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Restaurant Owners Beware: Recent TTAB Decision Highlights Traps for the Unwary

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A recent decision by the Trademark Trial and Appeal Board (TTAB) serves as an important warning to restaurants, especially those restaurants with locations only within one state but which have or wish to obtain a federal registration for their restaurant mark. This case demonstrates the wisdom of taking certain steps to be sure that the restaurant has made use of their trademark in a way that will satisfy the Trademark Office, and that might be sufficient to diminish the risk of a successful attack by others on the validity of the registration.

Local use of a restaurant mark, strictly within only a single state, will typically not be sufficient. How, then, can a restaurant with only a single location or a few locations within one state, obtain a federal trademark registration for its restaurant's name or other mark? Some methods used by others in the past to get registrations for such marks, relying on reasoning in civil rights cases involving interstate commerce, are rendered more risky given this recent decision.

In the 1960's civil rights cases, the U.S. Supreme Court used the interstate Commerce Clause of the Constitution to prohibit even local, single location restaurants from discriminating based on race. Therefore, some have assumed that all restaurants – even a local, single-location establishment – must automatically be operating in, or affecting, interstate commerce and, therefore, should be entitled to obtain a federal registration for their marks (assuming they can also satisfy all of the other statutory criteria). Indeed, courts have held that use of a mark at a single restaurant location may constitute use in commerce. *See, e.g.*, *Larry Harmon Pictures Corp. v. Williams Rest. Corp.*, 929 F.2d 662, 18 USPQ2d 1292 (Fed. Cir. 1991) (mark used to identify restaurant services rendered at a single-location restaurant serving interstate travelers is in "use in commerce").

However, the decision in *Doctor's Associates Inc. v. Janco, LLC*, Opposition No. 91217243, demonstrates that relying only on such an assumption could prove to be fatal to a restaurant's

federal application or registration. Although this decision is non-precedential, it shows the current thinking of the Trademark Office about the kinds of evidence required to demonstrate use in commerce of a restaurant trademark. More may be required than simply claiming that the restaurant serves consumers from more than one state, or is located close to a border.

Case Summary

Janco is the owner of a restaurant in the Seattle area that applied to register the mark FLATIZZA for pizza, which it offered in its two local restaurants. At the time it filed it application, only one restaurant was open. The opposer, Doctor's Associates, is related to the Subway chain of restaurants and filed an application for the same mark for its open-faced sandwiches. Janco ostensibly had priority based upon its prior application date, which could serve to prevent Subway from registering its FLATIZZA mark. Doctor's Associates opposed registration of Janco's mark on a variety of grounds, including that Janco was not using its mark in interstate commerce at the time it filed its application (which was based on Janco's claim of actual use of the mark in commerce). Therefore, Doctor's Associates asserted that Janco's application was void.

The TTAB sustained the opposition on this ground of non-use of the mark in commerce prior to the filing of the application. The TTAB held that Janco failed to demonstrate that its first restaurant was being operated in interstate commerce, or in any manner affecting interstate commerce. Among other things, the Board noted that (1) the restaurant was only located in a single state; (2) the restaurant was not located along an interstate highway or otherwise in a location that would necessarily serve patrons traveling from other states; (3) Janco provided no evidence of advertising or promotion of its restaurant that could demonstrate use of the mark in commerce; (4) although Janco submitted a copy of its website page bearing the mark and links to social media, there was no evidence that any patrons from outside the State of Washington had ever accessed the website or interacted with Janco through social media; and (5) there was no evidence that any out-of-state patrons had ever been served at the restaurant.

Analysis and Key Takeaways

Although, as the TTAB noted in its decision, there is no threshold amount of use in commerce that must occur before federal registration is available, there must at least be some. Relying solely upon prior cases holding that a single-location establishment *can* demonstrate the required use in commerce, or upon the fact that a restaurant has a website, could be fatal to the restaurant's attempt to register and protect its marks. Before applying to register your restaurant's mark, consider the following:

- It may be preferable to file your application as an intent-to-use application. You will get the same priority date and can file a statement of use, or amendment to allege use, once you have sufficient evidence of use.
- What media have you advertised your restaurant in? Have you considered at least one travel or restaurant directory or guide that is circulated in interstate commerce? Putting an advertisement in such a publication would be a smart thing to do given this recent case.
- Do you track and document out-of-state viewers of your restaurant's website pages on which the mark is displayed? You may need to use evidence of such visits later, so keeping track of these may prove helpful.
- Do you maintain evidence that patrons from out of state have visited your restaurant (e.g., comment cards, reviews, letters, e-mails or any other communications that establish an out-of-state resident came to your restaurant)?
- What evidence do you have that demonstrates out-of-state residents interact with you (i.e. post reviews or comments) on social media (e.g. Facebook, Twitter, Yelp, Instagram) or reservation apps like Open Table?
- What other evidence might you have to demonstrate that your mark is used in interstate commerce?

This is not intended as an exhaustive list, but represents the kinds of the evidence (or lack thereof) that the TTAB will consider important if an issue arises about the sufficiency of use of a restaurant mark. The consequences to Janco for not maintaining any of this kind of evidence were significant—most significantly, Janco's application was refused registration and Janco lost what otherwise could have been *nationwide* exclusive rights in the mark. Don't let that happen to you.

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