

Trademark Bully or Meritorious Plaintiff? Taco John's vs. Taco Chon

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by Ben Kappelman

A trademark infringement lawsuit filed in Minnesota by Taco John's against Minnesota Mexican restaurant Taco Chon Mexican Grill is heating up in federal court and the court of public opinion. Taco John's is a large restaurant franchise founded in the late 1960s, with more than 300 locations centered in the mid-western United States. Taco Chon is a restaurant founded in 2019 with two locations in Minnesota. Both entities sell similar dishes, like tacos, quesadillas, and burritos, and have similar prices. Claiming consumers are likely to confuse the restaurants, [Taco John's sued Taco Chon in Minnesota federal court in late April](#). After Taco John's served its lawsuit, Taco Chon has attempted to capture the public narrative by casting the dispute as a David and Goliath battle between a corporate fast food powerhouse and a local family restaurant. Taco Chon also fired back with [a counterclaim for abuse of process](#). The dust-up highlights the potential public relations blow back when a large brand owner attempts to enforce its rights against a smaller and potentially sympathetic defendant.

Taco John's calls itself "one of the largest Mexican quick-service restaurant brands in America" and traces its roots to a taco stand in Cheyenne, Wyoming that opened in 1968. Taco John's signature dish is [the Potato Olé](#), a bite-sized, fried and seasoned round potato snack. Taco John's holds numerous trademark registrations through its trademark licensing entity, Spicy Seasonings, LLC, including a registration for [TACO TUESDAY](#), a Tuesday tradition Taco John's claims to have launched. Despite its trademark holdings, Taco John's does not appear to be a frequent trademark litigant—a search of federal court records revealed no other trademark lawsuits in the last ten years.

Taco John's complaint alleges that it first learned of Taco Chon in early 2022. Taco John's asserts infringement of its TACO JOHN'S marks, citing U.S. Trademark Registration Nos. [1,088,950](#), [1,617,184](#), and [1,627,389](#). Taco John's alleges that the Taco Chon name is "an attempt to trade on the goodwill and commercial magnetism that Taco John's has built up in the [TACO JOHN'S trademark] and to free-ride on Taco John's fame as a preeminent Mexican restaurant brand." The complaint points out that

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both Taco Chon locations are located within five miles of Taco John's stores and that both entities use "the exact same trade channel ... quick service Mexican restaurants." Taco John's brought claims for federal trademark infringement, dilution, and unfair competition, as well as related state law claims.



The Savage, Minnesota, Taco John's location identified in Taco John's complaint as 4 miles from the Taco Chon location in Burnsville, Minnesota.

Taco Chon was founded in Minnesota in 2019 and opened its first location in a suburb of Minneapolis. It opened a second location in St. Cloud, Minnesota, in late 2021. Taco Chon's owner (and co-defendant) Juan Ramos attributes the name to his father and has said his family operated a restaurant of the same name in Mexico. Ramos has told the media that he didn't think about the Taco John's brand when naming his restaurant because "I never thought it was going to be related because we are Taco Chon, not Taco John's, you know?"



One of two Taco Chon locations, this one located in Burnsville, Minnesota, a suburb of Minneapolis.

Taco Chon struck back on social media and attracted regional media coverage of the dispute. Taco Chon characterizes the lawsuit as trademark bullying and denies that consumers are likely to confuse the two entities. Taco John's has kept a lower profile, but has cast itself as a reluctant litigant, telling the media "We take no joy in enforcing our trademark rights in court against a small business owner and only do so after other options have been exhausted."

The lawsuit has attracted significant media coverage, including from Minneapolis's CBS and Fox affiliates. Media reports also indicate that Taco Chon intends to fight back. Taco Chon's social media accounts have numerous references to the lawsuit and generally cast Taco Chon as a victim unable to defend itself against the larger entity. Taco Chon launched a crowd funding page seeking donations to pay for legal counsel, which has attracted modest financial support. In a statement released on Taco Chon's Facebook page, Taco Chon's defense counsel characterized the lawsuit as "trademark bullying ... that is reminiscent of a schoolyard showdown between the classic bully and his easy target." The statement went to say that the lawsuit "raises questions of cultural appropriation" because "Taco John's menu is not Mexican food but features burritos, nachos, and other foods not originating from Mexican cuisine."

Taco Chon filed its answer and counterclaim with the court on May 16, alleging themes

similar to its media narrative. Taco Chon characterized the lawsuit as an attempt to “bully a small business owner ... to destroy their American dream.” Taco Chon asserts that its “authentic Mexican cuisine” cannot be confused with Taco John’s “Mexican-inspired fast food, which it calls ‘West-Mex.’” Taco Chon’s counterclaim for abuse of process asserts that Taco John’s brought suit “with an ulterior motive of intimidating, embarrassing and harming [Taco Chon]’s reputation.” Just as Taco John’s will need to prove the allegations in its complaint, Taco Chon will need to prove the allegations in its counterclaim through the court process.

This lawsuit is not the first time a large brand owner has been accused of trademark bullying after suing a smaller entity. Trademark owners must actively police their marks, or those marks can be weakened through non-enforcement. Still, brand holders must strike a balance between aggressive, appropriate enforcement and an over-zealous approach that creates more public relations blowback than additional brand value. Some choose PR-friendly, whimsical tactics for cease-and-desist letters; others choose less humorous approaches. Another option is a “wait and see” approach—if an infringing user is small (and may not last in business), a trademark owner might consider simply monitoring to see if the infringer’s use expands. This can be cost effective, although it does create the risks that the infringer may be less inclined to change its mark the longer it has been in use and that courts might be less sympathetic to a trademark plaintiff that waited to enforce its rights.

The Taco John’s-Taco Chon battle is off and running in the court of public opinion, but the court process is just beginning. Only after the strength of Taco John’s claims is evaluated in court will it be possible to assess whether Taco John’s overreached to bully a small business owner, or whether Taco Chon’s is unfairly trading off of Taco John’s name.

Disclosure: Dorsey & Whitney LLP was involved in assigning one of the trademark registrations asserted in Taco John’s lawsuit in the 1980s.