THIS DISPOSITION IS
NOT CITABLE AS
PRECEDENT OF THE TTAB

Oral Hearing:
January 13, 2005

Mailed:
May 2, 2005

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Ale House Management, Inc.
v.
LM Restaurants, Inc.

Opposition No. 91152294

Michael J. Burley, Esq. for Ale House Management, Inc.

Larry L. Coats of Coats & Bennett, P.L.L.C. for LM Restaurants, Inc.

Before Quinn, Walters and Holtzman, Administrative Trademark Judges.

Opinion by Holtzman, Administrative Trademark Judge:

An application has been filed by LM Restaurants, Inc. (applicant) to register the mark shown below on the Principal Register for "restaurant and sports bar services."[1]

[1] Application Serial No. 76337021 filed on November 13, 2001, based on an allegation of first use and first use in commerce on October 31, 2001. Applicant has disclaimed the exclusive right to use "ALE HOUSE," "CAROLINA," "FOOD," "SPORTS" and "FUN" apart from the mark as shown.

Ale House Management, Inc. (opposer) has opposed registration of the above-identified application. In the notice of opposition, opposer alleges that it licenses and manages 32 "ALE HOUSE" restaurants, the first of which was built in October 1988; that opposer "owns and controls four North Carolina corporations, to-wit: Carolina Ale House and Raw Bar, Inc.; Carolina Ale House, Inc.; North Carolina Ale House and Raw Bar, Inc.; and North Carolina Ale House, Inc."; and that in the early 1990's, applications for three of its restaurants, Jupiter Ale House and Raw Bar, Jensen Ale House and Raw Bar, and Boynton Ale House and Raw Bar, "were denied registration on the Principal Register and required to amend their applications to the [S]upplemental [R]egister...because part of the mark was primarily geographically descriptive, and the terms 'ALE HOUSE' were a descriptive designation for its restaurants."

Opposer further alleges that on March 1, 2000, in a case between opposer and Raleigh Ale House, Inc., [Ale House Management, Inc. v. Raleigh Ale House, Inc., 205 F.3d 137, 54 USPQ2d 1040 (4th Cir. 2000)], the Court of Appeals upheld a decision by the District Court, Eastern District of North

Carolina (Case No. 5:98-CV-247-F(2)), on summary judgment that the term "ALE HOUSE" preceded by a geographic location was generic and not subject to exclusive use by any one party. Opposer asserts that applicant is either Raleigh Ale House, Inc. or related in some way to the defendant in the prior litigation.

Continuing, opposer alleges that applicant owns, manages or is affiliated with two "ALE HOUSE" restaurants located in the cities of Raleigh, North Carolina and Cary, North Carolina, the first of which opened in mid 1998; and that the use of "the trademark at issue is subsequent to the filing date of the four North Carolina corporations [identified above] that opposer owns and controls."

Concluding, opposer alleges that registration to applicant should be denied for the reasons quoted, in pertinent part, below:

> ... The term[] "ALE HOUSE," the dominant feature, is descriptive of applicant's services, and the term "CAROLINA" is geographic; and applicant, having only two operating restaurants in one metropolitan area has not established a secondary meaning in such terms....
>
> ... In Ale House Management, Inc. v. Raleigh Ale House, Inc. [supra]..., the [Court held] that the term "ALE HOUSE" preceded by a geographic location is not subject to exclusive use or appropriation by any one party....
>
> ... Opposer has previously requested registration of the mark "ALE HOUSE" preceded by a geographic location and was denied registration on the Principal Register and was required to amend its application to the [S]upplemental [R]egister and, therefore, a subsequent [applicant] should not be treated in a more advantageous manner. Further, had

> Opposer been allowed to register its mark on the [P]rincipal [R]egister when it filed its previous registrations, the mark Applicant attempts to register would be deceptively similar and not subject to registration.
>
> ... Applicant, having only two restaurants in one metropolitan area does not engage in interstate commerce.
>
> ...
>
> ... Opposer's corporate filing dates predate Applicant's use.

Applicant, in its answer, admits that it is related to Raleigh Ale House, Inc.; that applicant manages and is affiliated with two restaurants located in the cites of Raleigh, North Carolina and Cary, North Carolina; that with regard to opposer's allegation that "ALE HOUSE" is descriptive and "CAROLINA" is geographic, applicant has not claimed, and in fact has disclaimed, the exclusive right to use those terms in its application; and that applicant did not present any evidence of secondary meaning. Applicant has denied the remaining salient allegations in the opposition. In addition, applicant asserts that "whether opposer's corporate filing dates predate applicant's use of the mark herein is irrelevant to any issue of this proceeding."

The record includes the pleadings, the file of the involved application, and opposer's notices of reliance on evidence including the following: applicant's responses to certain discovery requests; copies of the articles of

incorporation filed with the State of North Carolina for opposer's four identified corporations; certified copies of portions of the registration files for JUPITER ALE HOUSE AND RAW BAR, JENSEN ALE HOUSE AND RAW BAR and BOYNTON ALE HOUSE AND RAW BAR ("ALE HOUSE AND RAW BAR" disclaimed in each), including copies of Office actions in those cases and copies of the registrations for those marks on the Supplemental Register issued to Jupiter Ale House, Inc., Jensen Ale House and Raw Bar, Inc., and Boynton Ale House and Raw Bar, Inc., respectively; and a copy of the Court of Appeals' decision in the prior litigation between Ale House Management, Inc. and Raleigh Ale House, Inc., together with portions of a memorandum of law filed by Raleigh Ale House, Inc. in the District Court case and portions of its answering brief in the appeal of that decision.

Applicant has objected to opposer's notice of reliance on the affidavit and accompanying exhibit of John W. "Jack" Miller, opposer's chief executive officer, wherein Mr. Miller identifies opposer's 35 "Ale House" restaurants and the dates on which each restaurant opened. Inasmuch as there was no agreement by the parties that opposer could file testimony in the form of an affidavit, applicant's motion to strike the affidavit and exhibit is well taken and is accordingly granted. See Trademark Rule 2.132(b) and TBMP §703.01(b) (2nd ed. rev. 2004). This evidence will be given no consideration.

Both opposer and applicant filed briefs. An oral hearing was held.

As to standing, although there is no direct evidence properly of record that opposer is engaged in the same services as applicant, applicant has acknowledged in its responses to certain interrogatories that opposer operates restaurants using the term "Ale House." Considering the minimal requirements necessary for standing, we find this showing sufficient to confer standing on opposer.[2]

The issues as framed by opposer are essentially as follows: whether applicant is estopped from registering its mark on the Principal Register on the basis of the prior litigation between Ale House Management Inc. and Raleigh Ale House Inc. ("Raleigh"), and the related question of whether applicant is judicially estopped by Raleigh's position in that case from denying that its mark is descriptive or generic; whether "CAROLINA ALE HOUSE" is descriptive and therefore unregistrable without a showing of acquired distinctiveness; whether applicant is estopped from registering its mark on the Principal Register in view of the USPTO's prior treatment of applications for four purportedly similar "ALE HOUSE" marks that issued on the Supplemental

[2] In fact, opposer has shown no other basis for standing. We note that opposer has not proven use of any mark or trade name or ownership of the identified registrations on the Supplemental Register.

Register; and whether applicant's mark was in use in commerce as of the filing date of the application.[3]

We turn first to the question of estoppel based on the prior litigation and the position taken by Raleigh in that case. Opposer argues that the issue of whether "ale house" preceded by a geographic location is entitled to registration has been determined in the prior litigation which, according to opposer, "addressed nearly the same issues and identical parties."[4] Opposer contends that the Court determined that "Ale House" preceded by a geographic location is generic and incapable of obtaining trademark protection. In particular, opposer states

[3] To the extent opposer was, or is, also attempting to assert priority and likelihood of confusion as a ground for opposition, the claim fails. Opposer has neither pleaded nor proven prior use of any mark or trade name (among other deficiencies, use as a corporate name is not necessarily use as a trade name); and opposer has neither pleaded nor proven any arguable claim of likelihood of confusion, having alleged only that if it had been allowed to register its asserted marks on the Principal Register there would be likelihood of confusion. Moreover, as opposer has presented no argument or evidence on its pleaded claim that applicant "misrepresented its actual identity," this claim is considered waived. Finally, to the extent opposer is claiming in its brief that applicant adopted its mark in bad faith, inasmuch as such claim was neither pleaded nor tried by the parties with applicant's consent, neither opposer's evidence nor its argument on this issue has been considered.

[4] Applicant admitted in its answer that Raleigh is applicant's "related" company, but this relationship is not entirely clear. Applicant states in response to opposer's interrogatories only that applicant is wholly owned by Lou Moshakos; that applicant manages two restaurants owned by Raleigh Ale House, Inc. and Cary Ale House, Inc.; and that applicant manages the Carolina Ale House located in Raleigh, North Carolina. Responses to Int. Nos. 1, 20 and 23. Nevertheless, there is no dispute by applicant that the relationship between Raleigh and applicant is sufficiently close that opposer's estoppel claim may appropriately be asserted against applicant.

that "in response to Applicant's intentional knock-off of Opposer's concept and trade name" (Brief, p. 2), opposer filed an action against applicant's related company for trademark infringement in the District Court for the Eastern District of North Carolina. According to opposer, Raleigh's defense in that case "was that the mark was generic and not entitled to any trademark protection whatsoever."[5] Id. Opposer states that the District Court granted Raleigh's motion for summary judgment and "specifically adopted [Raleigh's] argument that the mark is generic" (Id.) and that the Court of Appeals in affirming the judgment likewise adopted the reasoning of applicant. It is opposer's position that applicant is now denying that "the mark" (presumably applicant's CAROLINA ALE HOUSE and design mark) is either generic or descriptive.[6]

Opposer has not submitted a copy of the underlying District Court opinion, but it is clear that opposer has completely misstated, or at least misinterpreted, the Court of

[5] Opposer never identifies this "mark" but we presume opposer is referring to "Raleigh Ale House," the name of the restaurant involved in the prior litigation. Opposer suggests in its brief that the name "Raleigh Ale House" has since been changed to "Carolina Ale House." The Raleigh Ale House restaurant and Carolina Ale House located in Raleigh are apparently one and the same.

[6] In support of this position, opposer points to applicant's responses to discovery requests including admission requests wherein applicant denied that "the mark at issue" is descriptive or generic. We note that in the "definitions and instructions" section of opposer's discovery requests, the term "mark at issue" is defined as "CAROLINA ALE HOUSE FOOD SPORTS FUN as set forth in the trademark application at issue."

Appeals' findings in Ale House Management, Inc. v. Raleigh Ale House, Inc., 205 F.3d 137, 54 USPQ2d 1040 (4th Cir. 2000) and the position taken by Raleigh in that case.[7]

The background facts as described by the Court are as follows. AHM opened a chain of facilities in Florida selling food and alcohol and named each facility after its geographical location plus the words "ale House." The Court noted that AHM planned to expand the chain northward into states including North Carolina, but prior to committing to any specific expansion outside of Florida, AHM learned that Raleigh Ale House, Inc., as stated by the Court, "was preparing to open a facility in Raleigh named the 'Raleigh Ale House.'" The Court then went on to describe the physical appearance of that establishment.

The Court framed the issues on appeal by stating (emphasis added):

> "Ale House Management, Inc., [AHM] an operator of a small chain of facilities selling food and beer in Florida, seeks to enjoin Raleigh Ale House, Inc. from opening a similar type of facility in Raleigh, North Carolina. **Ale House Management asserts a proprietary interest in (1) the words 'ale house'** (2) both the exterior and interior appearance of its facilities, and (3) the copyright of its ...floor plan drawings."

[7] Since, according to opposer, the Court of Appeals essentially adopted the District Court's finding and applicant's reasoning therein, and because opposer has not submitted a copy of the District Court decision, we will focus solely on the Court of Appeals' decision.

Noting that AHM at oral argument focused its argument on the assertion that Raleigh had appropriated its trade name and trade dress by "deliberately copying" them, the Court stated:

> "Accordingly, before considering the significance of AHM's assertions of intentional copying, we must address whether AHM had an exclusive proprietary interest in either the words 'ale house' or the trade dress of its facilities."

The Court first addressed AHM's "claim to exclusive use of the words 'ale house,'" and specifically noting Raleigh's claim that "ale house" is generic, found that:

> "...Raleigh Ale House presented extensive evidence...that the term 'ale house' is generic...." ... "AHM...presented no evidence suggesting that "ale house" is not a generic term...."

The Court, therefore, concluded that:

> "AHM has no protectable interest in the words 'ale house.' They are generic words for a facility that serves beer and ale."

It is clear from a plain reading of the Court's decision that the only "mark", if any, asserted to be generic by Raleigh, and found to be generic by the Court, was opposer's asserted mark, "Ale House." It is equally clear that the Court made no finding whatsoever that "ale house" preceded by a geographic term is generic, as opposer claims, nor did the Court even address that question. Thus, opposer's estoppel claim on this basis is meritless.

Opposer's estoppel claim is also meritless because even if the Court had found that "ale house" combined with a geographic

location is generic, that finding would have no effect on this case. The question of whether CAROLINA and ALE HOUSE are descriptive and/or generic terms and whether applicant has shown that those terms have acquired distinctiveness is irrelevant to any issue in this proceeding. First, unlike the prior litigation wherein opposer claimed the exclusive right to use "ale house," applicant in this case has expressly disclaimed the exclusive right to use that term as well as the term "Carolina." Further, "the mark" in this case is not just the generic term "ale house" plus a geographic term. Applicant's mark also includes a design component, which opposer has completely ignored. Absent a claim, and proof, that this design component is not inherently distinctive, and there is no such claim or proof in this case, then the question of the distinctiveness of the mark is not before us and we must treat the mark as a whole as inherently distinctive. A mark that is inherently distinctive as a whole, notwithstanding the presence of descriptive or generic wording, is protectable and registrable on the Principal Register without a showing of acquired distinctiveness. See In re American Academy of Facial Plastic and Reconstructive Surgery, 64 USPQ2d 1748 (TTAB 2002).

As to the question of estoppel based on a prior Office determination, this claim must fail as well. The fact that opposer's applications were refused registration on the Principal

Register is simply irrelevant. The Board is not bound by an examining attorney's determination as to the registrability of other marks. See In re Pencils Inc., 9 USPQ2d 1410 (TTAB 1988). See also In re Nett Designs Inc., 236 F.3d 1339, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001) ("the PTO's allowance of such prior registrations does not bind the Board or this court"). It is fundamental that the registrability of each mark must be based on its own facts. See In re McDonald's Corporation, 230 USPQ 304 (TTAB 1986); and In re Hunter Publishing Co., 204 USPQ 957 (TTAB 1979). Unlike applicant's mark which contains an inherently distinctive design element, opposer's asserted marks, such as JUPITER ALE HOUSE AND RAW BAR, are in typed form and are comprised entirely of non-distinctive matter, that is, matter which is unregistrable on the Principal Register without a showing of acquired distinctiveness.

We turn then to the question of whether the mark was used in commerce as of the filing date of the application.

When the application was filed, applicant was operating a single-location restaurant in Raleigh, North Carolina under the mark CAROLINA ALE HOUSE and design.[8] Opposer bases its claim of nonuse in commerce on applicant's responses to admission requests wherein applicant admitted that it has not advertised its

[8] Applicant's second "CAROLINA ALE HOUSE" restaurant which is located in Cary, North Carolina opened on March 3, 2002, subsequent to the filing date of the application.

services to consumers outside of the State of North Carolina, and that the mark has never been used outside of the state of North Carolina. Applicant argues that opposer is judicially estopped from maintaining that the present mark is not used in commerce. Opposer did not respond to this argument.[9]

The doctrine of judicial estoppel is intended to protect the courts and the integrity of judicial proceedings against litigants who "play fast and loose with the courts." See Boston Chicken Inc. v. Boston Pizza International Inc., 53 USPQ2d 1053 (TTAB 1999) citing Data General Corp. v. GSA, 78 F.3d 1556, 1565 (Fed. Cir. 1996). As set forth in Boston Chicken Inc., in determining whether judicial estoppel applies, the following factors are considered: (1) judicial acceptance of the previously asserted inconsistent position; (2) risk of inconsistent results; (3) effect of the party's actions on the integrity of the judicial process; (4) perception that the tribunal has been misled; (5) reliance by the opposing party; (6) prejudice to the opposing party's case as a result of the inconsistent position; and (7) the party against whom estoppel is invoked must have received some benefit from the previously taken position. See Boston Chicken Inc., supra, citing Hartley v. Mentor Corp., 869 F.2d 1469, 10 USPQ2d 1138 (Fed. Cir. 1989); Water Technologies Corp. v. Calco Ltd., 850 F.2d 660, 7 USPQ2d

[9] Opposer did not file a reply brief.

1097 (Fed. Cir. 1988); Hybritech Inc. v. Abbott Lab., 849 F.2d 1446, 1454, 7 USPQ2d 1191 (Fed. Cir. 1988); and Jackson Jordon, Inc. v. Plasser American Corp., 747 F.2d 1567, 224 USPQ 1 (Fed. Cir. 1984).

In the prior litigation involving this very restaurant in Raleigh, North Carolina (formerly named "Raleigh Ale House"), and the "identical parties" according to opposer, one of opposer's claims against Raleigh was filed under Section 43(a) of the Trademark Act which requires that the defendant's use be in commerce, or at least in use that "affects" commerce. See, e.g., Larry Harmon Pictures Corp. v. Williams Rest. Corp., 929 F.2d 662, 18 USPQ2d 1292,1295 (Fed. Cir. 1991) (quoting In re Silenus Wines, Inc., 557 F.2d 806, 194 USPQ 261, 266-67 (CCPA 1977): "Courts have uniformly held, in the infringement context, that 'commerce' includes intrastate transactions that affect interstate commerce..."). Under the circumstances, and considering the position taken by opposer in the prior case, we find that opposer is judicially estopped in the present case from asserting that applicant's use of the mark was not in commerce.

Decision: The opposition is dismissed.