

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF KENTUCKY  
LEXINGTON DIVISION**

**ICON BURGER DEVELOPMENT COMPANY, LLC** :

**Plaintiff,** :

**v.** :

**DAIRY CHEER STORES INC.** :

**Defendant.** :

Case No. \_\_\_\_\_

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**COMPLAINT FOR DECLARATORY JUDGMENT**

Plaintiff Icon Burger Development Company, LLC (“Icon Burger”), in support of its Complaint for Declaratory Judgment against Dairy Cheer Stores Inc. (“Dairy Cheer” or “Defendant”), alleges and states as follows:

**PRELIMINARY STATEMENT**

This is an action seeking a declaration that plaintiff Icon Burger’s use of its federally registered trademark SMASHBURGER, used in connection with its national chain of fast casual restaurants, does not infringe any rights of defendant Dairy Cheer. Icon Burger’s claims arise under the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, and the Trademark Act of July 5, 1946, as amended, commonly known as the Lanham Act, 15 U.S.C. § 1051, *et seq.* and Kentucky statutory and common law. Dairy Cheer has asserted that Icon Burger’s use of its federally registered SMASHBURGER trademark in connection with restaurant services is likely to cause consumer confusion.

As a result, a declaratory ruling is necessary to clarify Icon Burger's rights in the SMASHBURGER trademark in connection with restaurant services going forward.

#### **PARTIES**

1. Plaintiff Icon Burger is a Delaware limited liability company with its principal place of business at 1515 Arapahoe Street, Tower One, 10th Floor, Denver, Colorado, 80202.

2. Defendant Dairy Cheer is a Kentucky corporation with its principal place of business in Carlisle, Kentucky. Dairy Cheer was administratively dissolved on November 1, 2007. Dairy Cheer has just recently been reinstated on April 14, 2010.

#### **JURISDICTION AND VENUE**

3. This action arises and is brought under the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, and the Trademark Act of July 5, 1946, as amended, commonly known as the Lanham Act, 15 U.S.C. § 1051, *et seq.* and Kentucky statutory and common law.

4. This Court has subject matter jurisdiction pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331, 1338, and 2201-2202.

5. This Court possesses personal jurisdiction over Defendant because it regularly and continuously transacts business in the State of Kentucky and is registered to do business in Kentucky.

6. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) because Defendant Dairy Cheer conducts business in this district, has regularly and continuously

transacted business within the State of Kentucky, and has its principal place of business in Carlisle, Kentucky.

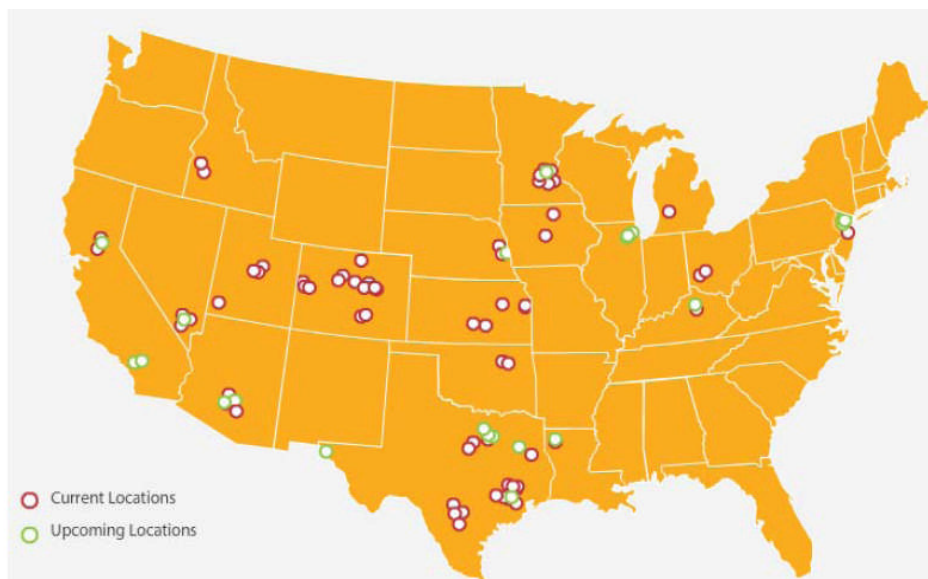
### GENERAL ALLEGATIONS

#### **Plaintiff Icon Burger's SMASHBURGER trademarks.**

7. Icon Burger was founded in 2007, and it operates a national chain of fast-casual burger restaurants which operate under the trademark SMASHBURGER, encountered by the public as follows:



8. Company owned and franchised SMASHBURGER restaurants currently operate in the following 16 States: Arizona, California, Colorado, Idaho, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, New Jersey, Nevada, Ohio, Oklahoma, Texas and Utah. Additional stores are planned to open in other States.




9. Icon Burger’s SMASHBURGER restaurants are typically located in urban centers and other densely populated areas.

10. Icon Burger’s SMASHBURGER restaurants use the colors red, yellow and white in signage and décor. Additional information regarding Icon Burger’s SMASHBURGER brand fast-casual restaurants can be found at [www.smashburger.com](http://www.smashburger.com).

11. Icon Burger began using its SMASHBURGER trademark in connection with its fast-casual restaurants on June 19, 2007 – more than three (3) years ago.

12. Icon Burger is the owner of a number of trademark registrations granted by the United States Patent and Trademark Office for the SMASHBURGER mark (word only and in combination with other design elements) used in connection with restaurant services. The table below summarizes these registrations, and true and correct copies are attached as *Exhibit 1* (the “Federally Registered SMASHBURGER Marks”).

| Mark                                                                                | Registration No. | Goods/Services                                                                                          |
|-------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------|
| SMASHBURGER                                                                         | 3,531,675        | (Int’l Class 43) Carry-out restaurants; catering; restaurant and bar services; self service restaurants |
|  | 3,531,758        | (Int’l Class 43) Carry-out restaurants; catering; restaurant and bar services; self service restaurants |

13. Each of the federal trademark registrations set out above are valid and subsisting.

14. Icon Burger is also the owner of a number of federal trademark registrations for a family of trademarks that use the SMASH mark (word only and in combination with other words or design elements). The table below summarizes these registrations, and true and correct copies are attached as *Exhibit 2* (the “Family of SMASH Marks”).

| <b>Mark</b>                | <b>Registration No.</b> | <b>Goods/Services</b>                                                                                                                            |
|----------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SMASH</b>               | 3,644,558               | (Int’l Class 43) Carry-out restaurants; catering; restaurant and bar services; self service restaurants                                          |
| <b>SMASH.SIZZLE.SAVOR.</b> | 3,432,241               | (Int’l Class 43) Carry-out restaurants; catering; restaurant and bar services; self service restaurants                                          |
| <b>SMASHCHICKEN</b>        | 3,622,398               | (Int’l Class 30) Sandwiches                                                                                                                      |
| <b>SMASHMOBILE</b>         | 3,739,548               | (Int’l Class 43) Catering                                                                                                                        |
| <b>SMASHWEDGE</b>          | 3,622,400               | (Int’l Class 29) Salads, chopped vegetable and garden salads; salads comprised of lettuce, meat and cheese, tomatoes, onions and salad dressings |

15. Each of the federal trademark registrations set out above are valid and subsisting.

16. In addition to these marks that have been approved and issued by the United States Patent and Trademark Office, Icon Burger has pending federal trademark

applications for the marks SMASHSIDES, SMASHSALADS, SMASHFRIES, SMASHDOGS and SMASHED.

**Dairy Cheer and its claims that it will be damaged by Icon Burger's use of its federally registered SMASHBURGER trademarks**

17. Upon information and belief, Defendant Dairy Cheer operates four roadside soft ice cream stands/fast food restaurants under the brand DAIRY CHEER in and around Pikeville, Carlisle, West Liberty and Prestonsburg, Kentucky.

18. Dairy Cheer has no DAIRY CHEER stores outside of the State of Kentucky and has no stores in major urban centers within the State of Kentucky. For example, Dairy Cheer has no DAIRY CHEER stores in Lexington or Louisville.

19. The first DAIRY CHEER restaurant was previously a DAIRY QUEEN restaurant, whose name was changed after it was purchased.

20. DAIRY CHEER restaurants use green and white signage and exterior décor to identify their stores.

21. Upon information and belief, DAIRY CHEER restaurants advertise and sell a menu item named the "Smashburger," and have signage referring to its restaurants as "Dairy Cheer – Home of the Smashburger."

22. Dairy Cheer uses the name "smashburger" to identify one of its menu items – not to identify its restaurant or its restaurant services.

23. Dairy Cheer's rights in the mark SMASHBURGER, if any, are geographically limited to an area in the State of Kentucky that does not include the cities of Lexington or Louisville, or areas contiguous to those two cities.

24. Dairy Cheer cannot identify any individual who was actually confused and believed the Icon Burger's SMASHBURGER fast-casual restaurants originated from or were some how affiliated or associated with Dairy Cheer.

25. The signage, exterior decor and use of the Federally Registered SMASHBURGER Marks by Icon Burger in connection with its restaurants is distinct and different from the signage and exterior décor used by Dairy Cheer in connection with its restaurants. Compare:



**Dairy Cheer Restaurant**



**SMASHBURGER Restaurant**

26. Earlier this year, a representative of Icon Burger contacted Dairy Cheer to, among other things, notify Dairy Cheer that it was opening a store in Lexington, Kentucky.

27. After a number of exchanges, between representatives of Icon Burger and Dairy Cheer, a representative for Dairy Cheer demanded a substantial monetary payment from Icon Burger to “settle” its “dispute” with Icon Burger regarding Icon Burger’s use of the SMASHBURGER mark in connection with its new store in Lexington, Kentucky.

28. After that, on June 18, 2010, Dairy Cheer filed a Petition to Cancel Icon Burger’s trademark Registration No. 3,531,675 for the mark SMASHBURGER with the United States Trademark Trial and Appeal Board (“TTAB”). In its Petition, Dairy Cheer stated that Icon Burger’s SMASHBURGER mark so resembles Dairy Cheer’s SMASHBURGER and HOME OF THE SMASHBURGER common law trademarks as to cause confusion, mistake, and deception, and that Dairy Cheer will be damaged by Icon Burger’s registration of the SMASHBURGER mark for restaurant services. A copy of Dairy Cheer’s Petition to Cancel is attached as *Exhibit 3*.

29. Under the circumstances, a controversy of sufficient immediacy and reality exists with respect to Icon Burger’s use of its SMASHBURGER trademark to warrant the issuance of a declaratory judgment.

30. Therefore, there exists an actual and justiciable controversy between Icon Burger and Dairy Cheer regarding whether Icon Burger is infringing the alleged trademark rights owned by Dairy Cheer.



31. Over the past several years, Icon Burger has made a substantial monetary investment and has developed significant goodwill in its SMASHBURGER trademark. Icon Burger's right to use its trademark is now clouded as a result of Dairy Cheer's actions. Dairy Cheer's allegations will continue to impede and interfere with Icon Burger's legitimate business interests and objectives, thereby constituting actual harm and injury to Icon Burger.

**CLAIM FOR RELIEF**  
**(Declaratory Judgment of Non-Infringement)**

32. Icon Burger incorporates by reference the allegations contained in the preceding paragraphs.

33. Icon Burger's use of its Federally Registered SMASHBURGER Marks does not infringe any existing and valid trademark right of Dairy Cheer under the Lanham Act (15 U.S.C. § 1125(a)) or the laws of Kentucky.

34. Icon Burger's use of its Family of SMASH Marks does not infringe any existing and valid trademark right of Dairy Cheer under the Lanham Act (15 U.S.C. § 1125(a)) or the laws of Kentucky.

**PRAYER FOR RELIEF**

FOR THESE REASONS, Plaintiff Icon Burger prays for a judgment in its favor and against Dairy Cheer as follows:

A. That the Court declare that Icon Burger's use of its Federally Registered SMASHBURGER Marks does not infringe any existing and valid trademark right of Dairy Cheer under the Lanham Act (15 U.S.C. § 1125(a)) or the laws of Kentucky.

B. That the Court declare that Icon Burger's use of its Family of SMASH Marks does not infringe any existing and valid trademark right of Dairy Cheer under the Lanham Act (15 U.S.C. § 1125(a)) or the laws of Kentucky.

C. That the Court order that Dairy Cheer, its directors, officers, employees, servants, attorneys, agents, representatives, distributors, licensees, and all persons in active concert or participation with them, be enjoined and restrained permanently from interfering with Icon Burger's use and registration of the trademark SMASHBURGER, including in its domain name, and from opposing, seeking to cancel, or otherwise objecting to any federal registration applications to the SMASHBURGER trademark or any of Icon Burger's domain names that may include the word SMASHBURGER.

D. That Icon Burger be awarded its reasonable attorneys' fees and costs.

E. For such other and further relief as the Court deems appropriate.

Dated: September 29th, 2010

Respectfully Submitted by:

s/David E. Fleenor

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