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**Forum**

# Zankou Chicken Ruling Leaves a Confusing Mark

By Dylan Ruga

I'll have a thigh, a wing, some garlic sauce, and a piece of your trademark. In *Iskenderian v. Iskenderian*, 2006 DJDAR 15221 (Nov. 17, 2006), the 2nd District Court of Appeal carved up the rights in the Zankou Chicken mark and left each of three family members with a one-third interest and joint ownership. Although the result may have been fair to the parties involved — joint ownership of a mark on identical goods with no restrictions on where each joint owner can exploit the mark — undoubtedly it leads toward consumer confusion, which is antithetical to the purpose of trademark law.

The original Zankou Chicken restaurant was opened in Hollywood by Vartkes Iskenderian and his wife, Markrid. They had two daughters and a son, Mardiros. After Vartkes' death in 1992, Markrid created a trust and assigned all of her rights and interest in the Zankou Chicken business and trademark to her three children. In 2003, Mardiros, who had been diagnosed with cancer two years prior, shot and killed his mother, one of his sisters, and himself.

The legal battle that ensued centered around the surviving heirs' rights in the Zankou Chicken registered trademark. Mardiros' widow, Rita, argued that Markrid's trust was invalid because the law does not permit joint ownership of the trademark. The court disagreed and explained that "federal law expressly permits concurrent registrations of marks under certain circumstances." Therefore, the court concluded, Markrid's trust was valid and the trademark is to be divided among the heirs.

The court was correct that concurrent trademark registrations are sometimes permitted, but erred by overlooking the need to restrict registrations to geographic territories or otherwise prevent consumer confusion.

The purpose of trademarks is to protect the public from confusion by accurately indicating the source of a product. Two marks in the same class of goods that closely resemble each other in sight or sound generally are not permitted because consumers likely will be confused about who produced the goods (for example, the marks "Dell" and "Delle" cannot both be used on computers). Section 2(b) of the federal Lanham Act states that a mark will not be registered if, when connected to the applicant's goods or services, it is likely to cause confusion with a previously registered mark or any mark that previously has been used somewhere in the United States.

In rare instances, the United States Patent and

Trademark Office permits concurrent registration of a mark. Concurrent registration is allowed only if the goods are used in different geographic areas and if the patent office determines that such use will not cause a likelihood of consumer confusion.

In *Houlihan v. Parliament Import Co.*, 921 F.2d 11258 (Fed. Cir. 1990), the owner of the mark "BAREFOOT BYNUM" (for use on wine) assigned his rights to an individual, Houlihan, and to an unrelated entity, Parliament Import Co. Houlihan and Parliament agreed that they both would continue to use the mark on wine, but they agreed to exploit the mark only in distinct territories. Houlihan had the rights to use the mark in Alaska, Hawaii, Oregon, Washington and California; Parliament had the rights to the remainder of the United States. Houlihan subsequently opposed Parliament's application for concurrent registration with the patent office on the grounds that the original assignment of the trademark was invalid because it divided a trademark between two owners.

The Federal Circuit agreed with the Trademark Trial and Appeal Board's determination that concurrent registration of the BAREFOOT BYNUM mark was permissible. It did not matter that the concurrent users both obtained their rights from the same source, because "the criteria for granting concurrent registrations relate not to the prior ownership of the mark but to the likelihood of confusion resulting from such concurrent use." The court found that there would be no likelihood of confusion if the parties used their marks in their respective territories, particularly because the evidence demonstrated that both parties used point-of-sale advertising exclusively to market their wine.

Similarly, in *Pinocchio's Pizza Inc. v. Sandra Inc.*, 11 U.S.P.Q.2d 1227 (1989), the Trademark Trial and Appeal Board allowed concurrent registrations of the marks "Pinocchios" and "Pinocchio's" for pizza restaurants. The first entity to register the mark (the senior user) obtained a geographically unrestricted registration, but used the mark only on one restaurant in Maryland that had less than five employees. The junior user applied for a concurrent registration for use of the mark on its 10 pizza restaurants in Texas and additional restaurants in other states that it intended to franchise.

The trademark board explained that, because the "Pinocchios" and "Pinocchio's" marks are virtually identical and the services are identical, confusion was "not only likely, but certain" if the marks were used in the same geographical area. The trademark

board thus granted the junior user's request for concurrent registration, but restricted the geographical territories. The senior user was given rights in Maryland and the 50-mile radius around its existing restaurant; the junior user was given rights in the remainder of the United States.

A final example is *Weiner King, Inc. v. The Weiner King Corporation*, 615 F.2d 512 (C.C.P.A. 1980), in which the senior user used the mark "Weiner King" on three hot dog restaurants in New Jersey. The senior user limited its advertising to a 15-mile radius around the town of Flemington. The senior user did not, however, register the mark with the patent office. The junior user subsequently registered and used the same mark on over 100 restaurants in 20 states. The senior user petitioned the patent office to cancel the junior user's registrations based on prior use.

The court explained that concurrent registrations of identical marks are permitted under the Lanham Act so long as "conditions and limitations" are imposed to prevent consumer confusion. Accordingly, the court granted the senior user the rights to use the mark in Long Beach Island and in a 15-mile radius around Flemington. The right to use the mark in the remainder of the United States was granted to the junior user.

*Houlihan, Pinocchio's and Weiner King* all held that concurrent registrations of identical, or nearly identical, marks were appropriate. Each of those cases, however, also recognized the need to impose geographical limitations on the marks in order to eliminate a likelihood of consumer confusion.

In *Iskenderian*, the court erred by failing to impose similar restrictions on the Zankou Chicken mark. The result is that the six Zankou Chicken establishments operating in Southern California each could be separately owned and thus offer different quality foods, different prices, and different dining experiences. Consumers will undoubtedly be confused if the Zankou Chicken in Burbank is different than the Zankou Chicken in Glendale.

While the *Iskenderian* court should be commended for its desire to reach an equitable result in difficult factual circumstances, it failed to consider adequately the potential harm from certain consumer confusion related to the Zankou Chicken mark. The decision, therefore, does more harm than good and should be reversed.

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