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

Proceeding	91206066
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SIZZLER USA FRANCHISE, INC., Opposer, v. RUTH’S HOSPITALITY GROUP, INC., Applicant.	Opposition No.: 91/206,066 Application Serial No.: 85/568,417 Mark: SIZZLE, SWIZZLE & SWIRL Published for Opposition: July 10, 2012 Atty. Ref. No.: 59243-9101
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Commissioner for Trademarks
P.O. Box 1451
Alexandria, Virginia 22313-1451

OPPOSER’S OPPOSITION TO MOTION TO DISMISS CLAIM FOR FRAUD

Opposer Sizzler USA Franchise, Inc. (“Opposer”) hereby submits its Opposition to the Motion to Dismiss For Failure to State a Claim (the “Motion”) filed by applicant Ruth’s Hospitality Group, Inc. (“Applicant”).

I. INTRODUCTION

Opposer opposes registration of Applicant’s mark SIZZLE, SWIZZLE, SWIRL (“Applicant’s Mark”) on the grounds of: (1) priority and likelihood of confusion, Trademark Act Section 2(d); and (2) dilution, Trademark Act Section 43(c).¹ Opposer alleges sufficient facts to state a claim for relief on each ground. For this reason, and as more fully explained below, Applicant’s Motion is without merit and should be denied. If, however, the Board finds Applicant’s Motion persuasive, Opposer respectfully requests that it be given leave to file an amended notice of opposition to cure any defects the Board identifies.

¹ The additional ESTAA boxes for “Deceptiveness, Trademark Section 2(a)” and “False suggestion of a connection, Trademark Act Section 2(a)” were checked inadvertently and in error, and should be disregarded by the Board. Thus, while Opposer does not agree with the assertions and arguments contained in Sections I.A and I.B of Applicant’s Motion, it believes those arguments are moot.

II. RELEVANT LEGAL STANDARDS

A motion to dismiss tests only the legal sufficiency of a claim. Opposer is not required to plead “detailed factual allegations” in order to survive a motion to dismiss. *Ashcroft v. Iqbal*, 129 S.Ct. 1937, 1940, 173 L.Ed. 2d 868 (2009), citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555, 127 S. Ct. 1955, 1966 (2007). To state a legally sufficient claim, Plaintiff “does not need detailed factual allegations,” but instead, need only provide a “short and plain statement of the claim showing that [it] is entitled to relief” that is sufficient to “raise a right to relief above the speculative level.” *Twombly*, 550 U.S. at 555 (2007); Fed. R. Civ. P. 8(a).

“The issue is not whether a plaintiff’s success on the merits is likely but rather whether the claimant is entitled to proceed beyond the threshold in attempting to establish his claims.” *De La Cruz*, 582 F.2d at 48 (citing *Scheuer v. Rhodes*, 416 U.S. 232, 236, 94 S. Ct. 1683, 40 L. Ed. 2d 90 (1974)). “[A] well-pleaded complaint may proceed even if it strikes a savvy judge that actual proof of those facts is improbable, and ‘that a recovery is very remote and unlikely.’” *Bell Atlantic Corp.*, 550 U.S. at 556 (quoting *Scheuer*, 416 U.S. at 236).

In evaluating whether a claim is sufficiently alleged, the Board must assume all well-pleaded allegations are true and must construe those allegations in the light most favorable to Opposer. *Twombly*, 550 U.S. at 556. Moreover, to survive a motion to dismiss, such allegations need only “allow[] the [C]ourt to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *Iqbal*, 129 S.Ct. at 1940, citing *Twombly*, 550 U.S. at 555.

Nor is Opposer required to support its allegations with evidence at this stage of the proceeding. At the pleading stage, Opposer is absolutely not required to produce evidence in support of its factual allegations, nor does the lack of such supporting evidence render specific factual allegations “conclusory.” In fact, the absence of such evidence is not a proper basis for dismissal. *See, e.g., Schmidt v. Contra Costa County*, 310 Fed. Appx. 110 (9th Cir. 2009) (“A Rule (12)(b)(6) dismissal cannot be based on a failure to produce evidence.”)

III. OPPOSER HAS ALLEGED SUFFICIENT FACTS TO STATE A CLAIM FOR RELIEF

A. Opposer States Claim for Relief Under Section 2(d)

To state a claim for relief under Section 2(d), Opposer need only allege (1) ownership of a prior mark and (2) that Applicant's use of the applied for mark is likely to create confusion with the prior mark when used with the applied for goods. Opposer's Opposition satisfies these requirements.

Ownership of a Prior Mark. Opposer alleges ownership of various federally registered SIZZLER marks, including the SIZZLER word mark, for several classes of goods and services, including restaurant services. Opposition, ¶¶ 1-6.

Likelihood of Confusion. Likelihood of confusion is a question of fact, properly determined on a complete record, and not, as Applicant urges, based on a single pleading. *See Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1356 (9th Cir. 1985) ("Whether confusion is likely is a factual determination woven into the law. We routinely treat the issue as one of fact in a variety of procedural contexts."); *see also Cardinal Engineering Corporation v. Champion Mfg. Co.*, 300 F.2d 957, 960-61 (C.C.P.A. 1962) (Likelihood of confusion "is a question of fact and not of law. Fact questions should ordinarily not be decided on a motion to dismiss . . .").

Opposer alleges that Applicant's Mark "so resembles Opposer's Mark as to be likely, when used in connection with Applicant's services, to cause confusion, mistake, or deception. Applicant's Mark, therefore, creates a confusingly similar commercial impression." Opposition, ¶ 11. Opposer supports this allegation by identifying Applicant's Mark as the mark SIZZLE, SWIZZLE, SWIRL, and Opposer's Mark as the SIZZLER mark. Opposition, ¶¶ 1-7, 9.

Opposer further supports its allegation of likelihood of confusion by alleging that Opposer uses its SIZZLER mark in connection with restaurant services and related goods, and that Applicant has applied for registration of Applicant's mark for use with "restaurant services" - identical to the services for which Opposer uses its SIZZLER mark. Opposition, ¶ 1-6, 9. Further, Opposer alleges that it has been using the SIZZLER mark with restaurant services since at least as early as

September 1963, and that the mark is widely advertised, such as to be famous. Opposition, ¶¶ 1-6, 10, 12.

Among the relevant *DuPont* factors are similarity of appearance, relatedness of goods and services, channels of trade, and fame of prior mark. *In re E. I. DuPont de Nemours & Co.*, 476 F.2d 1357, 177 U.S.P.Q. 563 (C.C.P.A. 1973). Here, Opposer has alleged sufficient facts for the Board to conclude that each of these factors weighs in favor of a finding that confusion is likely.

Similarity of appearance and meaning. Opposer alleges the marks appear similar. ¶ 11. While Applicant disagrees, Applicant admits that both parties marks share the identical root word SIZZLE. Opposition, Section I.C. Indeed, the dominant portion of both parties marks - SIZZLE - is identical. Further, although “sizzle” and “sizzler” are different parts of speech, their meaning is quite similar, in both cases referring to the heat and noise associated with cooking at a high temperature. Viewing these facts in the light most favorable to Opposer, this factor weighs in favor of a finding that confusion is likely.

Relatedness of goods and services. Here, Opposer alleges, the parties’ marks are to be used with *identical services* - restaurant services. Viewing the facts in the light most favorable to Opposer, this factor weighs in favor of a finding that confusion is likely.

Channels of trade. Neither Opposer’s registrations nor Applicant’s application specifies any limitation on the channels of trade or marketing or the types of consumers. Thus, it is presumed that the parties identical services are marketed through the same channels, to the same consumers. Viewing the facts in the light most favorable to Opposer, this factor weighs in favor of a finding that confusion is likely.

Fame of prior mark. Opposer alleges that it has been using its SIZZLER mark for restaurant services for approximately 50 years, that it’s use is widespread, the mark heavily advertised, and that the SIZZLER mark it is famous. Viewing the facts in the light most favorable to Opposer, this factor weighs in favor of a finding that confusion is likely.

Notwithstanding the above factors weighing in favor a finding that confusion is likely, Applicant asks the Board to undertake a comparison of the parties' marks and determine, *based on only one DuPont factor* - similarity of appearance - that confusion is unlikely. Although the relative weight accorded the various factors may vary depending on the facts of the case, it is simply not appropriate to base a determination regarding likelihood of confusion on one factor to the exclusion of all others as Applicant would have the Board do.

In the context of two subjectively dissimilar marks, evidence of actual confusion and evidence defining the context in which the goods are sold are particularly relevant.

To hold otherwise would allow the possibility that persuasive evidence of a particular factor may be considered at the expense of relevant evidence of others. This problem is particularly acute where, as here, a court relies on the dissimilarity of the marks to conclude that no likelihood of confusion exists.

Jada Toys Inc. v. Mattel, Inc., 518 F.3d 628, 632-33 (9th Cir. 2008).

Applicant's myopic approach is improper and without foundation. Opposer has alleged facts sufficient for the Board to conclude that the four most relevant *DuPont* factors weigh in favor of a finding that confusion is likely. Opposer has done more than enough to state a claim for relief. Accordingly, Applicant's Motion must be denied.

B. Opposer States Claim for Relief Under Section 2(d)

To state a claim for relief under Section 43(c), Opposer need only allege (1) ownership of a prior mark; (2) that the mark is famous; and (3) that the applied for mark is likely to dilute the distinctiveness of the prior mark. Opposer's Opposition satisfies those requirements.

Ownership. Opposer alleges ownership of the prior federally registered trademark SIZZLER. Opposition, ¶¶ 1-6.

Fame. Opposer alleges that its SIZZLER mark is famous and was famous before Applicant applied to register its mark. Opposition, ¶¶ 11-12. Whether a mark is famous is determined with reference to the duration, extent, and geographic reach of advertising of the mark, the volume of geographic extent of sales of services under the mark, the extent of actual

recognition of the mark, and whether the mark is registered on the principal register. Trademark Act Section 43(c)(2)(A). Opposer supports its allegation of fame with various specific factual allegations.

Duration, extent, and geographic reach of advertising of the mark. Opposer alleges that its SIZZLER mark has been widely advertised and promoted in the United States for at least approximately 50 years.

Volume of geographic extent of sales of services under the mark. Opposer alleges that it has been using its SIZZLER mark in the United States for approximately 50 years.

Opposition, ¶ 6.

The extent of actual recognition of the mark. Opposer alleges that due to its long, continuous, and widespread use, consumers throughout the United States recognize the SIZZLER mark and associate it uniquely with Opposer. Opposition, ¶¶ 6, 10, 12.

Whether the mark is registered on the principal register. Opposer alleges that its SIZZLER mark is the subject of numerous federal registrations. Opposition, ¶¶ 1-5.

Opposer is not required to support its claim with “detailed factual allegations.” Here, Opposer has alleged facts from which the Board could conclude that each factor in the famousness inquiry weighs in Opposer’s favor. These allegations are sufficient to allege fame.

Likely to Dilute. Here, Opposer has also pled sufficient facts to show that that parties marks are “sufficiently similar to trigger consumers to conjure up a famous mark when confronted with the second mark.” *National Pork Board v. Supreme Lobster and Seafood Co.*, 96 U.S.P.Q. 2d 1479 (T.T.A.B. 2010).

As noted above, the parties’ marks share the root word “SIZZLE” and both parties’ marks call to mind the heat and noise associated with cooking at a high temperature. Like the issue of likelihood of confusion, whether consumers are likely to “associate” Applicant’s mark with Opposer’s famous SIZZLER mark is a question a fact. Trademark Act Section 43(c)(2)(b). While Applicant may disagree with Opposer’s allegation, that reasonable minds may differ about

the conclusions to be drawn from the alleged facts is not a sufficient basis on which to bypass the discovery and trial process and decide a matter on the pleadings.

Applicant also complains that Opposer has not specifically alleged that its SIZZLER mark is inherently descriptive or has acquired distinctiveness. Secondary meaning is presumed from the fact of a federal registration, of which Opposer owns many. Opposition, ¶¶ 1 -5. Of course, if the Board deems it necessary, Opposer is more than willing to file an amended Opposition specifically pleading that its federally registered SIZZLER mark is inherently descriptive.

Opposer has alleged sufficient facts to state a claim for relief under Section 43(c). Applicant's Motion must be denied.

IV. IN THE ALTERNATIVE, THE BOARD SHOULD GRANT OPPOSER LEAVE TO AMEND ITS OPPOSITION

Should the Board agree with Applicant that Opposer has not alleged its claims for relief in sufficient detail, Opposer respectfully requests leave to file an amended opposition detailing further, more specific factual allegations, regarding, *inter alia*, the relevant *DuPont* factors, the extent of its sales and advertising of its SIZZLER mark. *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 U.S.P.Q.2d 1711, 1714 (T.T.A.B. 1993) (“the Board freely grants leave to amend pleadings found, upon challenge under Fed. R. Civ. P. 12(b)(6), to be insufficient, particularly where challenged pleading is the initial pleading”).

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V. **CONCLUSION**

For all the foregoing reasons, Applicant's Motion should be denied in its entirety. If, however, the Board is inclined to grant Applicant's Motion, in part or in whole, Opposer respectfully requests leave to amend to cure any defects the Board identifies.

Respectfully submitted,

Dated: September 10, 2012

/S/ JESSICA C. BROMALL

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CERTIFICATE OF SERVICE

It is hereby certified that on **September 10, 2012**, a copy of the foregoing **OPPOSER'S OPPOSITION TO MOTION TO DISMISS CLAIM FOR FRAUD** has been sent by first class mail, postage prepaid to Applicant at the correspondence addresses of record in the Patent and Trademark Office:

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