

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

BUC-EE'S, LTD.

Plaintiff,

v.

**SHEPHERD RETAIL, INC.,
BLANCO RESTAURANT, INC.,
LIVE OAK RETAIL, INC., AND
HARLOW FOOD, INC.**

Defendants.

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CIVIL ACTION NO. 4:15-CV-03704

**DEFENDANTS' SHEPHERD RETAIL, INC., BLANCO
RESTAURANT, INC., LIVE OAK RETAIL INC, AND
HARLOW FOOD, INC. OPPOSED MOTION TO DISMISS FOR
FAILURE TO STATE A CLAIM AND MOTION TO
TRANSFER VENUE AND BRIEF IN SUPPORT**

Defendants, Shepherd Retail, Inc., Blanco Restaurant, Inc., Live Oak Retail Inc. and Harlow Food, Inc., request the dismissal of this case pursuant to Federal Rules of Civil Procedure 12(b)(3) and (6) due to improper venue and for failure to state a claim upon which relief can be granted, or in the alternative, makes a motion to transfer venue to the United States District Court for the Western District of Texas, San Antonio Division.

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I.
SUMMARY OF ARGUMENT

Plaintiff Buc-ee's Amended Complaint against Defendants, Shepherd Retail, Inc., Blanco Restaurant, Inc., Live Oak Retail Inc. and Harlow Food, Inc., should be dismissed for the following reasons:

1. Defendants' Alligator Logo cannot infringe a distinctly different Beaver logo because Plaintiff Buc-ee's cannot monopolize every "friendly smiling cartoon animal" wearing any hat and having a red tongue.

2. The United States District court for the Southern District of Texas- Houston Division is not the proper venue to hear this matter pursuant to 28 U.S.C. § 1391 because the only colorable claim is trade dress infringement which occurred only in the Western District of Texas.

3. Plaintiff has failed to state a claim upon which relief can be granted for alleged trade dress and Federal, Texas State and common law trademark infringement, Texas State trademark dilution, unjust enrichment, false designation of origin and false representation under 15 USC §1125, unfair competition and misappropriation. Defendants' trademark is not similar to Plaintiff's trademark and the discrete claimed trade dress features are functional and utilitarian and generic and cannot be monopolized under the guise of trade dress.

II.
INTRODUCTION

Plaintiff, BUC-EE'S Ltd. ("Buc-ee's") filed a civil action claiming trade dress infringement under 15 U.S.C. § 1125(a), statutory trademark infringement under 15 U.S.C. § 1114 and Texas law, Texas Business and Commerce Code § 16.102, violations of the Texas Anti-Dilution Statute, common law trademark infringement, unjust enrichment, unfair competition and misappropriation

to try and intimidate Defendants from opening a large travel center on Interstate 10 between Houston and San Antonio.

Defendants have been operating convenience stores in Texas for over a decade. In 2012 Defendants opened a standalone barbeque restaurant in Whitsett, Texas which appears as follows:

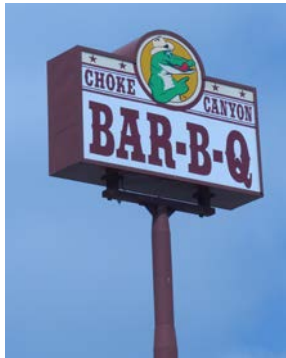


At about the same time Defendants opened a convenience store about 75 feet from restaurant that appears as follows:



Defendants operate a similar but larger standalone Choke Canyon barbeque restaurant at 1510 Blanco Rd, San Antonio, TX 78260. The following sign on a 50 feet high pole along with a similar EXXON sign appears at IH 35 and Texas Hwy. 99 at Whitsett, Texas which shows the Alligator

Logo and CHOKE CANYON BAR-B-Q. Defendants also use their Alligator Logo alone.



The animal on the Choke Canyon wall sign of Defendants' convenience store is the famous EXXON tiger. Defendants have been using the CHOKE CANYON BBQ plus design mark on the standalone restaurant since 2012 without complaint by Plaintiff until this suit. Defendants are at a complete loss as to any tenable basis for the complaint about their standalone CHOKE CANYON BBQ restaurant and Alligator Logo trademark and service mark other than to manufacture a basis for venue in the Houston court. In the restaurant and at the convenience store Defendants sell the numerous private labeled products show in paragraphs 38, 40, 42 44, and 50 of the Plaintiff's First Amended Complaint, Dkt. 13 that include their Alligator Logo. Many other convenience stores and travel centers sell the identical products.

The only real basis for this suit is that in January of 2015 Defendants opened a larger convenience store, about 15,000 sq. ft., in Atascosa, Texas, under the names PARADOR and CHOKE CANYON TRAVEL CENTER and EXXON with a small CHOKE CANYON BBQ restaurant inside the store. Defendants use the store signage shown in paragraph 46 and structural features shown in paragraphs 48 and 50 of the Plaintiff's First Amended Complaint, Dkt. 13., at the new store. The gable entrance has a domed sky like appearance with the Alligator Logo at both ends. The accused store and signs is as follows:





Other portions of the store that are alleged to infringe Plaintiff's trade dress are also shown in paragraphs 46 and 48 of the Plaintiff's First Amended Complaint, Dkt. 13.

Plaintiff alleges that the Defendants' stores copied "the concept, design, and trade dress of Plaintiff's convenience stores and travel centers." Several of Plaintiff's stores on Interstate 10 and 35 are notorious for being 50,000 sq. ft. and bigger so Defendants did not do a good job of copying. It is also alleged that Defendants' actions are creating confusion in the marketplace because their "store design copies the look and feel of BUC-EE'S stores." Other than including a laundry list of discrete structural features like larger clean bathrooms, numerous checkout station and numerous gas pumps, the "look and feel" is a mystery and furthermore not remotely protectable under the guise of "trade dress." Plaintiff further claims the "Defendants are marketing their business using an alligator logo that infringes on the federally registered trademarks of BUC-EE'S" which is the Beaver logo.

Plaintiff also claims its following "artistic font used in BUC-EE'S is also distinct, with

rounded and curved lettering” which is not part of the above two asserted word mark registrations and not used by Defendants:

BUC-EE'S

Defendant claims the following marks are confusingly similar:



Defendants' Alligator Logo is also registered as a service mark in the U.S. Patent and Trademark Office, U.S. service mark registration No. 4,446,867, granted December 10, 2013 for “retail gasoline supply services; retail store services featuring convenience store items and gasoline.” To put it in context, Defendants' Alligator Logo also appears on Defendant's standalone barbeque restaurant at 21510 Blanco Road, San Antonio, Bexar County, TX 78212 as follows:



The Defendant's Alligator Logo also sometimes appears as black and white and in color depending on the media and label or sign requirements. The Defendant's Alligator Logo with and without the words, CHOKE CANYON BAR-B-Q, appears on numerous private labeled goods and on signs outside and inside the restaurant at Defendant's PARADOR SAN ANTONIO convenience store at 16565 Shepherd Road, Atascosa, Bexar County, Texas 78002.

Plaintiff incredibly asserts that it has the exclusive right to use "a friendly smiling cartoon animal" regardless of the type of animal for convenience store services. Plaintiff claims infringement because "Defendants have copied the BUC-EE'S Marks with: (1) the use of a black circle encompassing the alligator (compare to the black circle around the beaver), (2) use of a yellow background (compare to the yellow surrounding the beaver), (3) use of the red-colored tongue of the alligator (compare to the red hat on the beaver), (4) prominent use of sharply drawn black edges for the alligator mascots (compare to the sharp crisp black edges defining the beaver." Plaintiff does not mention the friendly smiling cartoon animal that Defendants also have been using for over a decade, namely, the EXXON Tiger, on Defendants' convenience stores and who will "PUT A TIGER IN YOUR TANK." Even TONY THE TIGER could not put a stop to the smiling cartoon animal of the EXXON TIGER. *See Kellogg Co. v Exxon Mobil Corp.*, 209 F.3d 562 (6th Cir.), cert denied, 531 U.S. 944 (2000); *Kellogg Co. v. Exxon Mobil Corp.*, 59 U.S.P.Q.2d

1551 (W.D. Tenn. 2001). Plaintiff will doubtfully have any better luck convincing anyone that an alligator infringes a beaver.

“To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell ATL. Corp. v. Twombly*, 550 U.S. 554, 570 (2007)). A claim is facially plausible when the plaintiff has pled sufficient facts to allow the court “to draw the reasonable inference the defendant is liable for the misconduct alleged.” *Id.* Plaintiff’s use of conclusory statements void of factual support are not sufficient to allow the reasonable inference that Defendants are liable for infringement and dilution of Buc-ee’s trademarks and/or trade dress, or any other form of unfair competition. *See id.* Consequently, the claims made by Plaintiff are not facially plausible and, therefore, must be dismissed. *See id.*

III. **STANDARD OF REVIEW**

Federal Rule of Civil Procedure 12(b)(3)

Venue for trademark infringement claims are governed by the general federal venue statute, 28 U.S.C. § 1391(b). When venue is challenged, the court must determine whether the case falls within one of the three categories set out in § 1391(b). If it does, venue is proper; if it does not, venue is improper, and the case must be dismissed or transferred under 28 U.S.C. § 1406(a). *Atl. Marine Constr. Co. v. United States Dist. Court*, 134 S. Ct. 568, 573 (2013).

Federal Rule of Civil Procedure 12(b)(6)

Defendants move to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6), arguing that Buc-ee’s has failed to state a claim for which relief can be granted. A Rule 12(b)(6) motion to dismiss requires accepting as true the factual allegations contained in the complaint and construing the complaint in the light most favorable to the plaintiff. *Vulcan Materials Co. v. City of*

Tehuacana, 238 F.3d 382, 387 (5th Cir. 2001). The motion should be denied if the plaintiff's complaint "contains sufficient factual matter 'to state a claim to relief that is plausible on its face.'" *Ashcroft*, 556 U.S. at 678 (quoting *Twombly*, 550 U.S. at 570).

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However, a party seeking to avoid dismissal "must plead specific facts, not mere conclusory allegations." *Guidry v. Bank of LaPlace*, 954 F.2d 278, 281 (5th Cir. 1992). Furthermore, courts "are not required to accept as true conclusory allegations which are contradicted by documents referred to in the complaint." *Warren v. Fox Family Worldwide, Inc.*, 328 F.3d 1136, 1139 (9th Cir. 2003) (citations omitted). Complaints "must contain either direct allegations on every material point necessary to sustain a recovery or contain allegations from which an inference fairly may be drawn that evidence on these material points will be introduced at trial." *Campbell v. City of San Antonio*, 43 F.3d 973, 975 (5th Cir. 1995) (quoting 3 Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 1216 (2d ed. 1990)). While dismissal of a claim under Rule 12(b)(6) is generally disfavored, the court should exercise its power to dismiss a complaint if it lacks an allegation regarding an element required to obtain relief. *Blackburn v. City of Marshall*, 42 F.3d 925, 931 (5th Cir. 1995).

IV. **ARGUMENT AND AUTHORITIES**

A. Count I – Defendants Have Not Caused and Are Not Likely to Cause Actual Dilution of Buc-ee's Trademarks or Trade Dress Pursuant to the Texas Anti-Dilution Statute, Texas Business and Commerce Code § 16.103.

To prevail in a dilution claim, a plaintiff must prove: (1) its trademark is "famous" and "distinctive"; (2) the defendant used its trademark after plaintiff's trademark had become famous and distinctive; and (3) a likelihood of dilution. Tex. Bus. & Com. Code Ann. § 16.103. Inherent in an action for trademark dilution, whether by blurring or by tarnishment, is the requirement that the mark complained of be substantially similar to the famous mark seeking protection. Tex. Bus.

& Com. Code Ann. § 16.001. The two marks at issue here are substantially different and not remotely similar. The common features shared by Plaintiff's Buc-ee's marks and Defendants' Choke Canyon mark are minute, insignificant, and so greatly outweighed by the dramatic differences between the two that there is no possibility of dilution of Buc-ee's marks. For these reasons, the facts alleged by Plaintiff fail to establish a likelihood of trademark dilution, and thus, Plaintiff's claim for trademark dilution must fail.

Plaintiff also claims that Defendants' alleged copying of the Buc-ee's trade dress constitutes trade dress dilution. However, as previously mentioned, the elements Plaintiff claim Defendants have copied are not protectable trade dress. Elements (a), (b), (c), and (d) are simply broad descriptions of Plaintiff's alleged trademark rights and are not trade dress. Furthermore, the remaining elements, (e)-(t), are either generic features abundantly used industry wide or functional features, and thus, are not protectable trade dress. *See Mana Products*, 65 F.3d at 1070 (stating that generic trade dress that is commonly used is not protectable because it is not inherently distinctive); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 775 (1992) (holding that functional trade dress is not protectable because extending protection to functional trade dress would unduly hinder free competition). Because none of the elements of trade dress Plaintiff claims have been copied by Defendants are protectable trade dress, Defendants could not have diluted and are not likely to dilute Buc-ee's trade dress. Accordingly, Plaintiff's allegation of trade dress dilution must be dismissed.

B. Counts II and III – There Is No Likelihood of Confusion Between the Choke Canyon Alligator and Buc-ee's Beaver.

Buc-ee's alleges that Defendants' use of their registered Beaver trademark for Defendants' Alligator mark constitutes trademark infringement of Buc-ee's Beaver mark. For Buc-ee's to

prevail on a trademark infringement claim, they must show that the Defendants' Choke Canyon mark creates a likelihood of confusion in the minds of potential consumers as to the source of the goods. *Pebble Beach Co. v. Tour 18 Ltd.*, 155 F.3d 526, 536 (5th Cir. 1998). Thus, as with a trade dress infringement claim, liability for trademark infringement "hinges upon" the likelihood of confusion element. *Id.* at 536-37. This claim depends on the assertion that Plaintiff is entitled to the exclusive use on any trademark with an animal with human characteristics.

The parties' following marks are not confusingly similar:



The claim by Buc-ee's that it has the exclusive right to use "a friendly smiling cartoon animal" regardless of the type of animal for convenience store services is untenable. Anthropomorphism is the process of assigning real or imagined human characteristics, intentions, motivations, or emotions to non-human objects. This common expressive marketing tool has been used for many years to attract customers while creating a friendly personality and atmosphere for the brand in the market. Within the last thirty years we have observed many companies use this

type of marketing to introduce logos or mascots which represent their products. Companies that use friendly smiling cartoon animals with humanlike characteristics in their logo include: Kellogg's Cereal, using Tony the Tiger (frosted flakes) and Toucan Sam (fruit loops); Cheetos, using Chester the Cheetah; Charmin', using the Bears; Chick-fil-a, using Doodles the chicken and the Cows; General Mills, using Trix the Rabbit (Trix cereal) and a bee (Honey Nut Cheerios); Nesquik, using Quicky the bunny; ICEE, using the polar bear; GEICO, using Maxwell the Pig and The Gecko lizard; and Duracell and Energizer both using a pink bunny.

There are also companies not only using animals with humanlike characteristics in their logos but more specifically these animals have been dressed with a hat and a red tongue. These companies include: StarKist, using Charlie the Tuna; Vlastic, using a child-bearing stork; Chuck E. Cheese's, using Chuck the mouse; Tootsie Roll Industries, using Mr. Owl; General Mills, using Sonny the Cuckoo Bird (cocoa puffs).

The simple fact that both are anthropomorphic animals is insufficient to show striking similarity. *See Pasillas v. McDonald's Corp.*, 927 F.2d 440, 443 (9th Cir. 1991) (finding no substantial similarity between two masks depicting man in the moon when only similarities were crescent moon shape, depiction of human face in the center of the crescent, white or off-white color, and design enabling masks to be worn over person's head); *cf. Cory Van Rijn, Inc. v. Cal. Raisin Advisory Bd.*, 697 F. Supp. 1136, 1144-1145 (E.D. Cal. 1987) (stating that "the common idea of anthropomorphic raisin" is not subject to copyright protection).

Plaintiff cannot be the only travel center business that can apply humanistic characteristics to animals which are necessarily common to all humanized animal characters. Buc-ee's stated the use of a red tongue and a hat are two specific common elements. The Buc-ee's beaver tongue remains in the mouth of the animal and his hat is a child's cap colored in red. Defendants' Alligator

has a long red tongue which protrudes from his mouth along with his tan colored cowboy hat. Here we have two completely different animals with completely different commercial impressions. Even the words surrounding the logo separate the two marks. The word "Buc-ee's" is lined from left to right below the beaver mark, while the words "Choke Canyon Bar-B-Q" are wrapped around the Alligator mark in a different style font.

No one could possibly confuse Defendants' alligator with Plaintiff's beaver. Trademark protection does not give Plaintiff the exclusive right to use any animal with humanlike characteristics, any animal with humanlike characteristics inside a yellow circle, any animal with humanlike characteristics and a red tongue and any animal with humanlike characteristics and wearing a hat. Plaintiff fails to state a claim on its Beaver logo.

C. Count IV – There Is No Likelihood of Confusion Between Defendants' Trade Dress and Buc-ee's.

Originally, "'trade dress' referred only to the manner in which a product was 'dressed up' to go to market with a label, package, display card, and similar packaging elements." *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27,31 (2d Cir. 1995). Today, trade dress more broadly refers to "the total image and overall appearance of a product," and "may include features such as the size, shape, color, color combinations, textures, graphics, and even sales techniques that characterize a particular product." *Sunbeam Prods., Inc. v. W Bend Co.*, 123 F.3d 246, 251 (5th Cir. 1997). "The 'trade dress' of a product is essentially its total image and overall appearance." *Blue Bell BioMed. v. CinBad, Inc.*, 864 F.2d 1253 (5th Cir. 1989) (quoting *Falcon Rice Mill v. Community Rice Mill*, 725 F.2d 336, 337 n. 1. (5th Cir.1984)).

Because trade dress law "is not intended to create patent-like rights in innovative aspects of product design," trade dress protection "extends only to incidental, arbitrary or ornamental product features which identify the source of the product." *Eppendorf-Netheler-Hinz GMBH v.*

Ritter GMBH, 289 F.3d 351, 355 (5th Cir. 2002).

A non-exhaustive list of factors to be considered in determining whether a likelihood of confusion exists include: (1) the type of trademark alleged to have been infringed, (2) the similarity of design between the two marks, (3) similarity of the products or services, (4) the identity of the retail outlets and purchasers, (5) the identity of the advertising medium utilized, (6) the defendant's intent, and (7) evidence of actual confusion. *Armco, Inc. v. Armco Burglar Alarm Co.*, 693 F.2d 1155, 1159 (5th Cir. 1983). To establish the "likelihood" of confusion, the plaintiff must show that confusion is probable, not just merely possible. *Elvis Presley Enter., Inc. v. Capece*, 141 F.3d 188, 193 (5th Cir. 1998) ("Likelihood of confusion is synonymous with a probability of confusion, which is more than a mere possibility of confusion."); *Ironclad, L.P. v. Poly-America, Inc.*, No. Civ. A. 3:98–CV–2600, 2000 U.S. Dist. WL 1400762 (N.D. Tex. July 28, 2000).

In analyzing the configuration or design features of business premises, courts and commentators agree that ordinary or commonplace designs for business premises are not inherently distinctive, but are generic. See 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 8:6.1, at 8.28 (4th ed. 2002) ("Trade dress rights cannot be validly achieved in an ordinary or common place exterior or interior retail building design that is shared by many competitors. Such an everyday design will be labeled 'generic' and unprotectable."); *Ale House Mgmt., Inc. v. Raleigh Ale House, Inc.*, 205 F.3d 137 (4th Cir. 2000) (denying trade dress protection to an interior design of a bar which was a design shared by many competitors and comprised elements including a centrally located rectangular bar with two types of seating on either side and television monitors, arcades and pool tables decorated generally in wood and brass).

Buc-ee's "trade dress" is commonplace and generic within the industry. Many businesses

in Texas use “beige stone” in the form of native Texas limestone for veneer siding on the exterior of the building and in other areas in new construction especially in the state of Texas. The “beige stone” is nothing more than native Texas limestone like at the Alamo and San Antonio Missions which has been commonly used for hundreds of years. There is absolutely nothing fanciful, arbitrary, suggestive or otherwise inherently distinctive about Buc-ee's use of “beige” stone or its buildings that bears any resemblance to Defendants’ buildings.

Plaintiff claims that it has the exclusive right to use the following features under the guise of “trade dress”:

- (a) Use of a logo including an animal with humanlike characteristics throughout the store; *(actually a restatement of the trademark claim)*
- (b) Use of a logo including an animal inside a yellow circle throughout the store; *(actually a restatement of the trademark claim)*
- (c) Use of a logo including an animal with humanlike characteristics and a red tongue throughout the store; *(actually a restatement of the trademark claim)*
- (d) Use of a logo including an animal with humanlike characteristics and wearing a hat throughout the store; *(actually a restatement of the trademark claim)*
- (e) Use of bell-gabled roof lines; *(common architectural feature and not similar)*
- (f) Use of a red/brown, white, yellow and black color scheme in store signage and to identify product categories; *(actually a restatement of the trademark claim)*
- (g) Use of beige stone siding on the exterior of the store; *(common architectural feature and not similar)*
- (h) Use of square column of beige stone on first few feet of pillars in the front of the store; *(common architectural feature and not similar and a safety barrier)*
- (i) Use of square column of beige stone on first few feet of pillars in the pump area; *(common architectural feature and not similar)*
- (j) The layout, color scheme and components of its bathrooms; *(generic and utilitarian and not consistent)*
- (k) Use of a specific and distinctive fountain drink set up in the interior of the stores; *(generic and utilitarian)*
- (l) In-store computer ordering kiosks; *(generic and utilitarian and not consistent)*
- (m) Horse-shoe shaped in-store carving stations; *(generic and utilitarian)*
- (n) Open counter deli stations; *(generic and utilitarian and not consistent)*
- (o) Freshly prepared signature food choices; *(generic and utilitarian)*
- (p) Prominent use of the BUC-EE'S Marks for product categories, product areas, and in signage above and on the products offered for sale; *(generic and utilitarian)*
- (q) Prominent use of the BUC-EE's Marks on ice coolers on the exterior of the store; *(generic and utilitarian)*
- (r) Large square footage; *(generic and utilitarian and not consistent)*

- (s) Numerous fuel pumps; (*generic and utilitarian and not consistent*)
- (t) Abundant and oversized parking spaces; (*generic and utilitarian and not consistent*)
- (u) Oversized bathrooms; (*generic and utilitarian and not consistent*)
- (v) A multitude of cashier stations; (*generic and utilitarian and not consistent*)
- (w) Entrances from three of the four sides of the building; (*generic and utilitarian and not consistent*)
- (x) Antique-looking displays; (*generic and utilitarian and not applicable*)
- (y) Country-themed signage; and (*generic and utilitarian and not applicable*)
- (z) Khaki paint colors (*generic and utilitarian*).

Features (a), (b), (c), (d) and (f) are merely broad descriptions of Plaintiff's alleged trademark rights and are not trade dress. As set forth above, as a matter of law Plaintiff does not have exclusive rights to "a logo including an animal with humanlike characteristics."

Defendants do prominently use their Alligator Logo outside and inside is stores. This does not cause a likelihood of confusion. Rather it makes it impossible for anyone to be confused.

Feature (h) is a mystery to Defendants. This is apparently a photo from the small Wharton, Texas store. The gas pump columns at the much larger Luling, Texas and New Braunfels, Texas (which are asserted in this case), Bastrop, Texas and Temple, Texas Buc-ee's are different with the entire column to the roof being covered in Plaintiff's different version of lime stone.



Buc-ee's has about 24 locations. They vary from a typical small convenience store with a half dozen or so gas pumps to the mega size stores in Luling, New Braunfels, Baytown and Temple,

Texas. Trade Dress requires consistency which apparently does not apply to feature (h). In order to establish an identifiable trade dress Buc-ee's must demonstrate that its trade dress has a consistent overall look. *See Rose Art Indus. v. Swanson*, 235 F.3d 165, 171 (3rd Cir. 2000). The only consistent look of the Buc-ee's stores is the façade on the gas pumps and buildings as follows:



A similarity that Plaintiff points out between Plaintiff's and Defendants' buildings is the use of native Texas limestone as a wainscoting on the building and to cover safety barrier columns. First, the small cut limestone pieces of Plaintiff, Dkt. 13 § 49, are distinctly different from Defendants' larger and different colored block-like pieces, Dkt. 13 § 48. Second, native Texas limestone is the most commonly used façade on buildings in Texas so it could not possible distinguish one business from another.

Plaintiff's stores are big boxes that are virtually devoid of any trade dress. The Alamo like façade on gas pump covers and at Plaintiff's multiple entry doors, which Plaintiff ignores, might be the only recognizable trade dress on its building. Plaintiff ignores the overall appearance of its stores and signs and instead focuses on purely function and common used features like large bathrooms, clean bathrooms, lots of gas pumps, lots of parking and lots of check out stations. There is nothing arbitrary about these features and Plaintiff is not entitled to any exclusivity. The

huge size of Buc-ee's may be notable but it is not protectable and Defendants and anyone else can also utilized these features. Plaintiff's stores have the following appearance with two additional rows of the gas pumps at some locations that are not shown.



The façade and entrances of Defendants which gives it a difference overall appearance looks nothing like the façade and entrances of Plaintiff which is the reason it is not mentioned or shown in the complaint.

Both Plaintiff and Defendants rely on its customer's seeing their respective Beaver Logo and Choke Canyon Bar-B-Q Alligator Logo on roadside signs. There is no chance that anyone would see Defendants' huge Choke Canyon Bar-B-Q Alligator Logo signs and drive in thinking it was a Buc-ee's store. There is no way that this person would then walk into Defendants' business and think they were at Buc-ee's. Plaintiff would like to be the only business with large travel centers on interstate highways. But that is not how it works in America.

Plaintiff cannot explain how these common, functional and utilitarian features are subject to any protection whatsoever under "trade dress." Defendants' buildings and interiors, Dkt. 13 § 48, bear scant resemblance to Plaintiff's buildings and interiors except for the utilitarian and functional features that are simply not protectable. Any similarities are non-protectable common, functional and utilitarian features.

Courts have also recognized that colors serve ornamental purposes only and that plaintiffs have a difficult burden and must therefore produce strong evidence to establish that a color has

acquired secondary meaning. *See, e.g., In re Owens-Corning Fiberglas Corp*, 774 F.2d 1116 (Fed. Cir. 1985) (observing that "color marks carry a difficult burden in demonstrating distinctiveness and trademark character," and finding that plaintiff had established secondary meaning in the color pink for fiberglass insulation based only on strong evidence of its extensive promotional efforts specifically directed toward the color pink). Numerous courts have found that claimants have failed to show secondary meaning in colors, especially where the particular colors are commonly used in the industry. *See, e.g., Mana Products, Inc. v. Columbia Cosmetics Mfg., Inc.*, 65 F.3d 1063 (2d Cir. 1995) (holding that the plaintiff failed to prove secondary meaning in the color black for make-up compacts; the court stated, "The color black does not act as a symbol and distinguish Mana's compacts from its competitors. It does not identify plaintiff as the source because there are countless numbers of cosmetic companies that sell black compacts....Black is as common a color for a makeup case as brown is for a paper bag."); *Sazerac Co. v. Sky Spirits*, 37 U.S.P.Q.2d 1731 (E.D. La. 1995), *aff'd without opinion*, 95 F.3d 53 (5th Cir. 1996) (finding that cobalt blue color for vodka bottles could not be protected as trade dress because no inherent distinctiveness or secondary meaning since cobalt blue colored bottles were commonly used in the industry).

There are not enough colors to go around and many more competitors than color combinations that work effectively. Buc-ee's should not have the exclusive rights to a common color combination that is not only effective, but is also widely used. "Red, white, yellow and black color schemes in store signage" are common as those colors can be said to be appealing to the eye and create a perfect contrast to anything placed over them. Furthermore, the Beaver logo and the Alligator Logos that include "Red, white, yellow and black" are not remotely similar. The red cloth banners with the Alligator Logo of Defendant, Dkt. 13 § 46 do not resemble the red wood signs with Beaver Logo of Plaintiff, Dkt. 13 § 47 and there would be no likelihood of confusion.

For the foregoing reasons, Defendants can have not infringed Plaintiff's trade dress.

D. Count V – Plaintiff Does Not State a Claim of Unfair Competition and False Designation of Origin Under 15 U.S.C. § 1125(a).

This count is a repeat of the claims for trademark and trade dress infringement. There are no additional facts to support this additional claim. It is duplicative and should be dismissed.

E. Count VI – Plaintiff Does Not State a Claim of Common Law Trademark Infringement.

This is apparently a repeat of the claims for statutory trademark infringement. It is not apparent what is the common law trademark that is involved. Texas courts have noted that there is essentially no difference in issues between trademark infringement and unfair competition under Texas law and trademark infringement under federal law. *Horseshoe Bay Resort Sales Co. v. Lake Lyndon B. Johnson Improvement Corp.*, 53 S.W.3d 799, 806 n.3 (Tex. App.–Austin 2001, n.w.h.); *Elvis Presley Enter., Inc. v. Capece*, 950 F. Supp. 783, 790 (S.D. Tex. 1996) ("The governing standard for common law trademark infringement and unfair competition is the same 'likelihood of confusion' test applied to claims brought under the Lanham Act."). It fails to state an additional claim.

F. Count VII – Buc-ee's Does Not State a Claim of Unjust Enrichment.

To recover under a theory of unjust enrichment, plaintiff must show that the defendant obtained a benefit from the plaintiff through (1) fraud; (2) duress; (3) or the taking of an undue advantage. *Cathey Assoc., Inc. v. Beougher*, 95 F. Supp. 2d 643, 656 (N.D. Tex. 2000) (citing *Zapata Corp. v. Zapata Gulf Marine Corp.*, 986 S.W.2d 785, 788 (Tex. App.–Houston [1st Dist.] 1999, no writ)). In this case, Plaintiff has made no claim of fraud, duress or undue advantage. Additionally, where a plaintiff fails to establish a trademark infringement claim upon which an unjust enrichment claim is premised, courts hold that the plaintiff cannot establish the unjust

enrichment claim. *Id.* Therefore, because Plaintiff has failed to state a claim for trademark infringement upon which relief can be granted, Plaintiff's claim for unjust enrichment must fail. *See id.*

G. Count VIII - Buc-ee's Unfair Competition Claim for Trademark Infringement Fails.

Unfair competition is a general area of law and subsumes specific causes of action. It is umbrella term for all statutory and non-statutory causes of action arising out of business conduct which is contrary to honest practice. All seven of the other counts are types of "unfair competition." It is not a separate count alone. *Am. Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 14 (5th Cir. 1974). Thus, Defendants are entitled to a dismissal of this claim.

H. Count IX – Buc-ee's Common Law Misappropriation Claim Fails.

Defendants Have in No Way Gained a Special Advantage at the Expense of Buc-ee's. The general elements of an action for misappropriation are: (1) "the Plaintiff created his product through extensive time, labor, skill, or money; (2) the Defendant used Plaintiff's product in competition with Plaintiff, gaining a special advantage because the Defendant bore little or no burden of the expense of development; and (3) that Defendant's use of Plaintiff's product caused commercial damage to Plaintiff." *Schuchart & Assocs., Prof'l Eng'rs v. Solo Serve Corp.*, 540 F. Supp. 928, 943-944 (W.D. Tex. 1982). Plaintiff does not identify any "product" copied by Defendants. There is no separate cause of action for trademark, trade dress, dilution and 15 USC § 1125 under a theory of "misappropriation." The only "product" that Defendant has alleged copied is the Plaintiff's trademark or trade dress. The marks and protectable trade dress of Plaintiff and Defendants are not remotely similar and are covered by the trademark and trade dress claims. For these reasons, Plaintiff's claim for misappropriation must fail.

I. Plaintiff Has Filed Suit in the Southern District of Texas – Houston Division, Which Is Not the Proper Venue and Division.

Courts uniformly agree the proper venue for a trademark infringement case lies where the infringing activity, or the "passing off" occurred. *Cottman Transmission Sys., Inc. v. Martino*, 36 F.3d 291, 295 (3d Cir. 1994) (focus of venue inquiry in Lanham Act trademark infringement case is location where unauthorized passing off takes place).

In this case Plaintiff alleges that the Defendants' Alligator Logo is being used in the S.D. of Texas at the Whitsett, Texas location, in the Corpus Christi Division in connection with the stand alone barbeque restaurant and products sold at nearby convenience store and at the larger convenience store and internal barbeque restaurant at Atascosa, Texas and at the stand alone barbeque restaurant in San Antonio, Texas. The asserted trade dress infringement, except for the attempt to categorize the Beaver Logo trademark as "trade dress," occurs only at the Atascosa location in the Western District of Texas. Under 28 U.S.C. § 1406(a), this court may transfer an action to "any district or division in which it could have been brought" which includes the Western District of Texas. The only allegations in the complaint to support the claim of proper venue in the Southern District of Texas hinges upon the claim that the Defendants' Alligator Logo infringes the Plaintiff's Beaver logo.

Plaintiff asserts that Defendants, Shepherd Retail, Inc., Blanco Restaurant, Inc., Live Oak Retail, Inc., and Harlow Food, Inc. all have a principal place of business located in San Antonio, TX. (*See* Plaintiff's First Amended Complaint ¶ 8, 9, 10, 11). Defendant Shepherd Retail Inc.'s brick and mortar store is located at located at 16565 Shepherd Rd, Atascosa, TX 78002. Defendant Blanco Restaurant, Inc. operates two restaurants located at 21510 Blanco Rd, San Antonio, TX 78212, which is standalone, and at 868 FM 99, Whitsett, Texas 78075. Defendant Live Oak Retail, Inc. operates a gas station at 868 FM 99, Whitsett, TX 78075. Defendant Harlow Food, Inc. is

alleged to operate at least one restaurant and brick and mortar store stated to be located in San Antonio, TX.

Plaintiff asserts that the alleged “trade dress” infringement is occurring at Defendants’ new travel center store in Atascosa, Texas, a few miles southwest of San Antonio, Bexar County, Texas and a combined convenient store and BBQ location in Whitsett, TX. (*See* Dkt. 13, ¶ 2). Defendants’ Shepherd Retail Inc., Blanco Restaurant, Inc., and Harlow Food, Inc. store and restaurants are located in San Antonio, Bexar County, Texas where a substantial amount of the complained acts occurred. Defendants, Blanco Restaurant, Inc. and Live Oak Retail, Inc. operate a restaurant and gas station in Whitsett, TX which is located in Live Oak County, TX, subject to jurisdiction in the Southern District of Texas – Corpus Christi Division and not the Houston Division.

These facts do not support venue in the Southern District of Texas – Houston Division. In Plaintiff’s Original Complaint Amjad Panjwani was listed as a Defendant and was dismissed by the Plaintiff in the First Amended Complaint. Plaintiff decided to add the stores in Whitsett, Texas solely because of the use of the Alligator Logo because otherwise it has not resemblance to any of the Buc-ee’s claimed trade dress. The gas station and restaurant in Whitsett, Texas are the furthest away from trade dress and trademark infringement and were only included in Plaintiff’s Amended Complaint to show the only connection Defendants have to the Southern District of Texas. Unfortunately for the Plaintiff, if it is found that these two businesses amount to a substantial part of the events of omissions that give rise to the claim, the Corpus Christi Division of the Southern District of Texas would provide proper venue and the case should be transferred to the proper division. 28 USC § 1406(a).

The restaurant and convenience store in Whitsett, Texas have no place in this claim except

to further the Plaintiff's assertion of proper venue in the Southern District of Texas – Houston Division. The store in Whitsett has no trade dress infringement and the Alligator Logo could not infringe. Therefore, no alleged acts of infringement occurred in the Southern District of Texas.

This action could have been brought in the Western District of Texas, given all Defendants reside in that district and that it is where a substantial part of the events giving rise to the claims occurred. Under the clear provisions of 28 U.S.C. § 1391, venue is proper in the United States District for the Western District of Texas – San Antonio Division, which encompasses both the residence and primary places of business for all Defendants and where the infringing acts are alleged to have occurred. Therefore, under 28 U.S.C. § 1406(a), this Court has the authority to either dismiss this case without prejudice or transfer this case to the Western District of Texas – San Antonio Division.

V.
CONCLUSION

Defendants request that the Court dismiss Plaintiff's claims and award defendants such other relief to which defendants may be entitled at law or in equity. Defendants request transfer to the Western District of Texas, San Antonio Division or alternatively to the Corpus Division of the Southern District of Texas.

Respectfully submitted,

Hanor Law Firm PC
750 Rittiman Road
San Antonio, Texas 78209
Telephone: (210) 829-2002
Facsimile: (210) 829-2001
chanor@hanor.com

By: /s/ Charles W. Hanor
Texas Bar No. 08928800

ATTORNEY FOR DEFENDANTS

VI.
CERTIFICATE OF SERVICE

In accordance with Local Rule 5.3, I certify that the foregoing was served with the Clerk of Court and on Defendants' counsel on April 1, 2016, by Electronic Mail (ECF-Pacer) using the ECF system, which will send notification of such filing to the following:

H. Tracy Richardson, III
327 FM 2004
Lake Jackson, Texas 77566
T: 979-230-2968
F: 979-230-2969
tracy@buc-ees.com

Kevin J. Meek
Joseph Gray
Baker Botts L.L.P.
98 San Jacinto Boulevard
Suite 1500
Austin, TX 78701-4078
T: 512-322-5471
F: 512-322-3622
kevin.meek@bakerbotts.com
joseph.gray@bakerbotts.com

Joseph J. Berghammer
Banner & Witcoff, LTD.
Ten South Wacker Drive
Suite 3000
Chicago, IL 60606-7407
T: 312-463-5000
F: 312-463-5001
jberghammer@bannerwitcoff.com

ATTORNEYS FOR PLAINTIFF
BUC-EE'S, LTD.

/s/ Charles W. Hanor
Charles W. Hanor