

Hearing:
October 29, 1998

Paper No. 57
BAC

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT OF THE TTAB

AUG, 6, 99

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Lone Star Steakhouse & Saloon, Inc.

v.

Cedar Hills Ribs, Inc.

Opposition No. 94,671
to application Serial No. 74/386,151
filed on April 29, 1993

Jeffery A. Handelman of Brinks Hofer Gilson & Lione for Lone
Star Steakhouse & Saloon, Inc.

D. Randall King and Scott W. Johnston of Merchant, Gould,
Smith, Edell, Welter & Schmidt, P.A. for Cedar Hills Ribs,
Inc.

Before Quinn, Walters and Chapman, Administrative Trademark
Judges.

Opinion by Chapman, Administrative Trademark Judge:

An intent-to-use application was filed by Cedar Hills
Ribs, Inc. on April 29, 1993 to register the mark shown
below

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for "restaurant services." Applicant disclaimed the terms "Grill and Bar."

Lone Star Steakhouse & Saloon, Inc. has opposed registration of the mark, alleging that opposer, directly and through related companies, since prior to applicant's filing date, has provided restaurant services and sold various items of clothing under the service marks, trademarks and trade names LONE STAR and LONE STAR STEAKHOUSE & SALOON, alone and in conjunction with other words and designs, including the design of a five-point star; that opposer is the owner of Registration No. 1,731,247 for the mark shown below

for "clothing, namely, men's and women's sport shirts, sweat shirts, polo shirts and caps"¹; that "the dominant portion of Applicant's mark--LONE SPUR--and the dominant portion of Opposer's marks--LONE STAR--are strikingly similar in appearance, sound and commercial impression, and both parties use their marks in association with restaurant services"; and that applicant's mark, if used in connection

¹ Reg. No. 1,731,247, issued November 10, 1992, Section 8 affidavit accepted, Section 15 affidavit acknowledged. The claimed date of first use is October 1989.

with its restaurant services, would so resemble opposer's various previously used and registered marks, as to be likely to cause confusion, mistake, or deception.

Applicant denied the salient allegations of the notice of opposition.

The record consists of the pleadings; the affidavit testimony² (with exhibits) of Gerald T. Aaron, opposer's senior vice president, general counsel and secretary; opposer's notice of reliance on portions of the discovery deposition (with exhibits) of David I. Segal, applicant's secretary and treasurer, and on status and title copies of opposer's pleaded registration and two additional registrations; the affidavit testimony (with exhibits) of David Segal,; applicant's notice of reliance on portions of the discovery depositions (with exhibits) of Gerald T. Aaron and Dennis Lee Thompson, opposer's senior vice president of real estate and a director on the board, certain of opposer's answers to interrogatories, copies of portions of opposer's annual reports³, copies of several third-party registrations, and copies of printed publications from the dictionary and from the Nexis database; and the rebuttal

² The parties filed a written stipulation that certain testimony may be submitted in affidavit form pursuant to Trademark Rule 2.123(b).

³ Annual reports are not normally admissible by way of notice of reliance (see TBMP §708, and cases cited therein). However, inasmuch as opposer made no objection thereto (see TBMP §718.04), these materials have been considered by the Board.

affidavit (with exhibits) of Gerald T. Aaron.

Both parties filed briefs on the case⁴, and an oral hearing was held before this Board on October 29, 1998.

As noted above, opposer has filed status and title copies of three registrations, including its pleaded registration for the mark LONE STAR STEAKHOUSE & SALOON and design⁵, as well as two other registrations (all three of which opposer owns by assignment) for the mark shown below:

⁴ The portions of discovery depositions made of record herein included a few objections by counsel. None of the objections were preserved by raising same in the briefs on the case. See TBMP §718.04.

⁵ The status and title copy of opposer's Registration No. 1,731,247, submitted under a notice of reliance was prepared by the Patent and Trademark Office in September 1996, and thus, does not include information as to the Section 8 affidavit, which was due on November 10, 1998. The records of this Office indicate that opposer timely filed a combined Section 8 and 15 affidavit, and that said combined affidavit was accepted by this Office.

When a registration owned by a party has been properly made of record in an inter partes case, and there are changes in the status of the registration between the time it was made of record and the time the case is decided, the Board will take judicial notice of, and rely upon, the current status of the registration as shown by the records of the Patent and Trademark Office. See TBMP §703.02(a), at page 700-10, and the cases cited therein. The Board hereby takes judicial notice of the current status of opposer's pleaded registration.

Further, we note that the affidavit of Gerald T. Aaron refers to opposer's application Serial No. 74/248,299, which issued on March 9, 1999 as Registration No. 2,229,771 for the same mark for "restaurant services." The claimed first use date is October

Reg. Nos. 1,155,907 and 1,318,227.⁶

In view of opposer's ownership of a valid and subsisting registration for the mark LONE STAR CAFE and design for restaurant services, and nightclub services, the issue of priority does not arise. See King Candy Company v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 (CCPA 1974); and Humana Inc. v. Humanomics Inc., 3 USPQ2d 1696 (TTAB 1987). Moreover, the evidence clearly shows that opposer's first use (October 1989) preceded the filing date of applicant's intent-to-use application (April 1993).

Thus, the sole issue before the Board is likelihood of confusion. Based on the record before us in this case, we find that confusion is not likely.

Opposer operates over 200 restaurants throughout the

1989, and there is a disclaimer of the words "steakhouse & saloon."

⁶ Reg. No. 1,155,907, issued May 26, 1981, Section 8 affidavit accepted, Section 15 affidavit acknowledged, for "restaurant services" and "nightclub services featuring musical entertainment," with claimed dates of first use of February 2, 1977. The term "cafe" is disclaimed.

Reg. No. 1,318,227, issued February 5, 1985, Section 8 affidavit accepted, Section 15 affidavit acknowledged, for "adult clothing for everyday wear, namely, men's and women's jackets, sweatshirts, t-shirts, hats, ball caps, vests, boots, shoes, socks, shirts, jeans and trousers" and "tie tacks and belts," with a claimed date of first use of February 1977.

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United States, having opened the first one in North Carolina in October 1989. Opposer's business grew from approximately 8 restaurants in 1991 to over 200 in 1996. According to Mr. Dennis Thompson, opposer's senior vice president of real estate and a director, approximately 3 of opposer's restaurants operate under the mark LONE STAR CAFE, and the remainder operate under the mark LONE STAR STEAKHOUSE & SALOON. Opposer has a medium-priced menu, offering a variety of items such as steaks, chicken, fresh fish, burgers, and kabobs. The atmosphere is that of a "Texas roadhouse" featuring country western music, free buckets of roasted peanuts with peanut shells on the floor, and the like.

Opposer's revenues have grown from gross sales of \$4,360,000 in 1990 to over \$4,000,000,000 in 1996; and since 1990 opposer has spent over \$2,645,000 on advertising and promotional expenditures, generally advertising in newspapers, magazines, and through direct mail, by couponing, and on the radio and television. Further, the record is clear that opposer has received media coverage in local and national publications, in the nature of restaurant reviews as well as business stories about the success of opposer corporation.

Applicant corporation is located in New Hope, Minnesota. Although the involved application is based on

intent to use, the record shows that applicant opened a restaurant in Minnetonka, Minnesota under the mark LONE STAR GRILL AND BAR in February 1991; and that upon receipt of a cease and desist letter from opposer, applicant changed the name to LONE SPUR GRILL AND BAR in February 1994.

Applicant's restaurant is moderately priced, and is "tex-mex," offering a Southwestern cuisine such as fajitas, tacos, quesadilla, enchilada, pork and beef ribs and beef brisket, but offering only one steak item. Applicant advertises in newspapers, magazines, on billboards, and by direct mail couponing.

Our determination of likelihood of confusion must be based on our analysis of all of the probative facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. See *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

In the present case, both opposer and applicant offer "restaurant services." Opposer's additional "nightclub services featuring musical entertainment" are closely related to applicant's restaurant services. Finally, opposer's clothing items are collateral goods presumably sold in connection with the restaurant and nightclub services. Thus, we find that applicant's services and opposer's goods and services are identical or closely related.

Inasmuch as neither applicant's application nor opposer's registrations include any type of restriction as to trade channels or purchasers, we must presume that the involved services and goods are sold in all the normal channels of trade to the normal classes of purchasers for such services and goods. See *Canadian Imperial Bank of Commerce, N.A. v. Wells Fargo Bank*, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987); and *In re Smith and Mehaffey*, 31 USPQ2d 1531 (TTAB 1994). We find that the channels of trade and the classes of purchasers are the same.

It is our consideration of the similarity or dissimilarity of the marks which is pivotal in this case. See *Kellogg Co. v. Pack'em Enterprises Inc.*, 951 F.2d 330, 21 USPQ2d 1142 (Fed. Cir. 1991). Opposer contends that the dominant portions of the respective marks are LONE STAR (opposer) and LONE SPUR (applicant); that the dominant features are similar in sound and appearance, and both project a "Texas" or "cowboy" theme; and that applicant's use of a star in the design portion of its mark reinforces "the conceptual similarities" in the marks. Applicant contends that its mark is completely different in sound, appearance and commercial impression from either and both of opposer's involved marks. Specifically, applicant argues that the word "LONE" is the only word the respective marks have in common; that each mark has a wholly distinct design;

that opposer's mark "LONE STAR" connotes the State of Texas, and opposer's design mark featuring the five-pointed star resembling a badge conveys an "Old West" image, whereas applicant's mark "LONE SPUR" is suggestive of a Southwestern image.

It is well settled that marks must be considered in their entirety. As the Court of Appeals for the Federal Circuit stated in the case of *In re Electrolyte Laboratories Inc.*, 913 F.2d 930, 16 USPQ2d 1239 (Fed. Cir. 1990), "There is no general rule as to whether letters or design will dominate in composite marks; nor is the dominance of letters or design dispositive of the issue. No element of a mark is ignored simply because it is less dominant, or would not have trademark significance if used alone. See *Spice Island, Inc. v. Frank Tea & Spice Co.*, 505 F.2d 1293, 184 USPQ 35 (CCPA 1974) (improper to ignore portion of composite mark.)." Subsequently, in the case of *In re Hearst Corp.*, 982 F.2d 493, 25 USPQ2d 1238 (Fed. Cir. 1992), the Court stated "Marks tend to be perceived in their entirety, and all components thereof must be given appropriate weight. See *Opryland USA Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992)."

Thus, we consider applicant's mark and opposer's marks in their entirety. When so viewed, we find that the involved marks are quite different in appearance,

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connotation, and overall commercial impressions. See *Hard Rock Cafe Licensing Corp. v. Elsea*, 48 USPQ2d 1400 (TTAB 1998); and *General Mills Inc. v. Health Valley Foods*, 24 USPQ2d 1270 (TTAB 1992).

The words "LONE STAR" have a distinct meaning and a clear association with the state of Texas. Applicant submitted Webster's New World Dictionary which has an entry for "Lone Star State" as "nickname of Texas"; and several Nexis stories which appeared in newspapers or magazines referring to both "Texas" and to "Lone Star" or "Lone Star state." This "Texas" connection or suggestion would be obvious to the purchasing public.

Applicant's word mark, on the other hand is "LONE SPUR" which has a suggestion of the West or the Southwest, but not specifically, Texas. The only element shared in common between applicant's and opposer's marks is the term "LONE."

Opposer's argument that LONE STAR and LONE SPUR both convey "cowboy" or "Old West" connotations ignores the very clear and specific meaning of LONE STAR as the nickname of Texas and the very distinct and separate design features of the involved marks.

The design elements of the respective marks are also significant factors in the overall commercial impressions of the marks. The separate and stylized lettering and the separate and stylized design features of opposer's marks are

not similar to the stylized lettering and design of applicant's applied-for mark. One of opposer's marks includes Western stenciled-type lettering with a five-pointed star which resembles a sheriff's badge and a line drawn between the words "steakhouse" and "saloon."

Opposer's LONE STAR CAFE mark appears in more art-deco script with the short end of the "L" in the word "lone" underlining the words and curving off to form a circle which encloses therein a design of a five-pointed star (not resembling a sheriff's badge) and the word "cafe."

Applicant's mark is obviously a line drawing the outline of a mountain range with a five-pointed star in the sky over the mountains.⁷ The mere existence of a star in applicant's mark does not support a finding of likelihood of confusion between these marks.⁸ And the stylized lettering in applicant's mark is also distinct from either of opposer's styles of lettering. The words "CAFE" and "STEAKHOUSE & SALOON" in opposer's marks and the words "GRILL AND BAR" in

⁷ One of applicant's advertisements (submitted by applicant) shows the star directly over the "R" in the word SPUR, rather than in the sky over the mountains. Although we find this use to be curious, it is not the mark as applied-for by applicant, which is what we must consider.

⁸ Opposer's argument that "a spur is star-like in shape and carries a strong association with Texas, the Lone Star State." (Opposer's brief, p. 12) is not proven. To the contrary, opposer submitted a dictionary definition of "spur" which clearly states that a spur includes a "pointed or rowel-tipped projection." A part of a spur is shaped like a wheel or a star, but a spur is not shaped like a star. Opposer's two Nexis stories which include both the words "Texas" and "spur" are insufficient

applicant's mark are generic or highly descriptive words for restaurant services, but are nonetheless another difference when considering the marks in their entireties.

Applicant's mark is different in appearance, meaning, and commercial impression or image from the marks of opposer.

The next du Pont factor we look at in this case is the fame of opposer's marks. Opposer contends that its marks "have been extensively used and promoted" and "are strong marks entitled to broad protection." (Opposer's brief, p. 9).

The record certainly establishes that opposer has achieved success in expanding its business, as evidenced by the various articles about opposer as a business and by the large increase in the number of restaurants and in sales revenues. Opposer's LONE STAR STEAKHOUSE & SALOON mark is of some renown, as evidenced by the numerous reviews of its restaurants, and other stories regarding opposer's restaurants, and the growth in the number of opposer's restaurants and opposer's sales revenues.⁹ However, there is no evidence of consumer recognition of opposer's marks,

evidence to prove a strong connection of spurs with Texas specifically rather than with the West in general.

⁹ We note that opposer's sales revenues and advertising figures are not broken down by category of opposer's LONE STAR CAFE mark and opposer's LONE STAR STEAKHOUSE & SALOON mark. Based on the testimony of Dennis Thompson, we presume the vast majority of the sales and advertising figures relate to the LONE STAR STEAKHOUSE

which would show that opposer's mark is famous and entitled to a broad scope of protection. See Fossil Inc. v. Fossil Group, 49 USPQ2d 1451, 1457 (TTAB 1998). Cf. Kenner Parker Toys Inc. v. Rose Art Industries Inc., 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992); and Century 21 Real Estate Corp. v. Century Life of America, 970 F.2d 874, 23 USPQ2d 1698 (Fed. Cir. 1992). Opposer's marks, LONE STAR STEAKHOUSE & SALOON and design and LONE STAR CAFE and design may be of some renown, but there is not sufficient evidence to establish that these marks are famous in the understanding of the purchasing public.

Related to both the scope of protection afforded to opposer's marks, and to the question of the number and nature of similar marks in use by others for similar goods or services, applicant contends that opposer's marks are weak because the words "LONE STAR" are "highly descriptive" of opposer's services, and because the words "LONE STAR" are in widespread use by third-parties. (Applicant's brief, p. 13). In support of applicant's assertion that opposer's mark, LONE STAR, is descriptive applicant offered the dictionary definition of "Lone Star" as the nickname of Texas; and applicant's discovery deposition of Dennis Thompson, opposer's vice president of real estate and a director, wherein when asked by applicant's attorney "Is

& SALOON mark, and not to the LONE STAR CAFE mark. In any event,

Lone Star descriptive of the State of Texas?," Mr. Thompson answered "I believe it is."

Applicant also referenced a decision of the U.S. Court of Appeals for the Eleventh Circuit in the case of Lone Star Steakhouse & Saloon Inc. v. Longhorn Steaks Inc., 106 F.3d 355, 41 USPQ2d 1896 (11th Cir. 1997), modified on rehearing, 122 F.3d 1379, 44 USPQ2d 1217 (11th Cir. 1997).

Opposer contends that LONE STAR is suggestive and inherently distinctive as established by the court in the case of Lone Star Steakhouse & Saloon Inc. v. Alpha of Virginia, Inc., 43 F.3d 922, 33 USPQ2d 1481 (4th Cir. 1995), wherein that court stated that "the 'Lone Star' mark as used by Lone Star Steakhouse is suggestive." We are aware that the Fourth Circuit case involved a defendant restaurant in Virginia using the mark LONE STAR GRILL (and defendant opened a second such restaurant in Baltimore, Maryland after the lawsuit was commenced); and that in the Eleventh Circuit case the defendant operated two restaurants in Atlanta, Georgia under the mark LONE STAR STEAKS. The Eleventh Circuit Court commented as follows on the previous Fourth Circuit case:

"In the case before us, the district court reached a contrary conclusion on somewhat similar facts."and

"With great respect for the Fourth Circuit, we believe the district court correctly applied the controlling principles of law." 41 USPQ2d at 1902.

this fact is not determinative of the issue before us.

We note these two Circuit Court cases, but our finding on the issue of likelihood of confusion must be made independently and in relation to the marks and the parties before us.

Much of applicant's evidence of specific third-party uses of the term LONE STAR (e.g., LONE STAR STEAKS in Georgia, LONE STAR GRILL in Virginia, LONE STAR OYSTER BAR YACHT CLUB in Texas, LONE STAR OYSTER BAR in Florida, LONE STAR RESTAURANT in Green Bay, Wisconsin, LONE STAR COFFEE in Michigan) is countered by opposer's evidence that these uses have been pursued by opposer, several resulting in litigation and/or settlement agreements.

Applicant also properly made of record search reports produced by opposer in response to applicant's interrogatories, including, for example an electronic Dun & Bradstreet Yellow Pages report of its search of "LONE STAR STEAKS" and "TEXAS ROSE STEAKHOUSE," dated January 1991, and listing numerous pages of entities which use the term LONE STAR in relation to restaurants, eateries and bars. These reports are accepted under Fed. R. Evid. 803(17) as exceptions to the hearsay rule. See *In re Broadway Chicken Inc.*, 38 USPQ2d 1559, 1565 (TTAB 1996). However, while these materials are not excluded by the hearsay rule, such lists do not prove use of the asserted trademarks or trade

names, or the public awareness thereof. Similarly, applicant's copies of third-party registrations do not prove commercial use or that the public is familiar with the marks.

However, opposer's senior vice president, general counsel and secretary, Gerald Aaron, testified that "there have been people in the state of Texas using Lone Star that I have not written to." (Dep. pp. 31-32). Also, opposer acknowledged an awareness of LONE STAR used on beer, and LONE STAR used on bakery products. He did not testify that any action had been taken with regard to any of these entities.

Excluding the examples of uses which opposer has shown are the subject of disputes and/or agreements with opposer, and giving the search reports and third-party registrations very little probative value, we find there is insufficient evidence to prove that there are significant third-party uses of the term LONE STAR on restaurants or related goods and services.

The absence of any actual confusion is not a crucial factor to our decision. The absence of confusion is not surprising given the differences between applicant's mark and opposer's marks, the relatively short duration of use by applicant of its mark, and the absence of use by opposer in the state of Minnesota.

The Trademark Act does not speak in terms of remote possibilities of confusion, but rather, the likelihood of such confusion occurring in the marketplace. Our primary reviewing court has stated that more than a mere possibility of confusion must be shown; instead, there must be demonstrated a probability or likelihood of confusion. See *Electronic Design & Sales Inc. v. Electronic Data Systems Corp.*, 954 F.2d 713, 21 USPQ2d 1388, 1391 (Fed. Cir. 1992), quoting from *Witco Chemical Company, Inc. v. Whitfield Chemical Company, Inc.*, 418 F.2d 1403, 164 USPQ 43 (CCPA 1969) as follows: "We are not concerned with mere theoretical possibilities of confusion, deception, or mistake or with *de minimis* situations but with the practicalities of the commercial world, with which the trademark laws deal." See also, *Triumph Machinery Company v. Kentmaster Manufacturing Company Inc.*, 1 USPQ2d 1826 (TTAB 1987).

Notwithstanding the identity or relatedness of the services and goods, under the du Pont test, we conclude that confusion is unlikely in this case.

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Decision: The opposition is dismissed.

T. J. Quinn

C. E. Walters

B. A. Chapman
Administrative Trademark
Judges, Trademark Trial and
Appeal