

Little guy beats big chain over “Firehouse” trademark

BY ADAM JOHNSON



Sarah Hurley

Your choices for lunch: Firehouse Subs or Calli Baker's Firehouse Bar & Grill. You'll find them on the same stretch of N. Kings Highway north of Myrtle Beach.

Actually you'll find two Firehouse Subs – one six miles north of Calli Baker's and one six miles to the south – says Calli Baker's owner Heath Scurfield.

In homage to his profession, Scurfield, a firefighter, changed Calli Baker's to a “Firehouse,” dropping the old “Roadhouse” moniker after he purchased the grill in 2005. He says he's been going to work at a firehouse his entire working life. Now he works at two of them.

After squaring off in federal court against Firehouse Restaurant Group, the group that owns Firehouse Subs, Scurfield can keep “Firehouse” in his grill's name – at least for now.

Firehouse demanded in 2008 that Scurfield stop using the word “Firehouse.” When he refused to comply, the restaurant group sued, alleging Scurfield, his limited liability company and Calli Baker's were in violation of some 34 trademarks owned by Firehouse.

Three years and nearly a half-million dollars later, Scurfield was vindicated by a federal jury in Florence. The jury decided Aug. 19 that Scurfield and Calli Baker's had not infringed on any of Firehouse's trademarks.

The jury also agreed with Scurfield that Firehouse Subs had obtained one of its 34 trademarks fraudulently. That trademark was the one that formed the basis of the legal action against Scurfield and Calli Baker's, said Greenville attorney Sarah Day Hurley, who represented Scurfield.

When Firehouse obtained its trademark of the word “firehouse” used in connection with restaurant services, it knew that at least one other restaurant, Firehouse Bar and Grill in Tampa, Fla., was already using the word. Thus, Firehouse didn't have a right to claim ownership of it. Hurley was able to prove that Firehouse knew about the Tampa restaurant by obtaining internal company correspondence and emails that referred to the restaurant before Firehouse applied for the trademark. Firehouse co-founder Robin Sorensen admitted in a deposition that Firehouse knew the Tampa restaurant had a superior right to the trademark.

Because the jury found that Firehouse had obtained its registration



Calli Baker's Firehouse Bar & Grill: Not knuckling under to the bully on the block. Photo by Calli Baker

for the trademark “through fraud on the U.S. Patent & Trademark Office,” U.S. District Court Judge R. Bryan Harwell cancelled the trademark and assessed the costs of the action against Firehouse.

Those costs, including attorney's fees, totaled \$490,217, according to an affidavit filed by Hurley on Aug. 30. How much of that

Scurfield will recover remains to be seen.

Firehouse filed on Aug. 29 a motion for a judgment as a matter of law on the fraud claim and for a new trial on the infringement claims. In its motion, Firehouse alleged that it should get a new trial because the jury's verdict was inconsistent with the evidence.

Firehouse's attorney did not respond to a request for comment.

Verdict Report

Type of action: Trademark infringement

Injuries alleged: Infringement on trademark of the word “Firehouse” used in connection with restaurant services

Case name: Firehouse Restaurant Group, Inc. v. Scurmont, LLC et al.

Court: U.S. District Court for the District of South Carolina, Florence Division

Case No.: 4:09-cv-00618

Judge: Judge R. Bryan Harwell

Verdict or settlement: Verdict

Date: Aug. 22, 2011

Defendant's attorney: Sarah Day Hurley of Turner Padgett (Greenville)

Plaintiff's attorney: Marcus A. Manos of Nexsen Pruet (Columbia)