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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91226465
Party	Plaintiff Carl's Jr. Restaurants LLC
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Carl's Jr. Restaurants LLC,

Opposer,

v.

Burma Super Star, Inc.,

Applicant

Opposition No.: 91226465

TRIAL BRIEF OF OPPOSER CARL'S JR. RESTAURANTS LLC

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TABLE OF CONTENTS

	Page No.
I. INTRODUCTION	1
II. DESCRIPTION OF THE RECORD	3
A. Opposer’s Evidentiary Record.....	3
B. Applicant’s Evidentiary Record.....	4
III. STATEMENT OF THE ISSUES.....	5
IV. STATEMENT OF FACTS	6
A. Opposer’s Federal Registrations for SUPER STAR, SUPER STAR REWARDS, STAR-containing and Star Design Marks.....	6
B. Opposer’s Restaurants, Food and Beverages.....	9
C. Opposer’s Franchise Services.....	14
D. Opposer’s SUPER STAR REWARDS Program	15
E. Applicant’s Confusingly Similar BURMA SUPERSTAR Mark	16
F. Applicant Did Not Own the BURMA SUPERSTAR Mark When the Application Was Filed	17
G. Applicant and its Predecessors Failed to Exercise Sufficient Quality Control Over the Licensed BURMA SUPERSTAR Mark.....	20
V. OPPOSER HAS STANDING IN THIS PROCEEDING	21
VI. OPPOSER HAS PRIORITY OF RIGHTS	22
VII. APPLICANT’S BURMA SUPERSTAR MARK CREATES A LIKELIHOOD OF CONFUSION WITH OPPOSER’S MARKS	24
A. Opposer’s Registered SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks and Star Design Marks are Strong and Warrant Broad Protection	25

TABLE OF CONTENTS
(Cont'd)

	Page No.
B. Applicant's BURMA SUPERSTAR Mark is Confusingly Similar in Sight, Sound and Meaning with Opposer's SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks and Star Design Marks	28
C. Applicant's Goods and Services Are Identical or Highly Related to Opposer's Goods and Services	31
D. Applicant's and Opposer's Trade Channels and Target Consumers Are Identical.....	34
E. Applicant's and Opposer's Goods and Services are Purchased on Impulse.....	35
F. Applicant's BURMA SUPERSTAR Mark Creates a Likelihood of Confusion.....	36
VIII. APPLICANT'S BURMA SUPERSTAR MARK WILL DILUTE OPPOSER'S FAMOUS MARKS	36
IX. APPLICANT'S APPLICATION IS VOID BECAUSE APPLICANT DID NOT OWN THE BURMA SUPERSTAR MARK WHEN THE APPLICATION WAS FILED	39
X. APPLICANT'S APPLICATION IS ALSO VOID BECAUSE THE BURMA SUPERSTAR MARK WAS ABANDONED DUE TO "NAKED" LICENSING	43
XI. CONCLUSION.....	47

TABLE OF AUTHORITIES

Page No(s).

In re Best W. Family Steak House, Inc.,
222 U.S.P.Q. 827 (T.T.A.B. 1984) 33

Canadian Imperial Bank v. Wells Fargo Bank,
811 F.2d 1490, 1 U.S.P.Q.2d 1813 (Fed. Cir. 1987) 31

Carl Karcher Enters., Inc. v. Stars Rests. Corp.,
35 U.S.P.Q. 2d 1125 (T.T.A.B. 1995) *passim*

Century 21 Real Estate Corp. v. Century Life of Am.,
970 F.2d 874, 23 U.S.P.Q.2d 1698 (Fed. Cir. 1992) 29

Chien Ming Huang v. Tzu Wei Chen Food Co. Ltd.,
849 F.2d 1458, 7 U.S.P.Q.2d 1335 (Fed. Cir. 1988) 39, 40, 42

In re Chippendales USA, Inc.,
622 F.3d 1346, 96 U.S.P.Q.2d 1681 (Fed. Cir. 2010) 25

In re Code Consultants, Inc.,
60 U.S.P.Q.2d 1699 (T.T.A.B. 2001) 29

Conolty v. Conolty O’Connor NYC LLC,
111 U.S.P.Q.2d 1302 (T.T.A.B. 2014) 40

Cunningham v. Laser Golf Corp.,
222 F.3d 943, 55 U.S.P.Q.2d 1842 (Fed. Cir. 2000) 22, 23, 29, 31

In re E.I. Du Pont de Nemours & Co.,
476 F.2d 1357, 177 U.S.P.Q. 563 (C.C.P.A. 1973) 25

Eveready Battery Co., Inc. v. Green Planet, Inc.,
91 U.S.P.Q.2d 1511 (T.T.A.B. 2009) 35

Federated Foods, Inc. v. Fort Howard Paper Co.,
544 F.2d 1098, 192 U.S.P.Q. 24 (C.C.P.A. 1976) 29, 31

In re H. J. Seiler Co.,
289 F.2d 674, 129 U.S.P.Q. 347 (C.C.P.A. 1961) 33

Hancock v. Am. Steel & Wire Co.,
203 F.2d 737, 97 U.S.P.Q. 330 (C.C.P.A. 1953) 25

TABLE OF AUTHORITIES
(Cont'd)

	Page No(s).
<i>Haymaker Sports, Inc. v. Turian</i> , 581 F.2d 257, 198 U.S.P.Q. 610 (C.C.P.A. 1978)	43, 46
<i>Hewlett-Packard Co. v. Packard Press, Inc.</i> , 281 F.3d 1261, 62 U.S.P.Q.2d 1001 (Fed. Cir. 2002)	34
<i>Mattel Inc. v. Funline Merch. Co., Inc.</i> , 81 U.S.P.Q.2d 1372 (T.T.A.B. 2006)	24
<i>Nautilus Grp., Inc. v. ICON Health & Fitness Inc.</i> , 372 F.3d 1330, 71 U.S.P.Q.2d 1173 (Fed. Cir. 2004)	25, 26
<i>Nike Inc. v. WNBA Enterprises LLC</i> , 85 U.S.P.Q.2d 1187 (T.T.A.B. 2007)	28
<i>Nina Ricci S.A.R.L. v. E.T.F. Enters., Inc.</i> , 889 F.2d 1070, 12 U.S.P.Q.2d 1901 (Fed. Cir. 1989)	25
<i>Octocom Sys., Inc. v. Houston Computers Servs. Inc.</i> , 918 F.2d 937, 16 U.S.P.Q.2d 1783 (Fed. Cir. 1990)	31
<i>In re Opus One Inc.</i> , 60 U.S.P.Q.2d 1812 (T.T.A.B. 2001)	33
<i>Palm Bay Imps. Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772</i> , 396 F.3d 1369, 73 U.S.P.Q.2d 1689 (Fed. Cir. 2005)	28
<i>In re Pick-N-Pay Supermarkets, Inc.</i> , 185 U.S.P.Q. 172 (T.T.A.B. 1974)	33
<i>In re Raven Marine, Inc.</i> , 217 U.S.P.Q. 68 (T.T.A.B. 1983)	43, 47
<i>Research in Motion Ltd. v. Defining Presence Mktg. Grp. Inc.</i> , 102 U.S.P.Q.2d 1187 (T.T.A.B. 2012)	23, 24
<i>Roush Bakery Prods. Co. v. Ridlen</i> , 190 U.S.P.Q. 445 (T.T.A.B. 1976)	33

TABLE OF AUTHORITIES
(Cont'd)

	Page No(s).
<i>In re Shell Oil Co.</i> , 992 F.2d 1204, 26 U.S.P.Q.2d 1687 (Fed. Cir. 1993)	32
<i>Specialty Brands, Inc. v. Coffee Bean Distribs., Inc.</i> , 748 F.2d 669, 223 U.S.P.Q. 1281 (Fed. Cir. 1984)	35
<i>In re Thor Tech Inc.</i> , 90 U.S.P.Q.2d 1634 (T.T.A.B. 2009)	32
<i>Tuxedo Monopoly, Inc. v. Gen. Mills Fun Grp.</i> , 648 F.2d 1335, 209 U.S.P.Q. 986 (C.C.P.A. 1981)	31
<i>United Global Media Grp., Inc. v. Bonnie Tseng</i> , 112 U.S.P.Q.2d 1039 (T.T.A.B. 2014)	22

OTHER AUTHORITIES

15 U.S.C. § 1051	39, 42
15 U.S.C. § 1063	21
15 U.S.C. § 1125	37
37 C.F.R. § 2.17	5
37 C.F.R. § 2.101	21
37 C.F.R. § 2.122	3, 22
37 C.F.R. § 2.128	1
35 U.S.P.Q.2d	28

Opposer CARL'S JR. RESTAURANTS LLC, by and through its counsel Knobbe Martens Olson & Bear, LLP, hereby submits its Trial Brief pursuant to 37 C.F.R. § 2.128(a)(1), T.B.M.P. § 801, in support of its opposition against the application by Applicant BURMA SUPER STAR, INC. for registration of the trademark BURMA SUPERSTAR.

I. INTRODUCTION

Opposer Carl's Jr. Restaurants LLC (hereinafter "Opposer") operates and franchises the well-known Carl's Jr.® brand of quick-service restaurants. Carl's Jr. was established in California in 1941, over 75 years ago, and since then has grown into one of America's largest quick service restaurant chains. Opposer's Carl's Jr. restaurants provide customers with high quality breakfast, lunch and dinner meal options, and a variety of beverages. Opposer also provides catering services, as well as a customer loyalty rewards program.

Opposer offers its goods and services in connection with its family of registered STAR-containing marks including SUPER STAR, SUPER STAR REWARDS, HAPPY STAR, FAMOUS STAR, STAR DINER, STAR BUFFET, and several design marks incorporating Opposer's famous Happy Star Logo, reproduced at right. Opposer and its sister company, Hardee's Restaurants LLC, co-own trademarks that combine the Happy Star Logo with the HARDEE'S trademark.



Over the past 77 years, Opposer has become a dominant force in the restaurant industry. Opposer has over 1,300 Carl's Jr. restaurants in the United States, and employs over 1,300 persons in its corporate headquarters and company-owned restaurants. In addition, Opposer's Carl's Jr. franchisees employ approximately 30,000 individuals. Opposer's recent annual revenue is consistently in the [REDACTED]. Independent reports and surveys consistently rank Opposer as one of the top quick-serve restaurants in the United States.

Applicant seeks to register the BURMA SUPERSTAR mark in connection with restaurants in Class 43, as well as food and beverage items in Classes 29, 30 and 32, including prepared, packaged and/or frozen entrees consisting primarily of meat, fish, poultry or vegetables; salads; salad dressing; snack bars; carbonated beverages; ginger ale and lemonade. Applicant's application is not limited to any specific cuisine, class of customer, or trade channel.

Applicant's BURMA SUPERSTAR mark creates a likelihood of confusion with Opposer's STAR-containing marks, including SUPER STAR and SUPER STAR REWARDS, and Star design marks, including the Happy Star Logo. Opposer's series of STAR word and design marks are famous and strong marks that warrant broad protection. Applicant's BURMA SUPERSTAR mark incorporates all of Opposer's SUPER STAR mark, and the distinctive portion of the SUPER STAR REWARDS mark. Both Opposer and Applicant use their respective marks in connection with restaurants, food, and beverages, which are offered to the general public. Opposer and Applicant also utilize print, online and social media to promote their respective restaurants, food, and beverages. Accordingly, Applicant's BURMA SUPERSTAR mark will create a likelihood of confusion with Opposer's SUPER STAR, SUPER STAR REWARDS, and STAR-containing word and design marks.

In addition, through long-term use, extensive advertising and industry recognition, Opposer's SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER, STAR BUFFET and Happy Star Logo marks are famous. Accordingly, Applicant's BURMA SUPERSTAR mark will dilute Opposer's famous marks.

Furthermore, Applicant's application for BURMA SUPERSTAR is void because, (1) Applicant did not own the BURMA SUPERSTAR mark at the time the application was filed; and (2) Applicant and its predecessors-in-interest failed to render sufficient quality control when

licensing the mark, thus creating a “naked licensing” scheme that rendered the mark abandoned prior to the opposed application’s filing date.

II. DESCRIPTION OF THE RECORD

Pursuant to 37 C.F.R. § 2.122, T.B.M.P. § 704.03, the record includes the pleadings in this proceeding, the file history of Applicant’s application, and Opposer’s registered marks SUPER STAR and SUPER STAR REWARDS.

The parties submitted the following additional evidence into the record:

A. Opposer’s Evidentiary Record

1. Opposer’s First Notice of Reliance, submitted to the Board on May 14, 2018, with Exhibits 1–25, consisting of copies federal registration certificates and USPTO Trademark Status and Document Retrieval (“TSDR”) printouts for Opposer’s SUPER STAR, SUPER STAR REWARDS, STAR logos, and other STAR-containing marks; Applicant’s Responses to Opposer’s First and Second Sets of Interrogatories; Applicant’s Responses to Opposer’s First Set of Requests for Admissions; and copies of the Board’s decisions regarding Opposer’s STAR-containing and logo marks in Opposition Nos. 77850, 78828 and 91188150. (33 TTABVUE.)

2. Opposer’s Second Notice of Reliance, submitted to the Board on May 18, 2018, with Exhibits 26–49, consisting of copies of Applicant’s marketing materials bearing the BURMA SUPERSTAR mark; a copy of settlement terms between Desmond Tan and Joycelyn Lee; copies of documents submitted to the Superior Court of California in connection with a lawsuit involving Desmond Tan and Joycelyn Lee; copies of the Notice of Opposition and Notice of Withdrawal filed by Joycelyn Lee and East-West Holdings in connection with the BURMA SUPERSTAR application; copies of pages from Opposer’s Annual Reports; printouts from third-party websites discussing Opposer or Opposer’s goods and services; printouts from

Opposer's websites; and printouts from Google's app store and Apple's iTunes store showing Opposer's SUPER STAR REWARDS app. (35 TTABVUE.)

3. June 14, 2018 Testimony Deposition of Opposer's Director of Operations—Robyn Morrow (“Morrow Dep.”), pp. 1–144, with Exhibits 1–29 and 100, submitted to the Board under seal on August 17, 2018. (43 TTABVUE.)

4. June 14, 2018 Testimony Deposition of Opposer's Director of Operations—Robyn Morrow (“Morrow Dep.”), pp. 1–144, with Exhibits 1–29 and 100, submitted to the Board with confidential portions redacted on November 20, 2018. (50 TTABVUE.)

B. Applicant's Evidentiary Record

1. Applicant's First Notice of Reliance, submitted to the Board on July 18, 2018, with Exhibits 100–237, consisting of copies of registration certificates and TSDR printouts for marks registered by third parties. (38 TTABVUE.)

2. Applicant's Second Notice of Reliance, submitted to the Board on July 19, 2018, with Exhibits 238–242, consisting of printouts from Applicant's websites and third-party websites discussing Applicant or Applicant's goods or services. (39 and 41 TTABVUE.)

3. May 30, 2018 Declaration of Cynthia R. Adwere, pp. 1–5, with Exhibits A–G, submitted to the Board on July 19, 2018. (40 and 41 TTABVUE.)

4. July 18, 2018 Declaration of Desmond Tan, pp. 1–7, with Exhibits A–F, submitted to the Board on July 19, 2018. (*Id.*)

5. Applicant's Third Notice of Reliance, submitted to the Board on July 23, 2018, with Exhibit 243, consisting of a copy of Opposer's Responses to Applicant's First of Interrogatories. (41 TTABVUE, 50–94.)

6. September 7, 2018 Cross-examination Testimony Deposition of Applicant's President and Chief Executive Officer—Desmond Tan (“Tan Dep.”), pp. 1–138, with Exhibits 100–111, submitted to the Board on November 9, 2018. (45–48 TTABVUE.)

III. STATEMENT OF THE ISSUES

The issues presented in this opposition are whether the Board should refuse registration of Applicant's BURMA SUPERSTAR mark because, (1) the opposed mark so resembles Opposer's registered SUPER STAR, SUPER STAR REWARDS, STAR-containing and STAR logo marks that, if the BURMA SUPERSTAR mark is used and registered in connection with the goods and services listed in the opposed application, it will likely cause confusion, cause mistake, or deceive pursuant to Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d); and (2) the opposed mark causes, and will continue to cause, dilution of the distinctive quality of Opposer's registered SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINER, STAR BUFFET, and Happy Star Logo marks pursuant to Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c).

The additional issues presented are whether the Board should deem the opposed application void because, (1) Applicant did not own the BURMA SUPERSTAR mark when the application was filed (37 C.F.R. § 2.17); and (2) the BURMA SUPERSTAR mark was abandoned pursuant to Section 45 of the Lanham Act, 15 U.S.C. § 1127, based on Applicant's and/or its predecessors' failure to exercise sufficient quality control over the licensed BURMA SUPERSTAR mark (*i.e.*, “naked licensing”).¹

¹ Opposer is withdrawing its claim that the opposed application is void because Applicant had not used the BURMA SUPERSTAR mark in connection with all of the identified goods in Classes 29 and 30 at the time the application was filed.

IV. STATEMENT OF FACTS

A. Opposer's Federal Registrations for SUPER STAR, SUPER STAR REWARDS, STAR-containing and Star Design Marks

Opposer owns a federal registration for the mark SUPER STAR®, U.S. Registration No. 1099039, for “preparing and serving hamburgers as part of restaurant services” in Class 42. (Notice of Opposition (1 TTABVUE 9–41); *see also* Morrow Dep. 52:2-16, Ex. 16 (43, 50 TTABVUE 54, 336).) The registration’s filing date is May 9, 1977, and the registration date is August 8, 1978. (*Id.*) The claimed first use date for the SUPER STAR mark is at least as early as June 18, 1975. (*Id.*) The SUPER STAR registration was last renewed on February 3, 2009. (*Id.*) Opposer’s registration for SUPER STAR is valid and unchallenged.

Opposer also owns a federal registration for the mark SUPER STAR REWARDS®, U.S. Registration No. 4704436, for “computer application software for mobile devices, namely, software for use with incentive programs to promote the sale of food and beverage items for consumption on or off the premises” in Class 9, and “arranging and conducting incentive programs to promote the sale of food and beverage items for consumption on or off the premises” in Class 35. (Notice of Opposition (1 TTABVUE 42–45); *see also* Morrow Dep. 52:17–53:18, Ex. 16 (43, 50 TTABVUE 54–55, 337).) The registration’s filing date is May 2, 2013, and the registration date is May 17, 2015. (*Id.*) The claimed first use date for the SUPER STAR REWARDS® mark is at least as early as June 13, 2013. (*Id.*) Opposer’s registration for SUPER STAR REWARDS® is valid and unchallenged.

Opposer’s SUPER STAR® and SUPER STAR REWARDS® marks are part of a series of STAR-containing marks, including FAMOUS STAR® (Reg. No. 3612923, sandwiches in Class 30, first use at least as early as December 1972), HAPPY STAR® (Reg. No. 1084351,

restaurant services featuring a children’s hamburger in Class 42, first use at least as early as June 1976), STAR BUFFET® (Reg. No. 2265351, restaurant services in Class 42, first use at least as early as October 1997), and STAR DINER® (Reg. No. 2716876, restaurant services in Class 42, first use at least as early as February 1990) (collectively “STAR-containing Marks”). (Morrow Dep. 64:5–66:17, Ex. 16 (43, 50 TTABVUE 66–68, 357–360).) Opposer’s registrations for these marks are valid and unchallenged.

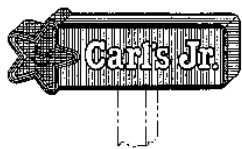
In addition, Opposer owns (or co-owns in the case of HARDEE’S® containing marks) registrations for the following Star design marks (hereinafter collectively “Star Design Marks”):



- (Reg. Nos. 1151330, 1297845, 1631819, 1383339 and 2281660) (first use for all is February 1978)



- (Reg. No. 2220433, first use December 1996)



- (Reg. No. 2288997, first use November 1996)



- (Reg. No. 2292781, first use March 1998)



- (Reg. No. 3489655, first use November 2007)



- (Reg. No. 3524587, first use November 2007)



- (Reg. No. 3807406, first use January 2007)



- (Reg. No. 3791079, first use February 2009)



- (Reg. No. 4006305, first use July 2008)



- (Reg. No. 3295053, first use November 2005)



- (Reg. No. 3887657, first use October 2007)



- (Reg. No. 4105727, first use 2003)

(See Opposer's First Notice of Reliance, Exs. 3–18. (33 TTABVUE 52–484); see also Morrow Dep. 54:25–66:17, Ex. 16 (43, 50 TTABVUE 56–68, 338–356).) The Happy Star Logo registrations mentioned above identify a variety of goods and services, including restaurant services, French fried onion rings, French fried potatoes, hash browned potatoes, cooked sausage, cooked bacon, soups, chili con carne with beans, specially cooked eggs and omelets, milk, fruit jellies and jams, salad dressings, hamburger sandwiches, steak sandwiches, roast beef

sandwiches, chicken sandwiches, fish sandwiches, specially prepared breakfast sandwiches consisting of sausage or bacon and eggs, hot dog sandwiches, specially prepared meat burritos, milk shakes, pancakes, toasted breads, English muffins, mustard, ketchup, sugar, coffee, hot cocoa, beer, soft drinks, fruit juices, paper napkins, paper bags, food wrappers, paper place mats, disposable coffee cups, paper cups, and disposable food containers. The other registrations identify restaurant services, except for Reg. No. 3887657 (THE BIG CARL Star Logo) that identifies “food items, namely, sandwiches for consumption on or off the premises” in Class 30. (*Id.*) Opposer’s registrations for these marks are valid and unchallenged.

On January 24, 1995, in granting Opposer’s oppositions in Opposition Nos. 77,850 and 78,828, the Board determined that Opposer’s STAR-containing marks and logos, including SUPER STAR®, HAPPY STAR® and the Happy Star Logo mark subject of Reg. Nos. 1099039, 1084351, 1151330, 1297845 and 1631819, are strong, well-known marks. *Carl Karcher Enters., Inc. v. Stars Rests. Corp.*, 35 U.S.P.Q. 2d 1125, 1130 (T.T.A.B. 1995) (*See* Opposer’s First Notice of Reliance Ex. 24 (33 TTABVUE 627–635).)

Applicant has not challenged in any way Opposer’s rights to use its SUPER STAR®, SUPER STAR REWARDS®, STAR-containing Marks or Star Design Marks. Nor has Applicant asserted a counterclaim for cancellation of any of Opposer’s registrations.

B. Opposer’s Restaurants, Food and Beverages

Opposer’s founders started the company in 1941. (Morrow Dep. 14:15–15:9, Ex. 1 (43, 50 TTABVUE 16–17).) Over the past 77 years, Opposer has grown dramatically. There are currently over 1,300 Carl’s Jr. restaurants in the United States, including California, employing over 26,000 people. (*Id.* 17:1–20 (43, 50 TTABVUE 19).). From 2006 to 2010, Opposer’s annual revenue from the Carl’s Jr. restaurants was approximately \$800 million. (*Id.* 43:6–24,

Exs. 10–11 (43, 50 TTABVUE 45, 294–303.) From 2011 to 2018, Opposer’s annual revenue from the Carl’s Jr. restaurants was in the [REDACTED] range. (*Id.* 38:12–39:12, 92:19–93:20, Exs. 8–9 and 28 (43, 50 TTABVUE 40–41, 94–95, 285–293, 414).)

Since at least 2011, QSR Magazine has consistently ranked Opposer’s Carl’s Jr. and Hardee’s restaurants in the top 25 for U.S. quick-service restaurants. (*Id.* 33:6–36:20, Ex. 7 (43, 50 TTABVUE 35–38, 268–284).) QSR Magazine also ranked Opposer’s Carl’s Jr. and Hardee’s restaurants as the 15th most successful fast-food restaurant in the U.S. (*Id.* 51:10–20, Ex. 15 (43, 50 TTABVUE 53, 330–335).) For U.S. franchise brands, Opposer’s Carl’s Jr. and Hardee’s restaurants ranked in the top 50. (*Id.* 33:6–36:20, 50:4–11, Exs. 13 and 14 (43, 50 TTABVUE 35–38, 52, 307–329).)

Opposer offers numerous food items and beverages in its restaurants. To accompany its original STAR logo mark, Opposer adopted STAR-containing marks in connection with its charbroiled hamburgers, including SUPER STAR, FAMOUS STAR, STAR JR. and HAPPY STAR. (*See supra*, § IV(A).) Reproduced below is a photo that was submitted to the USPTO showing Opposer’s menu board in the 1970’s. (Morrow Dep. 71:8–72:9, Ex. 21 (43, 50 TTABVUE 73–74, 373).)



One of Opposer's signature items is the SUPER STAR charbroiled hamburger, which features two beef patties in between a sesame seed bun with mayonnaise, special sauce, pickles, lettuce, tomato, onion and cheese. (*Id.* 17:24–18:7 (43, 50 TTABVUE 19–20).).

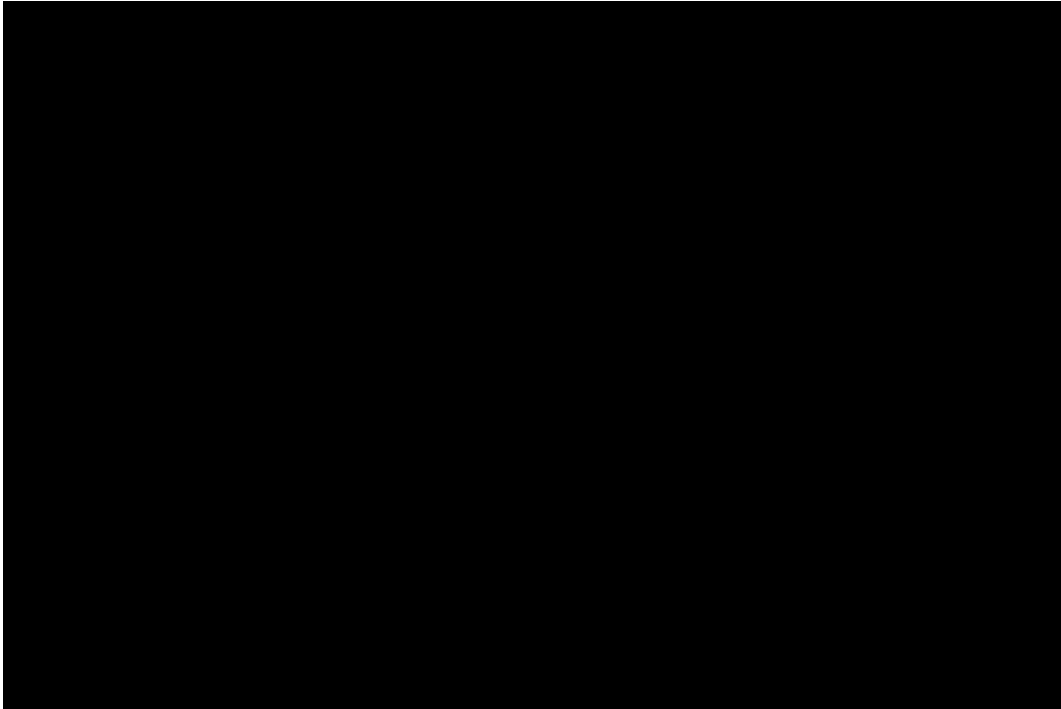


Wrapper (*Id.* 70:8–13, Ex. 20 (43, 50 TTABVUE 72, 371).)



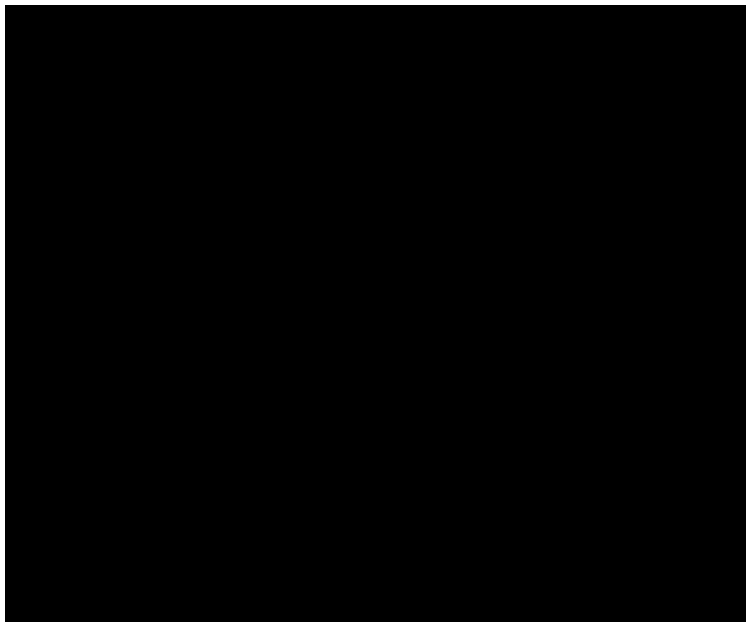
Menu Board (*Id.*, 72:10–25, Ex. 21 (43, 50 TTABVUE 74, 374).)

Over the past 6 ½ years alone, Opposer's annual sales of SUPER STAR hamburgers are significant.



(*Id.* 86:3–91:6 (43, 50 TTABVUE 88–93).)

From 2012 to 2017, Opposer has invested significantly in advertising its SUPER STAR hamburger.



(*Id.* 102:21-106:19, Ex. 29 (43, 50 TTABVUE 104–108, 415).)

In addition to its signature hamburgers, Opposer offers chicken sandwiches, turkey

burgers, fish sandwiches, hand-breaded chicken tenders, jalapeno poppers, French fries, onion rings, and fried zucchini (*Id.* 20:2-21:10, Ex 3 (pp. 219–223, 233) (43, 50 TTABVUE 22–23, 221–225, 235).). In keeping with its STAR theme, Opposer offers star-shaped chicken tenders. (*Id.* Ex. 3 (pp. 202–204) (43, 50 TTABVUE 204–206).) Opposer also offers a variety of salads, including a charbroiled chicken salad, side salad, grilled chicken salad, cranberry apple walnut salad, Asian sesame salad, southwest salad, chopped chicken salad, fried chicken salad, and Cobb salad, as well as various salad dressings. (*Id.* 23:24–25:2, Ex. 3 (pp. 183–186, 230, 248–250) (43, 50 TTABVUE 25–27, 185–188, 232, 249–251).)

Within approximately 300 Carl’s Jr. restaurants, there is a secondary “Green Burrito” menu that offers a variety of Mexican food, including burritos, tacos, taco salads, quesadillas, pinto beans, and cilantro lime rice. A photograph of a Carl’s Jr. restaurant that includes a secondary Green Burrito menu is reproduced below.



For breakfast, Opposer offers egg and bacon or sausage sandwiches, biscuits, biscuits and gravy, hash browns and French toast (*Id.* 23:8–21, Ex. 3 (pp. 224–228) (43, 50 TTABVUE 25,

226–230).) For dessert, Opposer offers cookies, cheesecake, cake, milkshakes, and ice cream malts. (*Id.* Ex. 3 (pp. 194–196, 238–245) (43, 50 TTABVUE 196–198, 240–247).) Opposer has also offered special food items for a limited time, such as the “Baby Back Rib Thickburger,” or in a specific region, such as the green chile burger in New Mexico. (*Id.* 22:9–12, 26:22–27:9 (43, 50 TTABVUE 24, 26–29).).

Opposer’s beverage selection includes several sodas, iced teas, sports drinks, and fruit punch. (*Id.* 25:3–14, Ex. 3 (pp. 205–218) (43, 50 TTABVUE 27, 207–220).) In selected restaurants, Opposer offers beer and wine. (*Id.* 25:19–26:21, Ex. 4 (43 TTABVUE 27–28, 252–256).)

Opposer promotes and advertises its restaurant services, food, and beverages through various marketing channels, including signs in and around the restaurants, billboards, print coupons and flyers, mobile diners (food trucks), websites, radio, television, magazines, newspapers, social media, and at trade shows. (*Id.* 95:21–97:15, Exs. 18, 22 and 24 (43, 50 TTABVUE 97–99, 366–367, 375–376, 378–389).)

C. Opposer’s Franchise Services

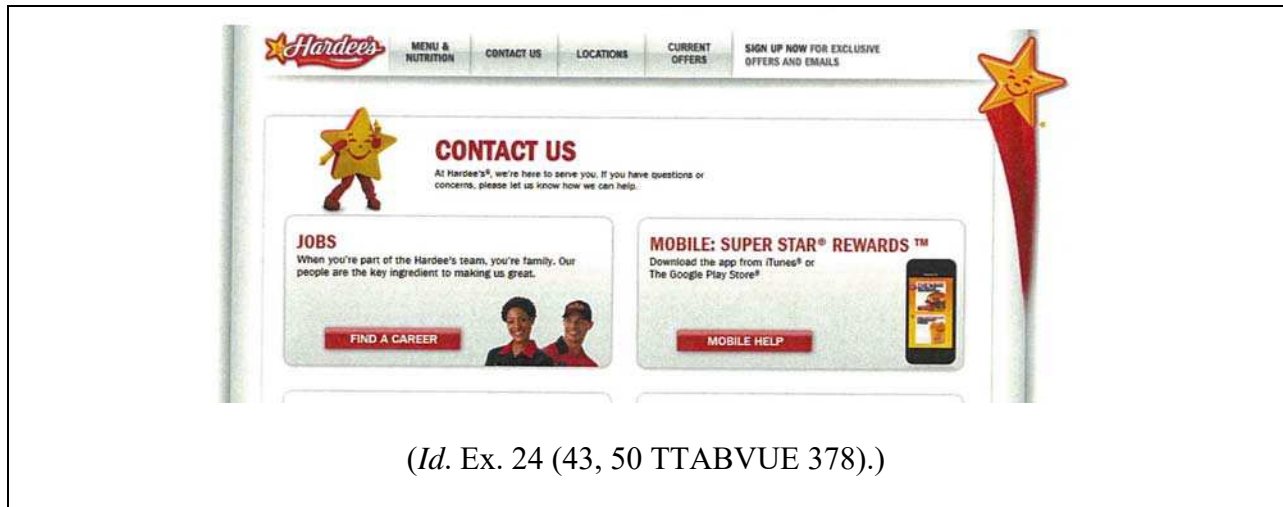
Opposer maintains a robust franchise program for its Carl’s Jr. branded restaurants, while its sister company, Hardee’s Restaurants LLC, maintains the franchise program for the Hardee’s branded restaurants. (*Id.* 30:13–19, 80:14–19, Ex. 5 (43, 50 TTABVUE 32, 82, 257–265).) The franchised Carl’s Jr. restaurants are located in the western half of the U.S., and the franchised Hardee’s restaurants are located in the eastern half. (*Id.* 30:13–19, Ex. 6 (43, 50 TTABVUE 32, 266–267).) Opposer’s trademarks are a significant factor in the success of Opposer’s franchise business, which is evident in Opposer’s franchising marketing materials that state that “Brand Recognition is Everything.” (*Id.* 95:8–15, Ex. 26 (43, 50 TTABVUE 97, 391).) Opposer and

Hardee's Restaurants LLC use the Happy Star Logo in the respective Carl's Jr. and Hardee's restaurants, and Opposer uses the SUPER STAR, STAR-containing and Star Design Marks in the Carl's Jr. restaurants. (*Id.* 30:20–31:17 (43, 50 TTABVUE 32–33).)

D. Opposer's SUPER STAR REWARDS Program

Opposer's SUPER STAR REWARDS mobile application provided rewards to customers including coupons that they could use at the Carl's Jr. or Hardee's restaurants. (*Id.* 52:25–53:5, 76:5–78:17, Exs. 24–25 (43, 50 TTABVUE 54–55, 78–80, 378–390).) Customers downloaded the app from the Google Play Store or iTunes and earned rewards. (*Id.*; *see also* images reproduced below.)

	
<p>Google Play Store (<i>Id.</i> Ex. 19 (43, 50 TTABVUE 368).)</p>	<p>iTunes (<i>Id.</i> (43, 50 TTABVUE 370).)</p>



E. Applicant's Confusingly Similar BURMA SUPERSTAR Mark

Applicant seeks to register the BURMA SUPERSTAR mark in connection with *restaurants* in Class 43, as well as *tea leaf salads in the nature of vegetable salads; lotus chips in the nature of vegetable chips; pre-cooked curry stew; packaged entrees consisting primarily of meat, fish, poultry or vegetables; prepared entrees consisting primarily of meat, fish, poultry or vegetables; frozen entrees consisting primarily of meat, fish, poultry or vegetables; nut and seed snack mix; prepared nut and seed mix for topping salads* in Class 29, *salad dressing; tea leaf snack bars; coconut rice, namely, cooked rice prepared with coconut milk; tea leaf-based snack foods, namely, tea leaf clusters* in Class 30, and *non-alcoholic beverages, namely, carbonated beverages; ginger ale; ginger beer; ginger lemonade; ginger flavored beverages* in Class 32. Although Applicant claims that it specializes in Burmese-style food products, the opposed application's goods and services are not limited in any way to a specific cuisine, class of customer or trade channel.

Applicant uses the BURMA SUPERSTAR mark in connection with restaurants in San Francisco, Alameda and Oakland, California. (Tan Decl. ¶ 10 (40 TTABVUE 48).) Applicant also uses the mark in connection with packaged salads and dressings, lotus chips, and nut and

seed mix sold in grocery stores, retail food vendors and grocery delivery services. (*Id.* ¶ 12 (40 TTABVUE 48–49).) Although Applicant initially claimed it had no plans to use the mark in connection with any other goods or services (Opposer’s First Notice of Reliance, Ex. 19 (Interrog. Resp. Nos. 5 and 7) (33 TTABVUE 490–491).), Applicant later claimed it used the mark on a cookbook. (Tan Decl. ¶ 16 (40 TTABVUE 49–50).) Applicant offers its goods and services to the general public. (Opposer’s First Notice of Reliance, Ex. 19 (Interrog. Resp. No. 27) (33 TTABVUE 505); Tan Decl. ¶ 12 (40 TTABVUE 48–49).) The BURMA SUPERSTAR mark is displayed on signage, menus, websites, labels, packaging and advertising at tradeshows and markets. (Tan Decl. ¶¶ 10 and 12, Exs. A and B (40 TTABVUE 48–49, 54–66).) Applicant’s menus also reference Applicant’s social media presence on Facebook, Twitter and Instagram. (*Id.* Ex. A (40 TTABVUE 59).)

Applicant’s marketing materials and labels bear a five-point star nearly identical to Opposer’s Happy Star Logo mark. (*See id.* Exs. A, B and E (40 TTABVUE 55, 61, 63–65, 81); *see also* Opposer’s First Notice of Reliance Ex. 21 (Admission Resp. No. 27) (33 TTABVUE 572).)



F. Applicant Did Not Own the BURMA SUPERSTAR Mark When the Application Was Filed

A trademark application is invalid if the identified applicant does not own the mark, which is the subject of the application. On April 2, 2015, Applicant filed the opposed application for the purported mark BURMA SUPERSTAR. In 2015, however, EWH owned the BURMA SUPERSTAR mark. Therefore, the application is void.

Applicant alleges that, in 2001, East-West Holdings (“EWH”) purchased the BURMA SUPERSTAR mark from Mr. Tak Wu. (Tan Decl. ¶ 2 (40 TTABVUE 46).) Desmond Tan,

Applicant's President, declared that he wholly controlled EWH in 2001. (*Id.*) In cross-examination, however, Tan testified that Mr. Carl Velasco actually controlled EWH, and that Tan was never an owner or director of EWH. (*Id.* 10:22–11:23, 14:11–15:1, 18:5–20:8 (45 TTABVUE 11–12, 15–16, 19–21).) Tan testified that, he did not want an ownership interest in EWH in order to avoid tax liability. (Tan Dep. 11:1–12:4 (45 TTABVUE 12–13).)

Tan further testified that Velasco moved overseas sometime between 2007 and 2009. (*Id.* 18:5–20:8 (45 TTABVUE 19–21).) According to Tan, after Velasco moved overseas, Joycelyn Lee then became the sole owner and controller of EWH and has remained so to the present. (*Id.* 10:22–11:23, 14:11–15:1, 18:5–20:8 (45 TTABVUE 11–12, 15–16, 19–21).)

Applicant initially alleged that Tan and Lee were merely in a “romantic partnership.” (Plaintiff's Notice of Reliance Ex. 20 (Interrog. Resp. No. 9) (33 TTABVUE 531).) In cross-examination, however, Tan contradicted the interrogatory response, and testified that he was actually married to Lee for seven years (2005-2012). (Tan Dep. 10:6–7, 24:7–25:3 (45 TTABVUE 11, 25–26).) Tan also testified that he considered Lee a co-owner of the Burma Superstar restaurant after they were married. (*Id.* 25:4–26:18 (45 TTABVUE 26–27).)

Applicant alleges that, in 2014, EWH orally assigned the BURMA SUPERSTAR mark to Tan as an individual. (Tan Decl. ¶ 3 (40 TTABVUE 47).) In cross-examination, Tan testified that the mark was allegedly assigned because Tan, as an individual, wanted to own the mark. (Tan Dep. 44:14–18 (45 TTABVUE 45).) Tan could not recall providing any consideration to EWH for the assignment. (*Id.* 45:17–22 (45 TTABVUE 46).)

Tan's testimony that there had a been an assignment is contradicted by the allegations in the trademark opposition filed by Lee and EWH. On February 22, 2016, Lee and EWH jointly opposed Applicant's application for the BURMA SUPERSTAR mark on the basis that Applicant

is not the owner, or sole owner, of the BURMA SUPERSTAR mark, and that, instead, Lee and EWH are the owners, or co-owners of the mark. (Opposer's Second Notice of Reliance Ex. 31 (35 TTABVUE 54–56).) Rather than incur further legal fees in proceeding with the opposition, Lee and EWH withdrew the opposition in June 2017. (Tan Dep. 112:21–114:4, Ex. 110 (2:4–6) (45 TTABVUE 113–115, 48 TTABVUE 27).)

Applicant alleges that, in 2014 or 2015, Tan orally assigned the BURMA SUPERSTAR mark to Applicant. (Opposer's First Notice of Reliance, Ex. 19 (Interrog. Resp. No. 16) (33 TTABVUE 497); Tan Dep. 46:13–21 (45 TTABVUE 47).) Tan could not recall any terms for the assignment, and testified that Applicant provided no consideration to Tan for the assignment. (Tan Dep. 47:8–19 (45 TTABVUE 48).)

Further complicating Applicant's story is a 2017 agreement between Lee and Tan. According to the terms of that agreement, Lee assigned her rights to the BURMA SUPERSTAR mark to Tan. (Tan Decl. ¶ 23, Ex. F (40 TTABVUE 51, 82–84).) Tan contends that the agreement in actuality is an agreement between Lee, EWH, Tan, and Applicant. According to Tan, in the agreement, Lee actually meant Lee and/or EWH (depending on the particular term), and Tan actually meant Tan and/or Applicant (depending on the term). Thus, the purported assignment from Lee to Tan was actually an assignment from Lee and EWH to Applicant. (Tan Dep. 82:24–85:9 (45 TTABVUE 83–86).) The agreement, however, contains other terms that appear personal to Tan and Lee (*e.g.*, Tan will pay Lee \$700,000), and Tan and Lee signed the agreement as individuals. (Tan Decl. Ex. F (40 TTABVUE 82–84).)

Accordingly, because EWH owned the purported BURMA SUPERSTAR mark at the time Applicant filed the opposed application, the application is void because it identified the incorrect owner.

G. Applicant and its Predecessors Failed to Exercise Sufficient Quality Control Over the Licensed BURMA SUPERSTAR Mark

When a trademark owner grants a license to another to use the mark, the licensor trademark owner must exercise quality control over the licensee's use of the mark. If the licensor fails to provide sufficient quality control over the licensed mark, then the licensing scheme is deemed a "naked license" that results in the abandonment of the licensor's rights to the licensed mark.

Applicant alleges that, in 2007 and 2008, EWH granted an oral, non-exclusive license with Bagan Inc. and Burma Super Star Oakland Inc. to use the BURMA SUPERSTAR mark. (*Id.* ¶ 3 (40 TTABVUE 46).) Tan declared that he owned and controlled these licensees. (*Id.*) Tan further asserts that, in 2014, he, as an individual, granted an oral, non-exclusive license to Mya Foods Corporation to use the BURMA SUPERSTAR mark. (*Id.* ¶ 4 (40 TTABVUE 47).) Applicant also asserts that, in 2014, Applicant granted an oral, non-exclusive license to EWH to use the BURMA SUPERSTAR mark. (Opposer's First Notice of Reliance, Ex. 19 (Interrog. Resp. No. 18) (33 TTABVUE 499).) Applicant alleges that, in 2016, it granted an oral, non-exclusive license to Burma Love Natural Foods Company to use the BURMA SUPERSTAR mark. (Tan Decl. ¶ 5 (40 TTABVUE 47).) Tan declared that he owned and controlled the licensee. (*Id.*) There was no consideration for any of these licensees. (Tan. Dep. 57:20–58:4 (45 TTABVUE 46–47).) Also, no evidence was submitted that EWH, the owner of the BURMA SUPERSTAR during this time, performed quality control over the licensees.

Tan asserts that, in 2017, he, as an individual, granted an oral, non-exclusive and irrevocable license to Joycelyn Lee, as an individual, to use the BURMA SUPERSTAR mark. (*Id.* ¶ 23, Ex. F (40 TTABVUE 51, 82–84).)

Tan testified that the most distinctive food offered under the BURMA SUPERSTAR brand is the tea leaf salad made with fermented tea leaves. (Tan Dep. 16:11–19 (45 TTABVUE 17).) Applicant sources the tea leaves and produces them for restaurants and for prepackaged foods. (*Id.* 16:11–17:1, 58:5–60:23, 119:6–18 (45 TTABVUE 17–18, 59–61).) In November 2017, in the litigation between Tan and Lee, Tan’s attorney alerted Lee’s attorney by email that Applicant would “cease all support and supply of products to [Lee’s] restaurants at the end of the month,” including tea leaves and beer. (*Id.* Ex. 14 (48 TTABVUE 34).) Tan testified that the supply of tea leaves was indeed cut off at that time and has not been reestablished. (*Id.* 119:6–120:20, 123:8–124:5 (45 TTABVUE 120–121, 124–125).)

Tan acknowledges that Lee has since that time obtained her tea leaves from some other source. (*Id.* 119:19–120:5, 123:8–124:5 (45 TTABVUE 120–121, 124–125).) Tan further testified that he did not know where Lee purchased the substitute tea leaves. (*Id.* 124:4–5 (45 TTABVUE 125).) Tan opined that the tea leaves provided by Applicant to Lee are “a better product” than whatever source Lee is currently using. (*Id.* 120:1–10 (45 TTABVUE 121).)

Because Applicant and its predecessors failed to provide sufficient quality control over the licensed BURMA SUPERSTAR mark, the mark was abandoned. Accordingly, the application is void.

V. OPPOSER HAS STANDING IN THIS PROCEEDING

Pursuant to 15 U.S.C. § 1063(a), 37 C.F.R. § 2.101(b), any person who believes that he, she or it would be damaged by the registration of a mark may file an opposition against the mark. The opposer must have a “‘real interest’ in the proceeding, and a ‘reasonable basis’ for its belief that it would suffer some kind of damage if the mark is registered.” T.B.M.P. § 309.03(b).

Applicant seeks an unrestricted federal registration for the mark BURMA SUPERSTAR in connection with food, beverages and restaurant services. If this registration issues, such registration will constitute *prima facie* evidence of Applicant's exclusive right to use the mark BURMA SUPERSTAR in connection with the identified food, beverages and restaurant services throughout the United States with no limitation. Because registration of Applicant's BURMA SUPERSTAR mark will lead to a likelihood of confusion with Opposer's SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks, and Star Design Marks, or dilute said marks, Opposer has a direct and personal stake in the outcome of this proceeding and a reasonable belief that it will be damaged by such registration. T.B.M.P. § 303.03; *see also id.* § 309.03(b).

In addition, pursuant to 37 C.F.R. § 2.122(d), T.B.M.P. § 704.03(b)(1)(A), Opposer has made its registrations for its SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks, and Star Design Marks of record via its Notice of Opposition, First Notice of Reliance, and Morrow Dep. (*See supra*, § II(A).) Accordingly, Opposer has standing to oppose registration of the BURMA SUPERSTAR mark. *United Global Media Grp., Inc. v. Bonnie Tseng*, 112 U.S.P.Q.2d 1039, 1044 (T.T.A.B. 2014) ("Because opposer has properly made of record one of its pleaded registrations and two pleaded applications that became registrations, opposer has established its standing."); *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 U.S.P.Q.2d 1842, 1844 (Fed. Cir. 2000).

VI. OPPOSER HAS PRIORITY OF RIGHTS

There is no dispute that the following marks registered by Opposer are senior to Applicant's BURMA SUPERSTAR mark in connection with all the goods and services identified in the opposed application: SUPER STAR (Reg. No. 1099039), FAMOUS STAR

(Reg. No. 3612923), HAPPY STAR (Reg. No. 1084351), STAR BUFFETT (Reg. No. 2265351), STAR DINER (Reg. No. 2716876), and the Happy Star Logo (Reg. Nos. 1151330, 1297845, 1631819, 1383339 and 2281660). (*See supra*, § IV(A).)

In addition, there is no dispute that the following marks registered by Opposer are senior to Applicant's BURMA SUPERSTAR mark in connection with at least the food and beverage items identified in the opposed application: SUPER STAR REWARDS (Reg. No. 4704436) and the other Star design logos subject of Reg. Nos. 2220433, 2288997, 2292781, 3489655, 3524587, 3807406, 3791079, 4006305, 3295053, 3887657 and 4105727. (*Id.*)

Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), provides that a mark shall be refused registration if it "so resembles a mark registered in the Patent and Trademark Office, or a mark . . . previously used in the United States by another and not abandoned . . ." To establish priority, an opposer need only show rights arising from a prior registration or prior trademark or service mark use. *See Research in Motion Ltd. v. Defining Presence Mktg. Grp. Inc.*, 102 U.S.P.Q.2d 1187, 1191 (T.T.A.B. 2012); T.B.M.P. § 309.03(c)(A).

Applicant filed its federal application for the BURMA SUPERSTAR mark on April 2, 2015, alleging first use of the mark in interstate commerce at least as early as March 18, 1992 in connection with restaurant services in Class 43, and on November 24, 2014 in connection with the identified food items in Classes 29 and 30. Applicant's application in connection with the beverages identified in Class 32 is based on Applicant's intent to use the mark.

As set forth above, the registration dates for Opposer's U.S. Registration Nos. 1099039, 1084351, 1151330, 1297845, 1631819, 1383339 and 2281660 for the SUPER STAR, HAPPY STAR, and STAR logos, as well as the alleged first use dates for the marks, all predate Applicant's alleged first use dates and filing date. (*See supra*, § IV(A).) Furthermore, the

registration dates for Opposer's U.S. Registration Nos. 4704436, 3612923, 2265351, 2716876, 2220433, 2288997, 2292781, 3489655, 3524587, 3807406, 3791079, 4006305, 3295053, 3887657 and 4105727 for the marks SUPER STAR REWARDS, FAMOUS STAR, STAR BUFFETT, STAR DINER and STAR logos, as well as the alleged first use dates for the marks, all predate Applicant's alleged first use date and filing date in connection with the food and beverage items identified in the opposed application. (*Id.*)

Opposer offered undisputed evidence that it has used, and continues to use the SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks, and Star Design Marks in the United States. (Morrow Dep. 52:2–66:17, Ex. 16 (43, 50 TTABVUE 54–68, 336–360).)

All of the above establishes Opposer's priority under section 7(c) of the Lanham Act, 15 U.S.C. § 1057(c). See *Research in Motion*, 102 U.S.P.Q.2d at 1191; *Mattel Inc. v. Funline Merch. Co., Inc.*, 81 U.S.P.Q.2d 1372, 1373–74 (T.T.A.B. 2006); T.B.M.P. § 309.03(c)(A).

VII. APPLICANT'S BURMA SUPERSTAR MARK CREATES A LIKELIHOOD OF CONFUSION WITH OPPOSER'S MARKS

Pursuant to Section 2(d) of the Lanham Act, registration is refused if the trademark “so resembles a mark registered in the Patent and Trademark Office, or a mark . . . previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive” 15 U.S.C. § 1052(d). The Board's “determination of likelihood of confusion is based upon [an] analysis of all of the probative facts in evidence that are relevant to the factors bearing on this issue.” *Research in Motion*, 102 U.S.P.Q.2d at 1192. The Board considers several factors when evaluating whether an applicant's mark creates a likelihood of confusion, including, (1) strength of the opposer's mark; (2) whether the applicant's mark is similar in appearance, sound,

connotation and commercial impression compared to the opposer's mark; (3) whether the goods identified in the opposed application are related to the opposer's goods, or if the activities surrounding the marketing of applicant's goods are such that confusion as to origin is likely; (4) the similarity or dissimilarity of consumers and established trade channels for the parties; and (5) the degree of care that relevant consumers will use in purchasing the applicant's goods. *See In re E.I. Du Pont de Nemours & Co.*, 476 F.2d 1357, 177 U.S.P.Q. 563, 567 (C.C.P.A. 1973). The *Du Pont* factors are not listed in the order of merit, and each may play a dominant role, depending on the case. *Id.* at 1361–62. In assessing whether a likelihood of confusion exists, all doubts are resolved in favor of the prior user. *Nina Ricci S.A.R.L. v. E.T.F. Enters., Inc.*, 889 F.2d 1070, 12 U.S.P.Q.2d 1901, 1904 (Fed. Cir. 1989); *Hancock v. Am. Steel & Wire Co.*, 203 F.2d 737, 97 U.S.P.Q. 330, 333 (C.C.P.A. 1953).

Under this standard, Applicant's BURMA SUPERSTAR mark creates a likelihood of confusion with Opposer's registered SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks and Star Design Marks.

A. Opposer's Registered SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks and Star Design Marks are Strong and Warrant Broad Protection

In determining a mark's strength, the Board looks at the mark's conceptual and commercial strength. *See In re Chippendales USA, Inc.*, 622 F.3d 1346, 96 U.S.P.Q.2d 1681, 1686 (Fed. Cir. 2010); *see also* J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*. § 11:83 (4th ed. 2017). Conceptually, Opposer's registered SUPER STAR, SUPER STAR REWARDS, and STAR-containing Marks create arbitrary terms when used in connection with Opposer's goods and services. *See Nautilus Grp., Inc. v. ICON Health & Fitness Inc.*, 372 F.3d 1330, 71 U.S.P.Q.2d 1173, 1180 (Fed. Cir. 2004) (an arbitrary mark is "a

known word used in an unexpected or uncommon way.”). Opposer’s Star Design Marks that display the distinctive Happy Star Logo are also arbitrary marks when used in connection with Opposer’s goods and services. Although some words in Opposer’s marks may describe Opposer’s goods or services (*e.g.*, DINER, BUFFET and REWARDS), the shared term STAR and the marks in their entireties are arbitrary in connection with restaurants, food, beverages, and consumer reward programs.

Because Opposer’s SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks and Star Design Marks are arbitrary, they are inherently distinctive and matured to registration on the Principal Register. (*See supra*, § IV(A).) To date, no entity has challenged Opposer’s registrations for SUPER STAR, SUPER STAR REWARDS, the STAR-containing Marks or the Star Design Marks.

Opposer’s SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks and Star Design Marks are also commercially strong. From 2006–2018, Opposer’s annual revenue using its marks increased from approximately \$800 million to approximately [REDACTED]. (*See supra*, § IV(A).) The Carl’s Jr. and Hardee’s restaurants are consistently highly ranked in the quick-service restaurant and franchising categories. (*Id.*) Furthermore, Opposer’s SUPER STAR hamburger is an extremely popular choice for consumers, averaging over [REDACTED] sold per year from 2012–2017. (*Id.*) From 2012–June 2018, total sales of SUPER STAR hamburgers were approximately [REDACTED]. (*Id.*) During that same time-period, approximately [REDACTED] was spent on advertising and promoting the SUPER STAR hamburger alone. (*Id.*) Accordingly, Opposer’s SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks and Star Design Marks, as well as its goods and services, are well-known to the general public.

In 1995, the Board determined that Opposer's STAR marks, including SUPER STAR, FAMOUS STAR, HAPPY STAR and the Happy Star Logo are strong, well-known marks in Opposer's then area of operations (California, Nevada, Arizona and Oregon). *Carl Karcher Enters.*, 35 U.S.P.Q.2d at 1130. (*See supra*, § IV(A).) In 1995, Opposer's Carl's Jr. restaurants operated 630 locations in only the aforementioned states, with annual revenue growing from approximately \$335 million in 1986 to approximately \$614 million in 1992. *Id.* at 1128. Since 1995, through Opposer's aggressive expansion of the Carl's Jr. brand, Opposer and its franchisees operate over 1,300 restaurants and annual revenues have dramatically increased such that revenue is now about [REDACTED] dollars annually. (*See supra*, § IV(B).) Today, Opposer's SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks and Star Design Marks are even more famous than they were 23 year ago.

Applicant did not submit any evidence regarding third-party uses or federal registrations for a mark containing the term "SUPER STAR" or "SUPERSTAR" in connection with restaurants that would rebut Opposer's strong rights to its SUPER STAR and SUPER STAR REWARDS marks.

Applicant did submit TSDR printouts for four third-party registrations for the marks SUPER STAR (frozen seafood and fish, Class 29), SUPER STAR PROOF (dough developers and conditioners, Class 30), SUPER STARS (bakery products, Class 30) and SUPER STAR BRAND (herbal and nutritional supplements, Class 5; herbal teas and candies, Class 30; and distilled spirits and wine, Class 33). (Applicant's First Notice of Reliance Exs. 106, 139, 142 and 151 (38 TTABVUE).) Applicant also submitted TSDR printouts for third-party registrations for STAR-containing marks. (*Id.* Exs. 1-236 (38 TTABVUE 2-823).) However, third-party registrations alone are not evidence of the respective registered mark's use in the

marketplace and therefore, should be given little weight in the likelihood of confusion analysis. *See Nike Inc. v. WNBA Enterprises LLC*, 85 U.S.P.Q.2d 1187, 1200 (T.T.A.B. 2007). Applicant did not submit any other evidence regarding these third-party marks.

In *Carl Karcher Enterprises*, in an effort to rebut Opposer's evidence regarding its marks' fame, the applicant in that case submitted evidence of other parties using a STAR-containing word mark or a design logo that included an image of a star. 35 U.S.P.Q.2d at 1130–31. The Board determined that applicant's evidence did not diminish the strength of Opposer's marks. *Id.* (“We have no problem concluding that opposer's marks are strong, even in the face of applicant's evidence.”) First, the Board opined that third-party registrations are “of little probative value in determining likelihood of confusion issues.” *Id.* at 1130. Second, the Board determined that applicant's other evidence of third-party “star” word marks for restaurants did not outweigh the “considerable notoriety” of Opposer's marks. *Id.* at 1131. Today, Opposer's business has dramatically increased, further strengthening its marks' fame. Applicant's evidence here, just like the evidence in 1995, does not diminish the strength of Opposer's marks.

Overall, Opposer's SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks and Star Design Marks are strong and warrant broad protection. This factor supports a conclusion that Applicant's mark BURMA SUPERSTAR creates a likelihood of confusion.

B. Applicant's BURMA SUPERSTAR Mark is Confusingly Similar in Sight, Sound and Meaning with Opposer's SUPER STAR, SUPER STAR REWARDS, STAR-containing Marks and Star Design Marks

In assessing the marks for a likelihood of confusion, the Board considers the similarity of the marks' appearance, sound, connotation and commercial impression. *Palm Bay Imps. Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 U.S.P.Q.2d 1689, 1692

(Fed. Cir. 2005). This is a key consideration in the likelihood of confusion analysis. *See Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 U.S.P.Q. 24, 27-29 (C.C.P.A. 1976).

Applicant's BURMA SUPERSTAR mark incorporates all of Opposer's SUPER STAR mark, and the distinctive portion of Opposer's SUPER STAR REWARDS mark. Although marks are compared in their entireties, the disclaimed words "BURMA" and "REWARDS" are afforded less weight in the analysis. *See Cunningham* 55 U.S.P.Q.2d at 1846 ("Regarding descriptive terms, this court has noted that the 'descriptive component of a mark may be given little weight in reaching a conclusion on the likelihood of confusion.'") (quoting *In re Nat'l Data*, 224 U.S.P.Q. 749, 752 (Fed. Cir. 1985)); *In re Code Consultants, Inc.*, 60 U.S.P.Q.2d 1699, 1702 (T.T.A.B. 2001) (disclaimed matter is often "less significant in creating the mark's commercial impression"). Therefore, when the shared SUPER STAR/SUPERSTAR elements in the marks are weighed appropriately in the analysis, the marks are nearly identical visually and phonetically.

Furthermore, because Applicant's goods and services are identical or highly related to Opposer's goods and services (*see infra*, § VII(C).), the slight visual and phonetic differences between SUPER STAR, SUPER STAR REWARDS and BURMA SUPERSTAR do not reduce the likelihood of confusion that Applicant's BURMA SUPERSTAR mark creates. *See Century 21 Real Estate Corp. v. Century Life of Am.*, 970 F.2d 874, 877, 23 U.S.P.Q.2d 1698, 1701 (Fed. Cir. 1992) ("When marks would appear on virtually identical goods or services, the degree of similarity necessary to support a conclusion of likely confusion declines.")

Since 1975, Opposer has used its SUPER STAR mark in connection with one of its signature hamburgers and restaurant services. (*See supra*, § IV(A).) Opposer enjoys significant

sales and recognition for its SUPER STAR hamburger and related restaurant services. (*See supra*, § IV(B).) The addition of “BURMA” to Applicant’s mark does not distinguish it from Opposer’s SUPER STAR mark, in the same manner that someone using BURMA BIG MAC or BURMA WHOPPER could not avoid a likelihood of confusion with McDonald’s or Burger King’s signature hamburgers and restaurant services.

Because the term SUPER STAR/SUPERSTAR is the distinctive portion of the BURMA SUPERSTAR, SUPER STAR and SUPER STAR REWARDS marks, they have the same meaning. The general consumer to whom both companies target their marketing understands that the term “superstar” means high profile or extremely successful. Consumers will then infer that Applicant’s and Opposer’s goods and services are high profile or extremely successful. The addition of “BURMA” to Applicant’s mark does not create a meaning distinct from Opposer’s marks. Opposer has a series of STAR-containing marks—FAMOUS STAR, HAPPY STAR, STAR DINER and STAR BUFFET. (*See supra*, § IV(B).) Consumers familiar with Opposer’s marks would believe that BURMA SUPERSTAR is another STAR-containing mark of Opposer. Furthermore, the geographic or cuisine-type reference that “Burma” may imply would not eliminate a likelihood of confusion because Opposer offers a variety of cuisines for its food products, including Mexican and Asian cuisines. (*See supra*, § IV(B).)

Because the marks SUPER STAR, SUPER STAR REWARDS and BURMA SUPERSTAR are nearly identical visually and phonetically, and have the same meaning, their commercial impression is identical. This factor weighs heavily towards finding a likelihood of confusion.

C. **Applicant's Goods and Services Are Identical or Highly Related to Opposer's Goods and Services**

In the likelihood of confusion analysis, the Board compares the goods identified in the opposed application to the goods identified in opposer's registrations and common law use. *See Cunningham*, 55 U.S.P.Q.2d at 1848; *Canadian Imperial Bank v. Wells Fargo Bank*, 811 F.2d 1490, 1 U.S.P.Q.2d 1813, 1815 (Fed. Cir. 1987). For Applicant's goods, it is well established that the analysis centers on the goods as they are identified in the opposed application. *See Octocom Sys., Inc. v. Houston Computers Servs. Inc.*, 918 F.2d 937, 16 U.S.P.Q.2d 1783, 1787 (Fed. Cir. 1990) ("The authority is legion that the question of registrability of an applicant's mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant's goods, the particular channels of trade or the class of purchasers to which sales of the goods are directed"). This factor is also a key consideration in the likelihood of confusion analysis. *See Federated Foods, Inc.*, 192 U.S.P.Q. at 27-29. A likelihood of confusion may be found with respect to a particular class based on any good identified in that class. *See Tuxedo Monopoly, Inc. v. Gen. Mills Fun Grp.*, 648 F.2d 1335, 209 U.S.P.Q. 986, 988 (C.C.P.A. 1981).

The restaurant services identified in Applicant's application are not limited to any cuisine, class of customer or channel of trade. Therefore, the restaurant services identified in Applicant's application are identical to the restaurant services identified in Opposer's registrations for SUPER STAR, HAPPY STAR, STAR DINER, STAR BUFFET, and the Star-Design Marks.

Furthermore, Applicant's application identifies tea leaf salads, salad dressings, and nut and seed toppings; packaged, prepared or frozen entrees consisting primarily of meat, fish,

poultry or vegetables; coconut rice; and carbonated beverages. These goods are also not limited to any cuisine, class of customer or channel of trade. Opposer also uses its marks in connection with a variety of salads, salad dressings, packaged and prepared entrees consisting primarily of meat, fish, poultry or vegetables (*e.g.*, hamburgers, chicken sandwiches, chicken tenders, fish sandwiches, salads, deserts), cilantro lime rice, and carbonated beverages. (*See supra*, § IV(B); Morrow Dep. 142:17–21 (43, 50 TTABVUE 144).) Opposer provides frozen beef products to its franchisees for use with Opposer’s SUPER STAR, STAR-containing Marks and Star Design Marks. (Applicant's Third Notice of Reliance, Ex. 243 (Interrog. Resp. No. 25) (41 TTABVUE 76).)

Because the restaurant services, as well as most of the food and beverages identified in Applicant’s application are identical to the restaurant services, food and beverages offered and sold by Opposer using its marks, this weighs heavily in favor of finding a likelihood of confusion.

Still, to support a finding of likelihood of confusion, “[I]t is not necessary that [applicant’s] goods be identical or even competitive to support a finding of likelihood of confusion. Rather, it is sufficient that the goods or services are related in some manner, or that the circumstances surrounding their marketing are such, that they would be encountered by the same persons in situations that would give rise, because of the [similarity of the] marks, to a mistaken belief that they originate from the same source or that there is an association or connection between the sources of the goods.” *In re Thor Tech Inc.*, 90 U.S.P.Q.2d 1634, 1635 (T.T.A.B. 2009). Where identical marks are involved, the degree of similarity between the parties’ goods that is required to support a finding of likelihood of confusion declines. *In re Shell Oil Co.*, 992 F.2d 1204, 26 U.S.P.Q.2d 1687, 1688-89 (Fed. Cir. 1993) (“[E]ven when

goods or services are not competitive or intrinsically related, the use of identical marks can lead to the assumption that there is a common source.”).

As discussed in section VII(B), the BURMA SUPERSTAR, SUPER STAR and SUPER STAR REWARDS marks are nearly identical and have the same commercial impression and therefore, the analysis here requires a lesser degree of similarity between the parties’ goods and services to find a likelihood of confusion. If not identical, the food and beverage items identified in Applicant’s BURMA SUPERSTAR application are highly related to the restaurant services identified in Opposer’s registration for SUPER STAR. The Board has long held that food and beverages are related to food-related services. *See In re H. J. Seiler Co.*, 289 F.2d 674, 129 U.S.P.Q. 347 (C.C.P.A. 1961) (holding SEILER’S catering services likely to be confused with SEILER’S smoked and cured meats); *In re Opus One Inc.*, 60 U.S.P.Q.2d 1812 (T.T.A.B. 2001) (holding OPUS ONE for restaurant services likely to be confused with the identical mark for wine); *In re Best W. Family Steak House, Inc.*, 222 U.S.P.Q. 827 (T.T.A.B. 1984) (holding BEEFMASTER used on restaurant services likely to be confused with BEEF MASTER used on frankfurters and bologna); *Roush Bakery Prods. Co. v. Ridlen*, 190 U.S.P.Q. 445 (T.T.A.B. 1976) (holding HILLBILLY used on bread likely to be confused with HILLBILLY RESTAURANT used on restaurant services); *In re Pick-N-Pay Supermarkets, Inc.*, 185 U.S.P.Q. 172 (T.T.A.B. 1974) (holding PICK-N-PAY used on grocery items and supermarket services likely to be confused with PIK-N-PAY used for cafeteria services); T.M.E.P. §1207.01(a)(ii)(A). Applicant admits that its food, beverage and restaurant services are generally related to Opposer’s food, beverage and restaurant services. (Opposer’s First Notice of Reliance Ex. 21 (Admission Resp. No. 16) (33 TTABVUE 565).) In addition, Opposer’s SUPER STAR REWARDS mark is used and registered in connection with a rewards programs that provides

consumers with food and beverages. Thus, Applicant's food and beverages are also related to Opposer's rewards program.

This factor also weighs heavily in favor of finding a likelihood of confusion.

D. Applicant's and Opposer's Trade Channels and Target Consumers Are Identical

Neither Applicant's application nor Opposer's registrations have limitations regarding trade channels or target consumers. It is therefore presumed that the parties' goods and services travel in all normal trade channels and to all prospective purchasers. *See Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 62 U.S.P.Q.2d 1001, 1005 (Fed. Cir. 2002) (“[A]bsent restrictions in the application and registration, goods and services are presumed to travel in the same channels of trade to the same class of purchasers.”). Furthermore, given the identical or highly related nature of the parties' goods and services, as well as the lack of restrictions on trade channels and classes of customers in the identification of goods and services, it is presumed that the parties' goods and services travel through the same channels of trade to the same classes of customers. *Id.*

Opposer does not merely rely on this presumption. Opposer also submits evidence that shows that Applicant's and Opposer's trade channels and target consumers are identical. Both parties market their goods and services to the general public using print, online and social media advertising. (*See supra*, §§ IV(B) and (E); Opposer's First Notice of Reliance Ex. 21 (Admission Resp. No. 10) (33 TTABVUE 560).) In addition, both parties sell their food and beverages in restaurants in California. (*See supra*, §§ IV(B) and (E).)

Applicant sells its prepackaged foods items to grocery stores. (*See supra*, § IV(E).) It is common for quick-service restaurants to sell food in grocery or other food retail stores. As examples, grocery and food retail stores offer food and beverages from Burger King, Taco Bell,

El Pollo Loco, Dunkin' Donuts, Starbucks, Nathan's, Mrs. Fields, Cheesecake Factory, White Castle, Marie Callender's, P.F. Chang's, T.G.I. Fridays, and California Pizza Kitchen. (Morrow Dep. 98:10–25, 108:22–110:9, Ex. 27 (43, 50 TTABVUE 100, 110–112).) Because consumers are accustomed to seeing quick-service restaurants' products in these trade channels, consumers familiar with Opposer's food and beverages sold using the SUPER STAR, STAR-containing Marks and Star Design Marks will mistakenly think that Applicant's BURMA SUPERSTAR products are Opposer's products, or somehow associated or affiliated with, or sponsored by, Opposer.

E. Applicant's and Opposer's Goods and Services are Purchased on Impulse

Generally, casual purchasers of low-cost, every-day consumer items exercise less care in their purchasing decisions and are more likely to be confused as to the source of the goods. *See Specialty Brands, Inc. v. Coffee Bean Distribs., Inc.*, 748 F.2d 669, 223 U.S.P.Q. 1281 (Fed. Cir. 1984); *Eveready Battery Co., Inc. v. Green Planet, Inc.*, 91 U.S.P.Q.2d 1511 (T.T.A.B. 2009). In *Carl Karcher Enterprises*, the Board determined that consumers often purchase fast food on impulse. *Carl Karcher Enters.*, 35 U.S.P.Q.2d at 1129. The restaurant services, foods and beverages identified by Applicant in the opposed application are not limited by price, channel of trade, cuisine or class of customer. Therefore, Applicant's goods and services include all types of restaurant services, food and beverages, including the same restaurant services, food and beverages rendered and sold by Opposer. (*See supra* § VII(C).)

Furthermore, Applicant's food and beverage items are relatively inexpensive. Applicant's entrees range in price from \$15–\$25, lunch specials from \$12.95–\$14.95, non-alcoholic drinks from \$3–\$5, and alcoholic drinks from \$9–\$15. (Tan Decl. Ex. A (40

TTABVUE 55-61).) Although Applicant did not provide pricing, its prepackaged food items appear to be inexpensive products. (*Id.* Ex. B (40 TTABVUE 62–64).)

Accordingly, Opposer’s and Applicant’s respective restaurant services, food and beverages rendered and sold using their respective marks are inexpensive and purchased on impulse. This factor weighs in favor of finding a likelihood of confusion.

F. Applicant’s BURMA SUPERSTAR Mark Creates a Likelihood of Confusion

As detailed above, Opposer’s registered SUPER STAR, SUPER STAR REWARDS, STAR-containing and Star Design Marks are strong and warrant broad protection. Because, (1) the SUPER STAR, SUPER STAR REWARDS, and BURMA SUPERSTAR marks are nearly identical in sight and sound, and have the same meaning; (2) the STAR-containing, Star Design Marks, and BURMA SUPERSTAR mark are confusingly similar in sight, sound and meaning; (3) Applicant’s goods and services are identical or highly related to Opposer’s goods and services; (4) Applicant’s and Opposer’s trade channels and target consumers are identical; and (5) consumers purchase Applicant’s and Opposer’s goods and services on impulse, Applicant’s BURMA SUPERSTAR mark will create a likelihood of confusion with Opposer’s SUPER STAR, SUPER STAR REWARDS, STAR-containing and Star Design Marks. Accordingly, the Board should sustain Opposer’s opposition and reject the application.

**VIII. APPLICANT’S BURMA SUPERSTAR MARK WILL
DILUTE OPPOSER’S FAMOUS MARKS**

Applicant’s application for the BURMA SUPERSTAR mark should also be rejected for the additional independent reason that it will cause dilution by blurring of Opposer’s SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER, STAR BUFFET, and Happy Star Logo marks. Pursuant to Section 43(c) of the Trademark Act, 15 U.S.C. § 1125(c)(1), dilution

by blurring occurs when a junior user's adoption of a similar mark impairs the distinctiveness of a famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the following factors are generally considered: (1) the degree of similarity between the mark or trade name and the famous mark; (2) the degree of inherent or acquired distinctiveness of the famous mark; (3) the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark; (4) the degree of recognition of the famous mark; (5) whether the user of the mark or trade name intended to create an association with the famous mark; and (6) any actual association between the mark or trade name and the famous mark. 15 U.S.C. § 1125(c)(2)(B).

As shown above, through long-term use, extensive advertising, and significant annual revenue, Opposer has shown that its SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER, STAR BUFFET, and Happy Star Logo marks are famous and have been since Applicant's alleged first use for its BURMA SUPERSTAR mark (March 1992 for Class 43, and November 2014 for Classes 29 and 30). (*See supra*, §§ IV(A) and (B), and VII(A).) Specifically, Opposer's annual revenue using its marks grew from approximately \$335 million in 1986 to approximately \$614 million in 1992. (*See supra*, § VII(A).) From 2006–2018, Opposer's annual revenue using its marks increased from approximately \$800 million to approximately [REDACTED]. (*See supra*, § IV(A).) Opposer's advertising costs expanded from approximately \$18 million in 1983 to approximately \$39.2 million in 1990. *Carl Karcher Enters.*, 35 U.S.P.Q.2d at 1128. From 2008 to 2012, Opposer's annual advertising costs ranged from 5.8%–6% (~\$46–\$48 million) of annual revenue, while Opposer's franchisees' annual advertising costs ranged from 5.5%–5.8% of their annual revenue. (*See supra*, § IV(A); *Morrow Dep. Exs. 8–12* (pp. 284, 289, 293, 298, 303) (43, 50 TTABVUE 286, 291, 295, 300, 305).)

With respect to Opposer's SUPER STAR hamburger, over [REDACTED] were sold from 2012 to June 2018, with total sales over [REDACTED]. (*See supra*, § IV(A).)

Opposer first began using its SUPER STAR mark in 1975, its FAMOUS STAR mark in 1972, its HAPPY STAR mark in 1976, its Happy Star Logo in 1978, and its STAR DINER mark in 1990. (*See supra*, § IV(A).) Opposer's Carl's Jr. restaurant has for years consistently ranked highly as one of the nation's most frequented quick-service restaurants, and Opposer's brands rank high among U.S. franchisors. (*Id.*) Opposer's SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER, STAR BUFFET, and Happy Star Logo marks have each become famous through Opposer's long-term use and extensive advertising.

Furthermore, all of the remaining above-identified factors weigh in favor of Opposer. As to the first factor, Applicant's BURMA SUPERSTAR mark is highly similar to Opposer's SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER and STAR BUFFET marks for the reasons set forth above in section VII(B). With respect to the second factor, Opposer's SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER, STAR BUFFET and Happy Star Logo marks have a high degree of acquired distinctiveness due to the extensive advertising and revenue as set forth above. In addition, Opposer's registrations for its SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER, STAR BUFFET and Happy Star Logo marks have achieved incontestable status. As to the third factor, Opposer has been diligent in enforcing its trademark rights in its SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER, STAR BUFFET and Happy Star Logo marks, and thus, Opposer's use of these marks is substantially exclusive. (*See supra*, § VII(A); *Morrow Dep.* 97:16–98:9 (43, 50 TTABVue 99–100).)

With respect to the fourth factor, Opposer's SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER, STAR BUFFET and Happy Star Logo marks have a high degree of recognition for the reasons set forth in Section VII(A). As to the fifth factor, although Applicant claims it was not aware of Opposer's SUPER STAR and SUPER STAR REWARDS marks, Applicant was aware of Opposer and its business, which includes use of its famous SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER, STAR BUFFET and Happy Star Logo marks for identical services. (Opposer's First Notice of Reliance Ex. 21 (Admission Resp. Nos. 6 and 8) (33 TTABVUE 558-559).) This supports a conclusion that Applicant acted in bad faith in expanding the use and seeking to register the BURMA SUPERSTAR mark.

Accordingly, these factors weigh heavily in favor of finding that Applicant's application for the mark BURMA SUPERSTAR should be denied because it will dilute Opposer's SUPER STAR, FAMOUS STAR, HAPPY STAR, STAR DINNER, STAR BUFFET and Happy Star Logo marks.

IX. APPLICANT'S APPLICATION IS VOID BECAUSE APPLICANT DID NOT OWN THE BURMA SUPERSTAR MARK WHEN THE APPLICATION WAS FILED

In tracing the chain of title based on the evidence submitted, including Applicant's testimony, EWH, not Applicant, was the owner of the BURMA SUPERSTAR mark when Applicant filed the trademark application for the mark on April 2, 2015.

An application for a trademark registration must correctly identify the owner of the mark. 15 U.S.C. § 1051. The owner must be the owner at the time the application was made. *Chien Ming Huang v. Tzu Wei Chen Food Co. Ltd.*, 849 F.2d 1458, 1460, 7 U.S.P.Q.2d 1335 (Fed. Cir. 1988) (application was void because applicant was not owner of mark on filing date). An application is void *ab initio* if it fails to properly identify the owner at the time the application is

made. *Id.* This is a statutory requirement and cannot be waived. *Id.* To correctly identify the owner of the mark, the application must name all owners of the mark. *Conolty v. Conolty O'Connor NYC LLC*, 111 U.S.P.Q.2d 1302, 1310 (T.T.A.B. 2014) (application was void because applicant was not the sole owner of the mark). If a mark is owned by joint owners, an application by only one of the owners is void *ab initio* if it identifies only one owner. *Id.*

Here, based on the testimony of Tan, Applicant's President, EWH purchased the Burma Superstar restaurant and BURMA SUPERSTAR mark in 2001. (*See supra* § IV(F).) Tan further declared that he, as an individual, wholly controlled EWH at the time EWH purchased the Burma Superstar restaurant and BURMA SUPERSTAR mark in 2001. (*Id.*) In interrogatory responses, Applicant further asserted that Tan "wholly controls" EWH. (Plaintiff's Notice of Reliance (Interrog. Resp. No. 15) (33 TTABVUE 496).) Under cross-examination, however, Tan admits that EWH was wholly owned and controlled by another individual—Carl Velasco—at the time EWH purchased the restaurant and mark, and that Tan was *never* the owner or a director of EWH. (Tan Dep. 10:22–11:23, 14:11–15:1, 18:5–20:8 (45 TTABVUE 11–12, 15–16, 19–21).) Tan, in fact, explained that he arranged for Velasco to become the sole shareholder (owner) and sole director (controller) of EWH so that Tan could avoid tax liabilities in connection with an ongoing dispute with the IRS. (*Id.* 11:1–12:4 (45 TTABVUE 12–13).) Velasco moved overseas at some point between 2007 and 2009. (*Id.* 18:5–20:8 (45 TTABVUE 19–21).) When Velasco moved overseas, Lee—and not Tan—became the sole owner and controller of EWH and has remained so to the present. (*Id.* 10:22–11:23, 14:11–15:1, 18:5–20:8 (45 TTABVUE 11–12, 15–16, 19–21).)

Tan testified that EWH orally assigned the BURMA SUPERSTAR trademark to him as an individual in 2015. (Tan Decl. ¶ 3 (40 TTABVUE 47); Tan Dep. 44:4–20 (45 TTABVUE

45).) Tan also claimed that he then transferred the mark to Applicant in 2014 or 2015. (Tan Dep. 46:13–21 (45 TTABVUE 47).) It was on the basis of this purported transfer that Applicant applied for registration of the mark in 2015. However, in 2015, Tan did not have ownership or control over the mark—the mark was owned by EWH, which was wholly controlled by Lee—so Tan could not have assigned the mark to himself personally.

There is no evidence that EWH or Lee assigned the mark to Tan—in fact, Lee and EWH contested ownership of the mark in opposing Applicant’s application. (Tan Decl. ¶ 22 (40 TTABVUE 50); Opposer’s Second Notice of Reliance Ex. 31 (35 TTABVUE 53–56).) By Tan’s own admission, Lee and EWH withdrew the opposition solely because of the legal costs involved in pursuing the opposition. (Tan Dep. 112:12–114:4 (45 TTABVUE 113–115).) Further, EWH would have had no incentive to assign the trademark to Tan, having received no consideration from Tan for the purported assignment. (*Id.* 45:9–22 (45 TTABVUE 46).) Because Tan had no control over EWH, Tan could not have assigned, on behalf of EWH, the BURMA SUPERSTAR mark to himself, and then subsequently assigned the mark to Applicant.

Tan claimed to have had actual control over EWH and other various legal entities rather than the shareholders and directors. (*Id.* 9:25–12:4, 18:5–20:12 (45 TTABVUE 10–13, 19–21).) Tan claimed that he gave control of EWH to Velasco to avoid taxes so that Tan would have fewer assets, but that Tan maintained true control of EWH. (*Id.* 10:22–12:4 (45 TTABVUE 11–13).) However, Tan’s bald assertions unsupported by documentary evidence do not carry legal significance. It is a basic rule of business associations that corporations are owned by shareholders and controlled by their officers and directors. Tan’s action in placing ownership and control of the EWH business and BURMA SUPERSTAR mark wholly with Velasco, and then Lee, even if true, was not some innocent mistake that can be remedied. This was a product

of a conscious effort to evade tax liabilities. When asked in cross-examination why Velasco was listed as EWH's sole shareholder, Tan responded that, "I was in dispute with the Internal Revenue Service, and I didn't want this business to be mingled with the pending situation that I was having with the IRS." (*Id.* 11:24–12:4 (45 TTABVUE 12–13).) This action has legal consequences. Having schemed to avoid tax liability, Tan cannot now ask the government to retroactively give him the benefit of having owned or controlled the assets of EWH all along, including the BURMA SUPERSTAR mark.

In 2017, Tan entered into a settlement agreement with Lee that granted Tan as an individual all rights to the BURMA SUPERSTAR mark. (Tan Decl. ¶ 23 (40 TTABVUE 51), Tan Dep. Ex. F (47 TTABVUE 29–30).) Tan declared in a judicial proceeding that, with a "clear recollection of the negotiations," his cash payment obligation under the settlement agreement was "in large part a payment for my sole ownership of the trademark." (Tan Dep. Ex. 10 (48 TTABVUE 14).) Based on the evidence Applicant provided, this settlement agreement with Lee is the first point in time at which Tan as an individual became the owner of the BURMA SUPERSTAR mark. This transfer, however, took place two years after Applicant filed the BURMA SUPERSTAR application. Furthermore, the assignment was to Tan rather than Applicant. Applicant may not now remedy the application's failure to comply with § 1051. *Chien Ming Huang*, 849 F.2d at 1460. Because Tan did not obtain ownership over the mark until 2017, at the earliest, if ever, he could not have assigned the mark to Applicant in 2015. Thus, Tan's alleged 2015 assignment to Applicant is void. EWH owned the BURMA SUPERSTAR mark when the application was filed in 2015. Accordingly, Applicant's application for BURMA SUPERSTAR is void because the identified applicant is incorrect.

**X. APPLICANT’S APPLICATION IS ALSO VOID BECAUSE THE BURMA
SUPERSTAR MARK WAS ABANDONED DUE TO “NAKED” LICENSING**

When a trademark is licensed, there must be sufficient quality control exercised by the licensor or else the license is a “naked license.” *Haymaker Sports, Inc. v. Turian*, 581 F.2d 257, 261, 198 U.S.P.Q. 610, 613–614 (C.C.P.A. 1978) (a valid trademark licensing agreement requires “adequate control by the licensor over the quality of goods or services produced under the mark by a licensee.”). “Uncontrolled licensing of a mark results in abandonment of the mark by the licensor.” *Id.* Where there are no written provisions regarding quality control, there must be specific evidence that the licensor actually implemented quality control. *Id.* A close relationship between the licensor and the licensee is insufficient to prove quality control. *In re Raven Marine, Inc.*, 217 U.S.P.Q. 68, 70 (T.T.A.B. 1983) (personal capacity as the owner of both licensor/licensee entities “is highly ambiguous as to the control and supervision actually exercised.”).

In *In re Raven Marine, Inc.*, the applicant was the licensor-corporation of a service mark. 217 U.S.P.Q. at 69. The licensor and licensee were both owned by the same individual, who was principal stockholder and principal officer. *Id.* There was an oral license from the licensor to the licensee, under which the principal stockholder/officer was to oversee quality control. *Id.* at 69-70. There was no evidence that the licensee’s services were deficient in quality. *Id.* Despite the common ownership and testimony by the applicant as to the quality control provisions of the oral license, the Board found that there was insufficient evidence that quality control was actually implemented. *Id.* at 70. Thus, the Board found that the licensing agreement failed to support proper service mark use. *Id.*

As discussed in section IX, EWH owns the BURMA SUPERSTAR mark and therefore, Applicant has no authority to license the mark. Nevertheless, even assuming that Applicant had obtained the authority to license the mark, Applicant has in two different ways granted a naked license to use the mark. First, Applicant engaged in naked licensing by cutting off Lee's supply of the goods most distinctive of the BURMA SUPERSTAR brand for at least 10 months and continuing. Tan testified that the most distinctive food offered under the BURMA SUPERSTAR brand is the tea leaf salad made with fermented tea leaves. (Tan Dep. 16:11–19 (45 TTABVUE 17) (The “two key products that are important to our restaurants” are the fermented tea leaves “that cannot be purchased from anywhere except through us” and a beer, Burma Ale.)) Tan or Applicant sources the tea leaves and produces them for restaurants and for prepackaged foods. (*Id.* 16:11–17:1, 58:5–60:23, 119:6–18 (45 TTABVUE 17–18, 59–61).) In November 2017, in the litigation between Tan and Lee, Tan's attorney alerted Lee's attorney by email that Tan or Applicant would “cease all support and supply of products to [Lee's] restaurants at the end of the month,” including tea leaves and beer. (*Id.* Ex. 14 (48 TTABVUE 34).) Tan testified that the supply of tea leaves was indeed cut off at that time and has not been reestablished, though he asserts that the supply of Burma Ale was not cut off. (*Id.* 119:6–120:20, 123:8–124:5 (45 TTABVUE 120–121, 124–125).) Tan acknowledges that Lee has since that time obtained her tea leaves from some other source. (*Id.* 119:19–120:5, 123:8–124:5 (45 TTABVUE 120–121, 124–125).)

The email from Tan's attorney implies that cutting off the supply of fermented tea leaves was an ultimatum from Tan to cooperate on a new settlement agreement, and it was understood by Lee's attorney to be a tactical move in negotiations. (*Id.* Ex. 14 (48 TTABVUE 34).) In testifying for Applicant, Tan now asserts that the break in supply of tea leaves to Lee was due to

a fire in Northern California that disrupted the manufacturer's ability to produce and deliver the fermented tea leaves. (*Id.* 119:10–15, 121:12–123:20 (45 TTABVUE 120, 122–124).) Regardless of the reason for Tan or Applicant cutting off Lee's supply, Lee has been operating the San Francisco restaurant under the BURMA SUPERSTAR mark with inferior quality goods. By Tan's own admission, he does not know from where Lee has been sourcing her tea leaves because there are "quite a bit of suppliers." (*Id.* 124:4–5 (45 TTABVUE 125).) But Tan believes that his tea leaves are "a better product" than whatever source Lee is currently using. (*Id.* 120:1–10 (45 TTABVUE 121).) Because Applicant has allowed Lee to use the BURMA SUPERSTAR mark in connection with inferior goods for at least 10 months and continuing, the mark has lost its distinctive meaning. Applicant is not exercising quality control over Lee's use of the BURMA SUPERSTAR mark. Thus, Applicant's failure to supply Lee with the most distinctive goods for the BURMA SUPERSTAR mark constitutes a naked license.

Second, even assuming that Applicant owns the BURMA SUPERSTAR mark via assignment from EWH, Applicant's current license to Lee is, at its core, a naked license. Lee obtained an "irrevocable license" to use the mark in connection with the San Francisco Burma Superstar restaurant. (*Id.* Ex. F (47 TTABVUE 29–30).) The settlement agreement contains no terms concerning the quality control that Applicant will exercise over Lee's use of the mark pursuant to the license. (*Id.*) Tan admitted that he, as President of Applicant, is not concerned about exercising quality control under the license. (*Id.* 88:14–89:3 (45 TTABVUE 89–90).) Tan testified that quality control is not a concern because Lee's quality standards "are just as high as [Tan's], if not higher." (*Id.* 88:17–20 (45 TTABVUE 89).) Nevertheless, such a belief does not provide a licensor permission to abdicate its responsibility of oversight. Tan testified that Applicant maintains quality control by sending emissaries to check on Lee's restaurant about

every six weeks. (*Id.* 71:17–72:17 (45 TTABVUE 72–73).) However, Tan, on behalf of Applicant, knowingly allowed Lee to serve an inferior—or at the least, different—quality version of the most distinctive dish by not supplying Lee with fermented tea leaves. This omission is in line with Tan’s assertion that exercising quality control in Applicant’s license with Lee is not a concern. Thus, the agreement is a naked license.

Furthermore, it appears that EWH allowed several groups to use the BURMA SUPERSTAR mark under a naked license between 2007 and 2016. Tan testified that he, as an individual, licensed the mark to Bagan, Inc. in 2007, Burma Super Star Oakland Inc. in 2008, and Mya Foods Corp. in 2014, and that Applicant licensed the mark to Burma Love Natural Foods Co. in 2016. (Tan Decl. ¶¶ 3–6 (40 TTABVUE 46–47).) There was no consideration for any of the licenses. (Tan Dep. 57:20–58:4 (45 TTABVUE 58–59).) But in 2007 and 2008, EWH—the owner of the mark—was owned and controlled by either Velasco or Lee. (*Id.* 18:5–19:9 (45 TTABVUE 19–20).) Also in 2014 and 2016, EWH was owned and controlled by Lee. (*Id.* 18:5–19:9 (45 TTABVUE 19–20).) If the mark was nonetheless being licensed to Bagan, Burma Super Star Oakland, Mya Foods, and Burma Love Natural Foods, then it appears that there was no oversight by the mark’s owner, EWH. Tan cannot have been responsible for the quality control because he did not have ownership or control of EWH, as established above. Tan was the owner and director of Bagan, Burma Super Star Oakland, Mya Foods, and Burma Love Natural Foods, so he was associated with the licensees of the mark. However, quality control must be exercised by the licensor, not the licensee. *Haymaker Sports*, 198 U.S.P.Q. at 613–614. Applicant provided no evidence that there was any quality control exercised by the licensor EWH, which means that the license was a naked license. *Id.* It does not matter the actual level

of quality of the goods produced under the license—what matters is that there was no oversight.
In re Raven Marine, 217 U.S.P.Q. at 70.

Accordingly, the BURMA SUPERSTAR mark was abandoned prior to the opposed applications filing date. The opposed application is void.

XI. CONCLUSION

For the foregoing reasons, Opposer respectfully requests that the Board sustain this proceeding and refuse registration of Applicant's BURMA SUPERSTAR mark.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing **TRIAL BRIEF OF OPPOSER
CARL'S JR. RESTAURANTS LLC** upon Applicant's counsel at the email address below, on November 21, 2018, addressed as follows:

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