

No. 19-1880

United States Court of Appeals for the Federal Circuit

TODD C. BANK,

Appellant,

v.

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

Appellee.

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United States Court of Appeals
For The Federal Circuit

ON APPEAL FROM THE UNITED STATES
PATENT AND TRADEMARK OFFICE,
TRADEMARK TRIAL AND APPEAL BOARD

**PETITION FOR REHEARING WITH
SUGGESTION FOR REHEARING *EN BANC***

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UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Bank v. **Al Johnson's Swednsh Rest.**

Case No. **19-1880**

CERTIFICATE OF INTEREST

Counsel for the:

(petitioner) (appellant) (respondent) (appellee) (amicus) (name of party)

certifies the following (use "None" if applicable; use extra sheets if necessary):

1. Full Name of Party Represented by me	2. Name of Real Party in interest (Please only include any real party in interest NOT identified in Question 3) represented by me is:	3. Parent corporations and publicly held companies that own 10% or more of stock in the party
Todd C. Bank	Todd C. Bank	N/A

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court (and who have not or will not enter an appearance in this case) are:

Todd C. Bank
Todd C. Bank, Attorney at Law, P.C.

FORM 9. Certificate of Interest

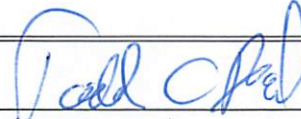
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5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. *See* Fed. Cir. R. 47.4(a)(5) and 47.5(b). (The parties should attach continuation pages as necessary).

N/A

12/19/2019

Date



Signature of counsel

Todd C. Bank

Printed name of counsel

Please Note: All questions must be answered

cc: _____

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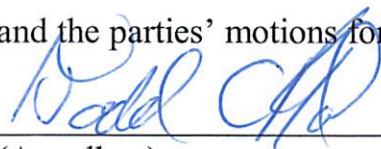
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INTRODUCTION

The panel opinion (the “Opinion”) affirmed the opinion of the Trademark Trial and Appeal Board of the United States Patent and Trademark Office (the “TTAB” or the “Board”) dated March 27, 2019 (the “TTAB Opinion”); granted the motion for sanctions by Appellee, Al Johnson’s Swedish Restaurant & Butik, Inc. (the “Restaurant”); denied the motion for sanctions by Appellant, Todd C. Bank (“Bank”); and imposed sanctions against Bank in the form of costs and attorney fees in connection with the appeal and the motions.

STATEMENT REQUIRED BY FEDERAL CIRCUIT RULE 35(b)(2)

Based on my professional judgment, I believe that: (1) the Opinion is contrary to *Ritchie v. Simpson*, 170 F.3d 1092 (Fed. Cir. 1999); and (2) this appeal requires an answer to a precedent-setting question of exceptional importance: whether *Ritchie*, in ruling in favor of disparagement-based standing under Section 14 of the Lanham Act, 15 U.S.C. § 1064, was abrogated by *Matal v. Tam*, 137 S. Ct. 1744, 1764 (2017), which invalidated, on Constitutional grounds, the disparagement clause of Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a), so as to warrant: (i) the affirmance of the TTAB’s dismissal of Bank’s petition for cancellation; and (ii) sanctions against Bank in the form of the Restaurant’s costs and attorney fees in connection with the appeal and the parties’ motions for sanctions.



(Appellant)

THE POINTS OF LAW OR FACT OVERLOOKED OR MISAPPREHENDED BY THE PANEL OF THE COURT

1. The panel’s finding that Bank “conceded” that his argument on appeal was “foreclosed,” which, if true, would have warranted sanctions, was flatly erroneous.
2. *Tam* did not abrogate *Ritchie* insofar as *Ritchie* held that a challenger had disparagement-based standing under Section 13 of the Lanham Act, 15 U.S.C. § 1063, which corresponds, in all relevant respects, to Section 14, 15 U.S.C. § 1064, which is the authority for Bank’s standing.
3. Bank’s appeal was not only non-frivolous, but was meritorious.
4. Insofar as the panel imposed sanctions based on *Doyle v. Al Johnson’s Swedish Restaurant & Butik, Inc.*, 101 U.S.P.Q.2d 1780 (T.T.A.B. 2012), doing so violated Rule 38 of the Federal Rules of Appellate Procedure.
5. Bank’s motion for sanctions was not only non-frivolous, but was meritorious.

ARGUMENT IN SUPPORT OF A REHEARING

The Opinion states:

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*.

Opinion (“Op.”) at 5 (emphases added; brackets in original). First, as further discussed below, the extent to which “Bank relie[d] upon disparagement . . . as the grounds for his petition,” as opposed to “establish[ing] his standing,” was *none*, both before the TTAB and this Court.

Second, the panel’s finding that Bank “conceded,” before the TTAB, that Bank’s “sole standing argument” was “foreclosed” by *Tam* is simply untrue. The TTAB rejected Bank’s position on the question of whether *Tam*, by invalidating the disparagement clause of Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a), thereby precluded disparagement as the basis for one’s *standing*, under Section 14 of the Lanham Act, 15 U.S.C. § 1064, to challenge a mark, where, as here, the basis of the *merits* of the challenge, *i.e.*, the challenger’s assertion as to *why* the mark is invalid, is *not* disparagement. However, unlike the panel, the TTAB accurately characterized Bank’s argument; indeed, the TTAB did so on the very pages that the panel cited regarding Bank’s ‘concession’:

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 [] *Tam*, 127 S.Ct. [at] 1764 [] 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*.

TTAB Opinion (“TTAB Op.”) at 5-6 (A.A. at 6-7) (emphases added; brackets in original; footnote omitted). As the TTAB understood, Bank, far from having “conceded” that *Tam* had foreclosed disparagement as the basis of standing, argued the *exact opposite, i.e.*, that *Tam* concerned *only* the basis of the *merits* of a challenge to a mark, *not* the basis of one’s *standing* to bring such a challenge. Indeed, Bank *would have deserved* to be sanctioned had he made that concession but nevertheless proceeded with the appeal.

The Opinion states:

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.

Op. at 6 (emphasis added). First, Bank addressed the question of whether standing based upon disparagement “survives *Tam*” on pages 3-6, not 3-10 (and also on pages 5-16 of Bank’s opposition (“Bank Opp.,” Doc. 32) to the Restaurant’s motion for sanctions (Doc. 31)). Second, Bank’s argument was clearly set forth; but, the panel, instead of addressing the *reasoning* of that argument or any of the several demonstrative examples that Bank provided, wrongly rejected the argument upon the fundamentally flawed notion that *Tam*, by precluding disparagement as the basis of the

merits of a challenge to a mark, thereby precluded disparagement as the basis of a challenger's *standing*.

The Opinion states:

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).

Op. at 6-7 (emphases added; brackets in original). The notion that Bank argued that the TTAB erred "by 'misunderstanding [the] basic standing doctrine' with the merits of his claim . . ." does not even make sense. Rather, Bank stated: "[t]he Board's *misunderstanding of basic standing doctrine* is shocking. Whether Bank has *standing* has *nothing to do with the merits of his claims*." Bank's Principal Brief ("Bank Pr. Br.," Doc. 21) at 4 (emphases added).

The Opinion adds:

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.

Op. at 7 (emphases added). Bank's assertion that, "The Board Conflated the Question of Standing with the Question of the Merits," Br. Pr. Br. at 3 (Point I(A) heading) concerned the TTAB's statement that, "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*." *Id.* at 4, quoting TTAB Op. at 6 (A.A. 7) (emphases added). Bank's assertion concerned *only this aspect of the TTAB Opinion*, *see id.* at 3-7; Bank's assertion did *not* concern either *Tam* or Section II(B) of the TTAB Opinion, which addressed functionality. In short, the panel, in claiming that Bank's assertion applied to more than the one aspect of the TTAB Opinion to which that assertion *did* apply, took the assertion out of context.

The Opinion states:

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.").

Op. at 7 (emphases added). First, the heading of Point I(B) of Bank's Principal Brief was: "The Board Wrongly Found that Standing is Limited to Competitors of a Markholder," Bank Pr. Br. at 7; and, as Bank explained: "[t]he Board stated: '[i]n 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*.'" [TTAB] Op. at 4 (Appx5)." Bank Pr. Br. at 7 (emphases added). Given that a person (in the broad sense of 1 U.S.C. § 1) who is "engaged in the manufacture or sale of the same or related goods" or that "otherwise has a current or prospective right or interest in using the mark," are, typically, competitors of the markholder, Bank described those groups as such. Moreover, insofar as such persons could be *non-competitors*, such that Bank's use of the term "competitors" was not perfectly precise, it is clear, given that Bank himself quoted the TTAB as shown above, that he was not trying to mislead, much less that he actually did mislead, the Court; nor, given that Bank did not allege that he manufactures or sells the same or related goods or services as does the Restaurant, or that he is a would-be user of the Restaurant's mark, was his slight imprecision relevant, much less rendered his appeal frivolous.

Second, although the TTAB cited *Ritchie, Bank*, not the TTAB, cited *Ritchie* for having stated:

“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 a[] [challenger]*. Nor have we ever held that being a member of a group with many members is itself disqualifying. The crux of the matter is not how many others share one’s belief that one will be damaged by the registration, but whether that belief is reasonable and reflects a real interest in the issue. *See* 15 U.S.C. § 1063.” *Ritchie*, 170 F.3d at 1096-1097 (emphases added).

Bank Pr. Br. at 8 (emphases in original). Indeed, Bank quoted this excerpt *because* the TTAB had stated that, “[i]n order to plead standing to challenge a registration based on a claim that the mark is functional, a plaintiff *must plead* that it 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*.’ [TTAB Opinion] at 4 (Appx5).” Bank Pr. Br. at 7 (emphases added). These types of challengers, according to the TTAB Opinion, were not merely *examples* of the types of challengers who could have standing to assert a claim of functionality, but, rather, the *only* types. As if the TTAB had not been clear enough in expressing its view, it followed its statement by “cit[ing] *AS Holdings, Inc. v. H & C Milcor, Inc.*, 107 U.S.P.Q.2d 1829, 1832 (T.T.A.B. 2013), for ‘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.’ [TTAB] O[pinion] at 4-5 (Appx5-6).” Bank Pr. Br. at 8 (but, Bank explained: “*AS Holdings* did not suggest that standing was *limited* to business competitors of the markholder.” Bank Pr. Br. at 8 (emphasis in

original)).

A person of a type described by the TTAB would, of course, have standing to seek a mark's cancellation on the ground of functionality; but, the harm that is the basis of such person's *standing* would ***not*** be caused by the mark's alleged ***functionality***, even though the alleged functionality is the basis of the *merits* of his challenge. Rather, the harm is (typically) his *lack of a right to use the mark*, and that lack is the result of the mark's ***registration***. That is why such a challenger would have standing under Section 14 of the Lanham Act, 15 U.S.C. § 1064, which states: “[a] petition to cancel a registration of a mark, stating the grounds relied upon, may . . . be filed as follows 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). That the basis of a challenger's standing often, if not usually, corresponds to the basis of the merits of his challenge, such as in *Ritchie*, does not mean that it *must* so correspond. Rather, standing is determined not by the basis of the *merits* of a challenge as provided in 15 U.S.C. § 1052, but by the provision that pertains to one's *standing* to bring such challenge, *i.e.*, 15 U.S.C. §§ 1063 or 1064. Indeed, a requirement that a challenger's *standing* correlate with the *merits* of his challenge, and that, therefore, *Ritchie*, in addressing disparagement-based *standing* under Section 1063, was abrogated by *Tam*, which addressed the *substantive*, *i.e.*, *merits-related*, disparagement clause of Section 1052(a), would ignore the plain language of Section 1063, and, thereby, its counterpart, *i.e.*, Section 1064. That,

however, is what the panel did.

In contrast to Sections 1063 and 1064, Section 38 of the Lanham Act, which states that, “[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), *does* require a connection between one’s *standing* to assert a claim and the *merits* of the claim. *See, e.g., Virginia Polytechnic Inst. & State Univ. v. Hokie Real Estate, Inc.*, 813 F. Supp. 2d 745, 755 (W.D. Va. 2011) (recognizing that requirement).

The Opinion 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 (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.

Op. at 7-8 (emphases added; brackets by the panel). The panel’s use of the bracketed “must be” completely changed what Bank had actually asserted in Point I(C) of Bank’s Principal Brief, which was: “It is *Irrelevant*, to a Petition for Cancellation, Whether the Mark in Question is *Part of a Class of Marks* to Which the Petitioner Might also Object.” Bank Pr. Br. at 9 (Point I(C) heading) (emphases added). Bank clearly

supported this assertion. First, Bank quoted the TTAB as follows:

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 TTAB Op. at 7 (AA. 8) (emphases added; additional quotation marks omitted). Thus, the TTAB clearly found that it is relevant whether a challenger's standing is based on the type of services for which the challenged mark is registered (here, "restaurant services").

Second, Bank clearly explained why the TTAB was wrong. *See* Bank Pr. Br. at 9-10.

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),

the Opinion 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.

Op. at 8-9 (emphases added). First, as Bank explained:

Rule 38 [of the Federal Rules of Appellate Procedure] does not even authorize sanctions based on the *proceeding from which the appeal is taken, let alone a proceeding, such as Doyle, that was not appealed to this Court. 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)).*

Bank’s Motion for sanctions (“Bank Mtn.,” Doc. 33) at 3-4 (emphases added; additional quotation marks omitted).

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

Third, *Doyle* was not binding on the panel.

Fourth, that Bank, in the present matter, did not “revise his petition and remedy the standing defect” assumes, wrongly, 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.

Fifth, as Bank explained:

[In *Finch*], this Court “award[ed] to [the] appellee [] *double its costs*,” *Finch*, 926 F.2d at 1583, and . . . the sanctioned attorney was a “*member[] of the bar of this [C]ourt*,” *id.*, who had “*litigated in this [C]ourt previously*,” *id.* at 1583, n.7). ***Unlike*** in *Finch*, *Bank* addressed each of the bases upon which the Board made its ruling and ***neither ignored, nor failed to rebut, authority against his position, the only such authority, which is not binding on this Court, being Doyle []*** (regarding functionality)). See *Bank Opp.* [(Doc. 26)] Point I. Thus, the Restaurant’s reliance upon *Finch* has no justification.

Bank Mtn. at 2-3 (emphases added; brackets in original). Furthermore, Bank explained:

Finch, of course, does not even arguably support sanctions against Bank. There, this Court found that an attorney had sought to litigate claims that were *precluded by res judicata*, see *Finch*, 926 F.2d at 1577, and were *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 this 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.* This Court further explained:

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 frivolous appeal and misconduct before us merit sanctions.

Id. at 1582 (emphases added; brackets in original).

Bank's Reply in support of Bank's Motion (Doc. 39) at 6-7.

Sixth, Bank's motion for sanctions (Doc. 33) was not only non-frivolous, but was meritorious.

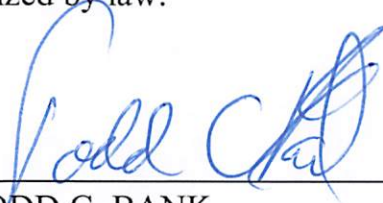
ARGUMENT IN SUPPORT OF REHEARING *en banc*

The importance of the issues, as described in the Statement Required by Federal Circuit Rule 35(b)(2) and The Points of Law or Fact Overlooked or Misapprehended by the Panel of the Court, warrant *en banc* review.

CONCLUSION

This Court should vacate the panel opinion and the judgment, and, thereupon, issue a new opinion on the appeal and the parties' motions for sanctions; and grant Appellant such other and further relief as authorized by law.

Dated: December 19, 2019



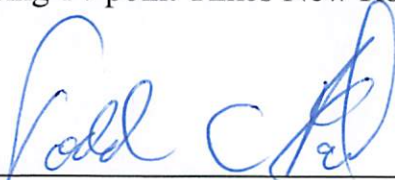
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Counsel to Appellant

CERTIFICATE OF COMPLIANCE WITH RULE 32(a)

1. This petition complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B) because this brief contains 3,877 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(B)(iii).
2. This petition complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6) because this brief has been prepared in a proportionally spaced typeface using 14-point Times New Roman.

Dated: December 19, 2019



TODD C. BANK

ADDENDUM

Todd C. Bank v. Al Johnson's Swedish Restaurant & Butik, Inc.
(Fed. Cir. Dec. 9, 2019) (Doc. 42)

NOTE: This disposition is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

TODD C. BANK,
Appellant

v.

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

2019-1880

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 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

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.

'controversy' restrictions do not . . . apply to matters before [an] administrative agenc[y,]" 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 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

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, 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).

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 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

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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

Because Mr. Bank lacks standing, we do not have jurisdiction to review this appeal. Accordingly, Mr. Bank's appeal from the U.S. Patent and Trademark Office's Trademark Trial and Appeal Board is

DISMISSED

COSTS

Costs and attorney fees to Swedish Restaurant.

CERTIFICATE OF SERVICE

I hereby certify that on December 19, 2019, a true and accurate copy of the foregoing was served, by the next-day delivery service of Federal Express, on the following:

Katrina. G. Hull
Markery Law, LLC
1200 G Street NW
Washington, DC 20005

Dated: December 19, 2019



TODD C. BANK

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December 19, 2019

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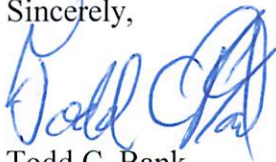
Re: Todd C. Bank v. Al Johnson's Swedish Restaurant & Butik, Inc.
Docket No. 19-1880

Dear Sir or Madam:

I am the *pro se* appellant in the above-referenced appeal. Enclosed, pursuant to Federal Circuit Rule 25(c)(2)(B) (which concerns *pro se* parties) are three copies of my Petition for Rehearing with Suggestion for Rehearing *En Banc*. Two of the copies are bound, and the other copy, which is the original, is unbound so as to enable it to be easily scanned.

Thank you.

Sincerely,



Todd C. Bank

Enclosures

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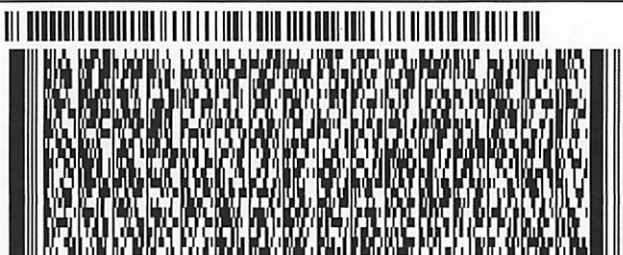
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