trademarks and had relied upon the marks' alleged disparagement as the basis of both his standing *and* the merits of his opposition (the standing of a petitioner opposing the registration of a mark is governed by Section 13 of the Lanham Act, 15 U.S.C. § 1063, which contains the same relevant requirements as does Section 14, *i.e.*, that “[a]ny person who believes that he would be damaged by the registration of a mark . . . may . . . file an opposition.” 15 U.S.C. § 1063. Accordingly, the requirements for petitions for opposition are the same as the requirements for petitions for cancellation. *See Ritchie*, 170 F.3d at 1095, n.2; *Young v. AGB Corp.*, 152 F.3d 1377, 1379-1380 (Fed. Cir. 1998)). Although, in *Ritchie*, the basis of the challenger's standing correlated to the basis of the merits of his challenge, the plain language of Sections 13 and 14 of the Lanham Act, 15 U.S.C. §§ 1063 and 1064, makes clear, as set forth above, that such correlation is not required.

Example: a petitioner for cancellation argues, with respect to the *merits*, that the challenged mark is being used “so as to misrepresent the source of the goods or services on[,] or in connection with[,] which the mark is used.” 15 U.S.C. § 1064(3). With respect to standing, the petitioner does not allege that he was harmed by

that *misrepresentation*, but, rather, by the existence, *i.e.*, the *registration*, of the mark because *he wants to use the mark*, but the registration prohibits him from doing so and he is therefore damaged “by the registration of [the] mark.” 15 U.S.C. § 1064. The petitioner clearly would have standing even though the basis of his standing does not correlate to the basis of the merits of his challenge.

Section 14 of the Lanham Act *does* address the merits of a petition for cancellation, *i.e.*, the question of why a mark is not valid and should therefore be canceled, but does so only with respect to the *timing* of the filing of a petition; that is, if a petition is based upon certain allegations regarding a challenged mark, including, as Bank alleges, that the mark is “functional,” the petition may be filed “[a]t any time,” 15 U.S.C. § 1064(3), whereas, except for petitions that seek cancellation based upon functionality or any of the other enumerated bases set forth in Section 1064(3), or in the circumstances set forth in Sections 1064(4) or (5), petitions for cancellation must be filed “[w]ithin five years from the date of the registration of the mark,” 15 U.S.C. § 1064(1), or “[w]ithin five years from the date of publication under [15 U.S.C. §] 1062(c) . . . of a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905.” 15 U.S.C. § 1064(2). Accordingly, “[Section] 1064 has been described as a kind of statute of limitations for actions seeking cancellation of marks registered for more than five years,” *Shakespeare Co. v. Silstar Corp. of America, Inc.*, 9 F.3d 1091, 1096 (4th Cir. 1993); *see also Pinkette Clothing, Inc. v. Cosmetic Warriors Ltd.*,



894 F.3d 1015 (9th Cir. 2018):

Although . . . a petition [for cancellation] may be filed “[a]t any time,” § 1064 limits the grounds for cancellation after five years have passed from the date of registration—i.e., after the mark becomes *incontestable*. [] § 1064.

\*\*\*

There is no question that § 1064 is not a statute of limitations in the usual sense of barring an action entirely once a defined period expires. Incontestability merely limits the grounds on which cancellation may be sought. A petition brought *within* five years of registration (against a *contestable* mark) *may assert any ground that would have prevented registration in the first place*—most commonly that the registered mark creates a likelihood of confusion with the petitioner’s preexisting mark. 15 U.S.C. § 1064. *By contrast*, a petition brought five years *after* registration (against an *incontestable* mark) may only assert *one of several enumerated grounds for cancellation, including genericism, functionality, abandonment, or fraudulent procurement. Id.*

*Id.* at 1018, 1023 (emphases added).

In contrast to Sections 13 and 14 of the Lanham Act, Section 38, 15 U.S.C. § 1120, *does* require a correlation between standing and the merits, as that provision states: “[a]ny person who shall procure registration . . . of a mark *by a false or fraudulent declaration or representation . . . or by any false means*, shall be liable in a civil action by any person *injured thereby* for any damages sustained *in consequence thereof*.” 15 U.S.C. § 1120 (emphases added). Thus, “it is not enough for the plaintiff merely to establish fraud in the registration of the trademark; the plaintiff must also show that [it] sustained some damage *in consequence of the fraud*.” *Virginia Polytechnic Inst. & State Univ. v. Hokie Real Estate, Inc.*, 813 F. Supp. 2d 745, 755 (W.D. Va. 2011) (emphasis added; citation and quotation marks omitted).

The Court of Appeals deemed, albeit *sub silentio*, *Ritchie* to have been abrogated by *Tam*. More specifically, the Court of Appeals implicitly, and erroneously, found that, as a result of *Tam*, the petitioner in *Ritchie* would have been precluded from basing his standing upon disparagement even if the *merits* of his claims had been unrelated to disparagement.

**B. Petitioner was not Deprived of Standing Merely Because, According to His Theory of Standing, There Might be a Large Number of Trademarks that he Could Challenge**

The Subject Order states:

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 [(Appx. B, 19a-20a)] (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.

Appx. A, 9a (emphases added; brackets by the Court of Appeals). The Court of Appeals' insertion of "must be" should have been "must *not* be." That is because Bank argued that the TTAB had wrongly found that one of the reasons why Bank *lacked standing* was that the challenged mark was part of a larger class of trademarks, *i.e.*, "mark[s] involving the use of animals . . . in connection with any services," Bank's Principal Brief ("Bank Pr. Br."; Fed. Cir. No. 2019-1880, Doc. 21)

at 9, quoting Appx. B, 20a, all of the marks of which Bank would have standing to challenge if he had standing to challenge the mark at issue. First, Bank quoted the following from the TTAB's Order:

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

Bank Pr. Br. at 9, quoting Appx. B, 19a-20a (emphases added; additional quotation marks omitted).

Second, Bank explained:

The fact that the basis of Bank's assertion of harm, *i.e.*, that [Respondent]'s mark, in "appl[ying] 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,” [Bank’s TTAB Petition], ¶ 1 [], and that “[t]he demeaning of animals in the manner set forth in the previous paragraph is offensive to Bank and denigrates the value he places on the respect, dignity, and worth of animals,” *id.*, ¶ 2 [], might also apply to *other* marks does not deprive Bank of standing. In *Ritchie*, this Court held that the petitioner had standing to oppose “the trademarks O.J. SIMPSON, O.J., and THE JUICE,” *Ritchie*, 170 F.3d at 1093, based upon:

“[his] [alleg]ation, *inter alia*, that he would be damaged by the registration of the marks because the marks disparage his *values*, especially those values *relating to his family*. In addition, in his notice of opposition, Mr. Ritchie described himself as a “*family man*” who believes that the “sanctity of marriage requires a husband and wife who *love and nurture one another*,” and as a member of a group that could be *potentially damaged by marks that allegedly are synonymous with wife-beater and wife-murderer*. Furthermore, Mr. Ritchie alleged that the marks are *scandalous* because they would “*attempt to justify physical violence against women*.”

*Id.* at 1097 (emphases added). Just as the petitioner in *Ritchie* had standing even though the number of marks that could have offended him was as limitless as the imagination, and just as he was concerned solely with the mere existence of the opposed marks, rather than with their intended uses, *i.e.*, “with a broad range of goods, including figurines, trading cards, sportswear, medallions, coins, and prepaid telephone cards,” *id.* at 1093, Bank, who is analogously situated, likewise has standing.

Bank Pr. Br. at 8-10 (emphases in original).

**II. THE IMPOSITION OF SANCTIONS WAS SUCH AN ABUSE OF AUTHORITY THAT THIS COURT SHOULD EXERCISE ITS SUPERVISORY AUTHORITY IN ORDER TO VACATE IT**

The Subject Order, referring to the TTAB proceeding and to *Doyle v. Al Johnson’s Swedish Restaurant & Butik, Inc.*, 101 U.S.P.Q.2d 1780, 2012 WL 695211 (T.T.A.B. 2012), in which Bank represented the petitioner, states:

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) . . . . 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*.

Appx. A, 10a-11a (emphases added).

First, and most importantly, the appeal was not frivolous; indeed, it was meritorious. The same is true of Bank's motion for sanctions (Doc. 33).

Second, Rule 38 of the Federal Rules of Appellate Procedure, pursuant to which the court imposed sanctions, *see* Appx. A, 9a-10a, does not even authorize sanctions based on the *proceeding from which the appeal is taken, let alone a separate proceeding*, such as *Doyle*. *See Boyer v. BNSF Railway Co.*, 824 F.3d 694, 711 (7th Cir. 2016) ("Rule 38 necessarily focuses on *what a party has done in the appellate court* rather

than the district court,” citing *Roth v. Green*, 466 F.3d 1179, 1188 (10th Cir. 2006), and *In re 60 E. 80th St. Equities, Inc.*, 218 F.3d 109, 118, n.4 (2d Cir. 2000) (emphasis added)).

Third, the alleged basis of standing in *Doyle* had nothing to do with disparagement in any event. See *Doyle*, 2012 WL 695211 at \*1.

Fourth, *Doyle* was not binding on the Court of Appeals.

Fifth, the notion that sanctions were supported by the fact that Bank did not “revise his petition and remedy the standing defect” wrongly assumes that there was such a defect and that it was so great that Bank’s decision not to amend the petition rendered the appeal frivolous.

Sixth, in *Finch v. Hughes Aircraft Co.*, 926 F.2d 1574 (Fed. Cir. 1991), the court found that an attorney who was a “member[] of the bar of th[e] court,” *id.* at 1583, and had “litigated in th[e] court previously,” *id.* at 1583, n.7, “ha[d] made no attempt to address the overwhelming authority against his position, much less rebut that authority,” *id.* at 1580, as a result of which the court, as a Rule 38 sanction, “award[ed] to [the] appellee [] *double its cost.*” *Id.* at 1583 (emphasis added).

Unlike the attorney in *Finch*, Bank is not admitted to the bar of the Federal Circuit and had not previously litigated in that court (in any capacity).



More importantly, however, Bank addressed each of the bases upon which the TTAB made its ruling and neither ignored, nor failed to rebut, authority against his position, the only such authority having been *Doyle*, which, again, was not binding on the Court of Appeals. *See* Bank Pr. Br. at 12-13. Indeed, Bank should have prevailed on the appeal.

Seventh, *Finch* also found that the attorney had sought to litigate claims that were precluded by *res judicata*, *see Finch*, 926 F.2d at 1577, and duplicative of another pending action, *see id.*, and that the attorney “[had] not oppose[d] the [district court’s] dismissal [of the claims] and therefore waived his right to appeal,” *id.*, at 1580, but, “argue[d], for the first time [on appeal], that th[e] dismissal was improper,” *id.*, at 1577, even though “[i]t is well-settled that, absent exceptional circumstances, a party cannot raise on appeal legal issues not raised and considered in the trial forum.” *Id.*

Finally, *Finch* found:

*Not one word is offered in [the attorney’s] reply brief* in defense of his opening brief. Nor did he make a credible defense of the statements in his briefs or the basis of his appeal when explicitly invited to do so at oral argument before the court. [The attorney]’s *failure to explain and defend* his reasons for appealing and his post-filing conduct, *even when asked to do so*, further confirms our view that his frivo-

lous appeal and misconduct before us merit sanctions.

*Id.* at 1582 (emphases added).

The Subject Order, further confusing the question of standing with the question of the merits, states:

[T]he *sole standing argument* that Mr. Bank raised before the TTAB, A.A. 6-8 [(Appx. B, 16a-20a)], and recites on appeal, [Bank Pr. Br. at] 9, is that the Swedish Restaurant’s trade dress was *disparaging* to himself as it “is demeaning to” goats, A.A. 15 [(Bank’s TTAB Petition, ¶ 1)]. 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 [(Appx. B, 18a)] (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 . . . to establish his standing*; the argument is without merit after *Tam*.

Appx. A, 6a (emphases added; brackets in original). First, the extent to which “Bank relie[d] upon disparagement . . . as the grounds for his petition,” as opposed to having done so “to establish his standing,” is *none*, both before the TTAB and the Court of Appeals.

Second, the Court of Appeals’ claim that Bank “conceded,” before the TTAB, that Bank’s “sole standing argument” was “foreclosed” by *Tam* is perfectly false. Although the TTAB rejected Bank’s position on the question of whether *Tam* precluded disparagement as the basis of Bank’s standing, the TTAB, unlike the Court of Appeals, accurately characterized Bank’s argument; indeed, the TTAB did so on the very pages that the Court of Appeals cited as containing the TTAB’s finding of Bank’s ‘concession,’ see Appx. B, 17a-19a, and, specifically, *id.*, 18a (“Petitioner acknowledges that disparagement is *no longer a cognizable claim* under the [Lanham] Act. *Petitioner argues, however*, that his allegations that the mark is offensive to him *are sufficient to support a pleading of standing*. 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**....” (emphases added,

except bold-only emphases; citations omitted)); *id.* (“as acknowledged by Petitioner, the *only ground for cancellation* is the *claim of functionality*” (emphases added)); *id.*, 19a (“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*” (emphases added; footnote omitted)).

As the TTAB understood, Bank, far from having “conceded” that *Tam* had foreclosed disparagement as the basis of Bank’s standing, had argued the *exact opposite*.

## CONCLUSION

This Petition should be granted.

Respectfully submitted,

TODD C. BANK  
TODD C. BANK,  
ATTORNEY AT LAW, P.C.  
119-40 Union Turnpike  
Fourth Floor  
Kew Gardens, New York 11415  
(718) 520-7125  
tbank@toddbanklaw.com

*Counsel for Petitioner*

APRIL, 2019

**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,”<sup>1</sup> 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);<sup>2</sup> see A.A. 14–16 (Petition to Cancel).<sup>3</sup> For the limited purpose of determining whether Mr. Bank has

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<sup>1</sup> “[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).

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

<sup>3</sup> 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).<sup>4</sup> The

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<sup>4</sup> 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

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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  
Alexandria, VA 22313-1451  
General Contact Number: 571-272-8500  
General Email: TTABInfo@uspto.gov**

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:<sup>1</sup>

[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).<sup>2</sup>

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

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<sup>1</sup> 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.

<sup>2</sup> 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.<sup>3</sup>

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

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<sup>3</sup> 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.<sup>1</sup>*

**By the Trademark Trial and Appeal Board:**

On March 27, 2019, Petitioner was allowed twenty

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<sup>1</sup> 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,

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\* 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