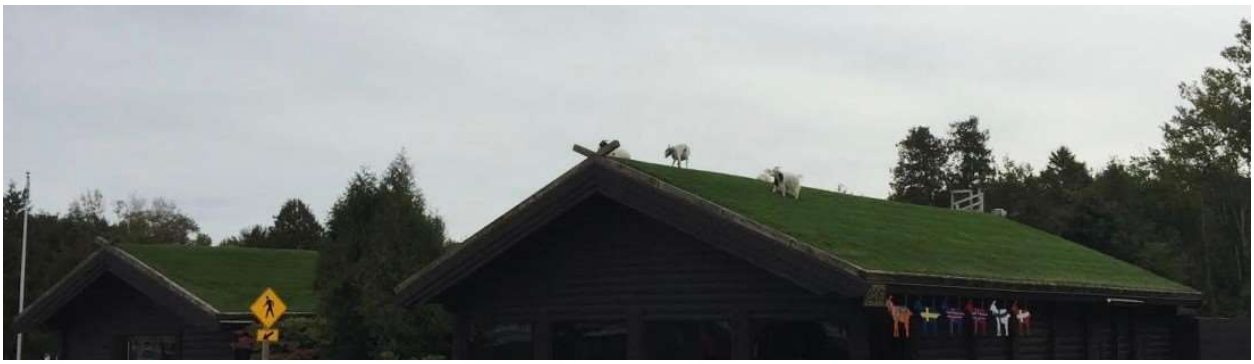
A Trademark Got His Goat - But He Had No Legal Standing

March 17, 2020

By Mary A. Donovan

A lawyer named Todd C. Bank was not “kidding” when he expressed his opinion that registered marks, described as “goats on a roof of grass,” were demeaning to goats and, in turn, offensive to Mr. Bank. But this was held not to support his standing to seek cancellation of these registrations.

Drawing showing mark as registered



Specimen showing mark as used

The 1996 and 2001 registrations showed virtually identical marks consisting of a three-dimensional outline of a building having a sod-covered roof with goats grazing on it. The registrant had used this mark since 1973 for a restaurant and for a retail store selling gifts, food, and other products.

Aside from the unusual nature of the trademark and the novelty of the claims asserted against it, the salient issues were (1) whether or not petitioner had standing to bring this case, and (2) whether or not the case stated a cause of action for either disparagement or functionality.

Procedural History

Mr. Bank, as the attorney for a photographer named Robert Doyle, filed a petition to cancel these registrations, and he later filed an amended petition. *Doyle v. Al Johnson's Swedish Restaurant & Butik, Inc*., Cancellation No. 92054059 filed in 2011; *amended petition* filed in 2012. The Trademark Trial and Appeal Board (TTAB) dismissed both petitions for lack of standing.

Not willing to let sleeping goats lie, several years after the Doyle proceedings, Mr. Bank filed another cancellation petition with himself as the petitioner. *Bank v. Al Johnson's Swedish Restaurant & Butik, Inc*., Cancellation No. 92069777 filed in 2018.

Mr. Bank alleged that he believed the use of living animals (as opposed to a depiction of the animals) as part of a trademark was demeaning to the type of animal used. Mr. Bank further alleged that he, and numerous others, found this use of living goats offensive and that it denigrated "the respect, dignity, and worth of the animals." Mr. Bank further argued that the goats had entertainment value which increased the enjoyment of the customers, and practical value in making it more "economically advantageous" to keep the grass cut. In effect, his point was that the mark was unregistrable because it was functional.

Citing the earlier Doyle decisions, the TTAB held that Mr. Bank had shown no real interest or likelihood of harm that are required to show standing. Further, the TTAB found that entertainment value was not antithetical to a trademark's function in identifying source. The TTAB dismissed this cancellation, and Mr. Bank appealed to the U. S. Court of Appeals for the Federal Circuit.

The Federal Circuit Decision

Standing in a Case Alleging Disparagement

Standing is usually a procedural issue separate from a substantive cause of action. However, these concepts may converge. Section 14 of the Lanham Act, 15 U.S.C. § 1064, grants standing to cancel a registration only to "any person who believes that he or she is or will be damaged" by the registration of a mark. In other words, the petitioner must have a legitimate substantive trademark claim that is not solely subjective and the petitioner must believe that the registration will cause the petitioner to be damaged.

While most trademark cases are brought by competitors or someone who can show likely commercial harm, the Court pointed out that a non-competitor may have a valid reason to believe it will be harmed. Mr. Bank relied on such a case, *Richie v. Simpson*, 170 F.3d 1092 (Fed. Cir. 1988), in which the plaintiff had claimed that registrations of the marks O.J. SIMPSON, O.J. and JUICE would be offensive not just to himself as a family-loving man, but to many others, which he supported by signed petitions. In that case, the Court found that Richie had shown an objectively reasonable basis as to why these marks should not be granted. There was a strong dissent on the issue of standing and First Amendment rights.

In the present case, Mr. Bank claimed that he was offended because of the disparaging nature of the mark to the goats, although he submitted no support for this other than his personal belief. He did not allege any harm to the animals. The Federal Circuit held that disparagement was no longer a cause of action under the Lanham Act. In *Matal v. Tam*, 582 U.S. ___, 127 S. Ct. 1744, 1764 (2017), decided after the Doyle decisions, the U.S. Supreme Court declared disparagement to be unconstitutional as a ground for refusing a trademark registration, something that Mr. Bank as a lawyer should have known. Therefore, this was not a reasonable substantive ground for Mr. Bank's standing. Likewise, the claims that the mark denigrated the dignity of the animals and personally offended Mr. Bank were held not to be reasonable objective grounds of damage for standing purposes.

Further, the entertainment value of the goats, evidenced by the restaurant's slogan "Come for the Goats, Stay for the Food," tended to contradict Mr. Bank's disparagement argument.

Functionality

Mr. Bank further argued that the sod roof offered cooling in summer, and that the goats were more economical than hiring workers to cut the grass. This was too tangential for the Court to endorse. Registrant's mark did not advance the ability of the restaurant or its gift shop to function in any way. The Goats on the Roof mark also was not functional in another sense, because competitors in those businesses could be equally successful without putting sod and animals on their roofs.

Award of Costs and Fees

Registrant was granted its full costs and attorney fees for the appeal, including all motions filed in connection with the appeal, because Mr. Bank had three cancellation petitions dismissed for lack of standing and had raised a disparagement claim which he knew or should have known was based on an unconstitutional section of the Lanham Act. The Court also held that Mr. Bank should be held to a higher standard as an attorney and may have been aware that his claims were frivolous.

Mr. Bank, who refers to himself on his website as "The Annoyance Lawyer," may not be deterred by this result. But perhaps, at least as to this case, Mr. Doyle and Mr. Bank will give up defending live goats…or beating a dead horse.

Bank v. Al Johnson's Swedish Rest. & Butik, Inc., 2019 U.S. App. LEXIS 36357 (Fed. Cir. 2019).

For further information contact Mary A. Donovan or your CLL attorney.