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

Proceeding	91182564
Party	Defendant Duke, Lana
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Submission	Motion to Dismiss - Rule 12(b)
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Sizzler USA Franchise, Inc.	)	
	)	Application Serial No. 78/932669
vs.	)	Opposition No. 91182564
	)	
Ruth's Hospitality Group, Inc.	)	
( <i>substituted for or joined with Lana Duke</i> )	)	

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**MOTION TO DISMISS FOR FAILURE TO  
STATE A CLAIM UPON WHICH RELIEF CAN BE GRANTED**

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Pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure and 37 C.F.R. § 2.127, Ruth's Hospitality Group, Inc.<sup>1</sup> ("RHGI"), the owner of the Mark subject to the opposition proceeding 91/182564 (the "Opposition"), hereby moves to dismiss, with prejudice, Sizzler USA Franchise, Inc.'s ("Sizzler" or "Opposer") Opposition to the application to register the mark "IF IT DOESN'T SIZZLE, SEND IT BACK" (the "Mark"), Serial No. 78/932669, filed July 19, 2006. The Opposition fails to state a claim upon which relief can be granted.

**Procedural History**

On July 19, 2006, Lana Duke ("Duke") filed the instant application, under Section 1(a) and Sections 44(d) and (e)<sup>2</sup>, to register the Mark in Class 43 for "restaurant services" alleging a

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<sup>1</sup> RHGI is filing concurrently with this motion a motion to substitute it as the party defendant, or in the alternative, to join it as a party.

RHGI contacted Duke's counsel and was informed that Duke's counsel had no objection to RHGI filing through ESTTA in the name of Duke's counsel.

<sup>2</sup> Per the March 6, 2008 request of Ms. Duke, the Section 44(e) basis for filing was deleted on March 15, 2008.

date of first use in commerce of April 2003. Pursuant to a Notice of Publication issued on January 2, 2008, the PTO published the application for opposition on January 22, 2008 in the *Official Gazette*. Sizzler filed the instant Opposition on February 20, 2008, alleging the grounds of likelihood of confusion under Section 2(d) (15 U.S.C. § 1052(d)), false designation of origin under Section 43(a) (15 U.S.C. § 1125(a)) and dilution under Section 43(c) (15 U.S.C. § 1125(c)). On March 28, 2008, Duke filed a motion for extension of time in which to file an answer given the pending negotiations between Duke and RHGI to assign the mark and application from her to RHGI, and the uncertainty at the time as to whether the Section 44(e) designation had in fact been deleted. This motion was granted on August 18, 2008 and the Board reset the time to answer until November 1, 2008. On October 24, 2008, Duke assigned the mark and application to RHGI and that assignment was recorded at the PTO on October 29, 2008. RHGI is filing with this motion, a motion to substitute it as the defendant, or in the alternative, to join it as a defendant with Duke.

Given the November 1, 2008 deadline in which to file an answer, this motion is timely filed under Rule 12(b) of the Federal Rules of Civil Procedure (“FRCP”) which states, “[a] motion asserting any of these defenses must be made before pleading if a responsive pleading is allowed.” *See also*, Trademark Trial and Appeal Board Manual of Procedure (“TBMP”) § 503.01 (2<sup>nd</sup> Ed. 1<sup>st</sup> Rev. 2004). As RHGI is filing this motion in lieu of an answer and prior to the date upon which an answer to the complaint is due, the motion is timely.

### **Law**

A motion to dismiss for failure to state a claim upon which relief can be granted filed pursuant to Federal Rule of Civil Procedure 12(b)(6) is used solely to test the sufficiency of legal

complaint. TBMP § 503.02.<sup>3</sup> While all well-pleaded allegations are accepted as true and the complaint must be construed in the light most favorable to the petitioner, the complaint does have to allege facts that would, if proved, establish that the petitioner has standing to maintain the proceeding and that a valid ground exists for denying the registration. *Id.* The Board should dismiss a complaint for insufficiency where “it appears certain that the plaintiff is entitled to no relief under any set of facts that could be proved in support of its claim.” *Id.*; *Fair Indigo LLC v. Style Conscience*, No. 91175571 (Nov. 21, 2007); *Young v. AGB Corp.*, 152 F.3d 1377, 1380 (Fed. Cir. 1998); *Stanspec Co. v. American Chain & Cable Company, Inc.*, 531 F.2d 563 (CCPA 1976).

The Board’s standard of review articulated above is essentially the standard provided in the U.S. Supreme Court’s 1957 decision in *Conley v. Gibson*, which set forth that the motion cannot be granted unless “it appears beyond a doubt that the plaintiff can prove no set of facts in support of his claim which could entitle him to relief.” 355 U.S. 41, 45-46 (1957); *See The Scotch Whiskey Association v. United States Distilled Products Co.*, 18 USPQ2d 1391 (TTAB 1991). In 2007, Supreme Court retired this standard in *Bell Atlantic Corp. v. Twombly*, 127 S.Ct. 1955. In that decision, the Court pointed out that the,

“‘no set of facts’ language can be read in isolation as saying that any statement revealing the theory of the claim will suffice unless its factual impossibility may be shown from the face of the pleadings... On such a focused and literal reading of *Conley*’s ‘no set of facts,’ a wholly conclusory statement of claim would survive a motion to dismiss whenever the pleadings left open the possibility that a plaintiff might later establish some ‘set of [undisclosed] facts’ to support recovery.” *Id.* at 1968.

Given that many courts were using the literal interpretation and as a result potentially eviscerating the purpose of Rule 12(b)(6), the Court determined that it was time for the standard

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<sup>3</sup> Per 37 CFR § 2.116, *inter partes* proceedings at the TTAB are governed by the FRCP.

to be officially retired, and to be “best forgotten as an incomplete, negative gloss on an accepted pleading standard...” *Id.* at 1969; J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 32.121.25 (4<sup>th</sup> Ed. 2008).

In its place, the Court articulated new guidance for testing the sufficiency of pleadings, finding that a plaintiff must provide more than just “labels and conclusions” or a “formulaic recitation of the elements” of grounds upon which the petitioner seeks relief. *Id.* at 1964-65. The complaint must have factual allegations that are “enough to raise a right to relief above the speculative level ... on the assumption that all the allegations in the complaint are true (even if doubtful in fact)...” (internal citations omitted). *Id.* at 1965. Indeed, the purpose of the Rule 8 pleading requirement is to give the defendant fair notice of what is being plead as well as an understanding of the grounds upon which the claim is placed. *Id.* at fn.3.

Whether the Court’s language in *Twombly* actually changes the standard of pleading under Rule 8 is irrelevant to the discussion at hand since the Board’s standard virtually mirrors the language of *Conley*, and that language has been expressly rejected by the Court that created it. As such, the Supreme Court’s revised standard ends the uncertainty created by *Conley*. Nevertheless, for the sake of thoroughness, RHGI will present its arguments both in light of the *Twombly* standard and the *Conley* standard. Under either standard, though, Sizzler fails to state a claim upon which relief can be granted.

## **Argument**

### **I. Sizzler has not and cannot plead any valid grounds for denying the Application.**

The requirements for an adequately plead complaint, as set forth in Rule 8 of the *Federal Rules of Civil Procedure*, are simple, finite and not particularly difficult to meet. A petitioner must simply provide a short and plain statement of the grounds for the court’s jurisdiction, a

short and plain statement of the claim showing that the pleader is entitled to relief, and a demand for the relief sought. The purpose of the complaint is to provide the other party with fair notice of the claims and the grounds upon which those claims are based so that the other party can know the nature of the claims and can make an informed response. *See Dura Pharmaceuticals, Inc. v. Broudo*, 544 U.S. 336, 346-347 (2005). Failure to meet this basic requirement will result in the complaint being deemed inadequate.

Despite the low threshold required under Rule 8, Sizzler has submitted a complaint that is woefully deficient both in giving notice of the claims and the grounds upon which those claims are based. Instead, it has filed a complaint<sup>4</sup> that traffics heavily in nothing more than “bald assertions [and] unsupportable conclusions...” (*Aulson v. Blanchard*, 83 F.3d 1, 3 (1<sup>st</sup> Cir. 1996)), and contains at least one ground for which the Board can provide no relief. Sizzler alleges three separate grounds for relief: 1) likelihood of confusion under Section 2(d) of the Act; 2) false representation under Section 43(a) of the Act; and 3) dilution under Section 43(c) of the Act. As detailed below, at least one ground is outside of the Board’s jurisdiction, the elements of one ground are not plead at all, and the remaining ground is not supported by any factual allegations whatsoever, let alone any that would rise the level of making it a valid ground. Accordingly, Sizzler’s complaint fails to state a claim, and should be dismissed.

A. *Sizzler’s claim of likelihood of confusion between the marks at issue cannot be supported under any set of facts that could be plead, including the limited facts*

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<sup>4</sup>Moreover, the Board has seen this very complaint before in at least three other proceedings: *Sizzler USA Franchise, Inc. v. Icon Burger Development Company*, No. 91186209 (filed Sept. 4, 2008); *Sizzler USA Franchise, Inc. v. Levy Premium Foodservice Limited Partnership*, No. 91176923 (filed Sept. 20, 2007); *Sizzler USA Franchise, Inc. v. Ruth’s Chris Steak House, Inc.*, No. 91179895 (filed Oct. 4, 2007, dismissed April 15, 2008). RCSH filed a motion for summary judgment against Sizzler arising out of the identical complaint, on March 5, 2008. Sizzler never filed a response and the Board granted the motion as conceded on April 15, 2008.

*that are plead.*

While Sizzler invokes the classic language of Section 2(d), it does not specifically reference Section 2(d) in its pleading. For purposes of this motion, RHGI hereby assumes that Sizzler opposes RHGI's application to register the mark "IF IT DOESN'T SIZZLE, SEND IT BACK" under Section 2(d). However, regardless of how Sizzler makes this allegation, there is no set of facts now existing that could support a claim that the mark "IF IT DOESN'T SIZZLE, SEND IT BACK" could be likely to confuse consumers with Sizzler's array of marks, namely "SIZZLER"(multiple registrations), "SIZZLER FAMILY STEAK HOUSE", "SIZZLER & design", "SIZZLER UNITED STEAK LOVERS OF AMERICA & design", and "SIZZLER SS & design". The marks are simply too dissimilar in sight, sound, and connotation, to in any way support a claim or conclusion that consumers are likely to be confused.<sup>5</sup> *Brookfield Communications, Inc. v. W. Coast*, 174 F.3d 1036, 1054 (9<sup>th</sup> Cir. 1999)[“Where the two marks are entirely dissimilar, there is no likelihood of confusion.”]; *Marvel Enterprises, Inc. v. NCSoft Corp.*, 2005 WL 878090 (C.D. Cal. 2005). And, there is no set of facts that Sizzler can possibly plead that can change this fundamental problem.

Moreover, ignoring for a moment the fundamental dissimilarity of the marks, of the nine (9) registered marks that Sizzler pleads as being subject to harm in its complaint, six (6), or 66%, are registered in classes other than the class (43) at issue here. Indeed, two (2) marks, "SIZZLER" and "SIZZLER UNITED STEAK LOVERS OF AMERICA", are registered in

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<sup>5</sup>See *Nabisco, Inc. v. Warner-Lambert Company*, 220 F.3d 43 (2d Cir. 2000)[“DENTYNE ICE” in Class 30 for chewing gum dissimilar from “ICEBREAKERS” in Class 30 for chewing gum]; *Knight Textile Corp. v. Jones Investment Co., Inc.*, 75 USPQ2d 1313 (TTAB 2005)[NORTON MCNAUGHTON ESSENTIALS for ladies sportswear in Class 25 dissimilar from ESSENTIALS for women's clothing in Class 25]; *Keebler Company v. Murray Bakery Products*, 866 F.2d 1386 (Fed. Cir. 1989)[PECAN SHORTEES for cookies not confused with PECAN SANDIES for cookies]; *7-Eleven, Inc. v. Wechsler*, 83 USPQ2d 1715 (TTAB 2007)[GULPY for portable animal water dishes not confused with GULP for soft drinks for consumption on or off premises].

Class 25 for clothing. Another registration, “SIZZLER SS & design” is registered in Class 16 for “stationary, writing paper, coupons, newsletters in the field of food and restaurants.” It is also registered in Class 30 for “prepared entrees consisting primarily of pasta and/or rice, spices, sauces, bakery goods, breads.” Thus, not only are these marks dissimilar in appearance to RHGI’s Mark, they are also registered in classes that are not even remotely related to the class in which RHGI is seeking to register its mark. As such, there can be no valid complaint that the marks at issue are likely to confuse the consuming public. *Murray v. Cable Nat. Broadcasting Co.*, 86 f.3d 858 (9<sup>th</sup> Cir. 1996).

The lip service that Sizzler does give to its 2(d) claim only reinforces the inadequacy of its claim. To make its claim, Sizzler merely settles for the bald assertion that, “Applicant’s Mark - IF IT DOESN’T SIZZLE SEND IT BACK - so resembles the SIZZLER Marks as to be likely, when used in connection with Applicant’s services, as [*sic*] to cause confusion, or mistake or deception. Applicant’s Mark, therefore, creates a confusingly similar commercial impression.” Complaint at p. 6, ¶19. Sizzler does not bother to plead anything other than the text of the statute, which under *Twombly* is unacceptable for purposes of a complaint that meets the requirements of Rule 8. Sizzler also does not bother to plead facts that are relevant to the other *duPont* factors, such as fame (which will also come into play in its Section 43(c) claim, *infra*), channels of trade, and conditions of purchase. *In re E.I. duPont de Nemours & Co*, 476 F.2d 1357 (CCPA 1973). In short, Sizzler is attempting the impossible, namely to create a controversy where there is none and to get away with it using the thinnest amount of pleading possible. The Board has rejected at least one similar claim by Sizzler in the past, and should not reward it now by allowing this claim to continue. See *Sizzler USA Franchise, Inc. v. Ruth’s Chris Steak House, Inc.*, fn. 4, *supra*.

B. *Sizzler’s claim for relief under Section 43(a) is outside of the jurisdiction of the*

*Board.*

Sizzler also pleads a cause of action over which the Board has no jurisdiction, namely a claim of false representation under Section 43(a) of the Act. Specifically, Sizzler states that given the alleged confusing similarity between the marks, “consumers will likely believe that Applicant’s use of the mark IF IT DOESN’T SIZZLE, SEND IT BACK in connection with Applicant’s Services is in some way associated or connected with or sponsored, authorized, or warranted by Opposer. Any objection or fault with Applicant’s Services offered in connection with Applicant’s Mark would reflect upon and seriously injure Opposer’s reputation in connection with goods and services offered under the SIZZLER Marks.” Complaint at p. 6, ¶19.

Regardless of the familiar lack of factual support for this claim, the Board cannot hear the claim because it does not have jurisdiction over Section 43(a) claims. To be a “valid ground” for denying a registration, the ground must be a “statutory ground which negates the [applicant’s] right to the subject registration.” *Young*, 152 F.3d at 1380. As established in *Electronic Water Conditioners, Inc. v. Turbomag Corp.*, 221 USPQ 162, 163-164 (TTAB 1984) and *Andersen Corp. v. Therm-O-Shield Int’l, Inc.*, 226 USPQ 431 (TTAB 1985), Section 43(a) is not a statutory ground which would negate the applicant’s right to the registration.<sup>6</sup> Thus, this claim should be dismissed.

C. *Sizzler’s claim of dilution under Section 43c has not been properly plead, nor can*

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<sup>6</sup> Moreover, the Board also lacks jurisdiction to hear the Section 43(a) claim because no other valid ground for denying the registration being sought has been plead by Sizzler. And, even if a valid ground has been plead by Sizzler, consideration of the Section 43(a) claim is not necessary to allow the Board to exercise its statutory jurisdiction over the likelihood of confusion and dilution claims. *See Carano v. Vina Concha Y Toro S.A.*, No. 125728 at p. 8 (June 5, 2003).

*Sizzler ever plead any facts that would support a finding of dilution.*

Sizzler identifies its third claim as being for dilution, although it does not invoke Section 43c. This does not, however, mean that it has met the threshold pleading requirement to state a claim for dilution. To successfully plead a claim for dilution under Section 43c, Sizzler would have had to have alleged, among other things <sup>7</sup>, that its SIZZLER Marks are 1) famous; 2) “distinctive, inherently or through acquired distinctiveness....”, and; 3) that the use by RHGI started “... after the SIZZLER’s Marks had become famous...” 15 U.S.C. § 1125c. Moreover, Sizzler would have had to make factual allegations to support the claims that its Marks are famous, distinctive and RHGI began using the mark after Sizzler’s Marks became famous.

Despite these three elementary, but very necessary items, Sizzler simply alleges that, “Applicant’s Mark so resembles Opposer’s SIZZLER Marks as to be likely, when used in connection with Applicant’s Services, as to cause dilution of Opposer’s SIZZLER Marks.” No where in the complaint does Sizzler allege that its Marks are famous. Its characterizations in Paragraph 18 of the complaint that its Marks have “become well known and associated with Opposer in the United States... [and that] Opposer has built up a valuable reputation and tremendous goodwill in its SIZZLER Marks...” in no way rise to the level of pleading that the Marks are famous. Indeed, the words “fame” or “famous” do not appear anywhere in Sizzler’s complaint. It would seem that at a bare minimum, a successful complaint for dilution would necessarily have to invoke some variant of the word ‘fame’. Given the very high bar that must be met to prove that a mark is in fact famous for purposes of dilution, a complaint for dilution would have to include something more than the simple sentence that the Applicant’s mark will dilute that of the Opponent. *See The Toro Company v. ToroHead, Inc.*, 61 USPQ2d 1164 (TTAB

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<sup>7</sup> The other elements of use in commerce by the junior user and likelihood of dilution are rendered superfluous by the lack of pleading of the other three elements by Sizzler.

2001); *7-Eleven, Inc. v. Wechsler*, Opp. No. 91117739 at 18 (May 15, 2007) .

Moreover, Sizzler has also not plead that RHGI began using the Mark after Sizzler's marks became famous. Indeed, all that Sizzler pleads is that "... long prior to April 2003, Applicant's claimed date of first use, Opposer has widely advertised and promoted each of its marks identified above (collectively referred to herein, as the "SIZZLER Marks") in connection with its goods and services..." Ignoring for the moment that allegations of wide advertisement and promotion are insufficient to establish fame, this statement alone also does not rise to the level of pleading that RHGI's use of its mark began after Sizzler's Marks became famous. Moreover, the second part of the sentence, "with the result that the SIZZLER Marks have become well known and associated with Opposer in the United States..." is not qualified by any particular date. The result of the marks becoming well known and associated with Sizzler could have happened the day before Sizzler filed this pleading and well after RHGI began using the mark. Thus, Sizzler has not plead that RHGI's use of the mark began after Sizzler's Marks became famous.

Nevertheless, Sizzler's failure to properly plead facts supporting the elements of dilution ultimately does not matter because there are no facts that it could possibly plead that would entitle it to the relief it seeks. For the same reason that Sizzler's allegation of likelihood of confusion must fail, its claim of dilution must fail also because the marks at issue are in no way similar. Indeed, the marks are not identical or even 'very or substantially similar' as required for a successful claim of dilution. *See The Toro Company v. ToroHead, Inc.*, 61 USPQ2d 1164 (TTAB 2001); (quoting *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 218 (2d Cir. 1999)) ; (quoting, *Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1029 (2d Cir. 1989)); *see also Carefirst of Maryland, Inc. v. FirstHealth of the Carolinas, Inc.*, 77 USPQ 2d 1492, 1514. Here, the dissimilarity between the marks is so evident that it would be virtually

impossible for a "... significant segment of the target group [to see] the two marks as essentially the same." *Toro Company*, 61 USPQ2d at 1183 (quoting *Luigino's, Inc. v. Stouffer Corp.*, 170 F.3d 827, 832 (8<sup>th</sup> Cir. 1999)). How a mark that is so vastly different from the pleaded marks can dilute those marks is not explained - nor can it be - by Sizzler.

The Board should dismiss Sizzler's claim for dilution because Sizzler has failed to meet the very basic requirements of pleading a claim of dilution and there are no facts that Sizzler could plead that could entitle it to the relief that it is seeking.

#### **Conclusion**

Sizzler has taken up valuable resources of the Board and of RHGI in its attempt to manufacture a claim where none rightly exists. It has failed to plead the elements of dilution. It has made a claim for relief that cannot be granted by the Board due to lack of jurisdiction, and it has made a claim for likelihood of confusion that under set of facts now in existence could ever be considered to be viable.

RHGI respectfully requests that the Board DISMISS Sizzler's complaint with prejudice, and allow the application to proceed to a registration.

Respectfully submitted:

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Dated: October 31, 2008

Certificate of Service

I, Elise M. Stubbe, hereby certify that service of the foregoing Motion was made on October 31, 2008 via first class mail to the petitioner's counsel of record at the address below.

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