

SANTORO, DRIGGS, WALCH,  
KEARNEY, HOLLEY & THOMPSON



1 NICHOLAS J. SANTORO, ESQ.  
 Nevada Bar No. 00532  
 nsantoro@nevadafirm.com  
 2 JAMES D. BOYLE, ESQ.  
 Nevada Bar No. 08384  
 jboyle@nevadafirm.com  
 3 SANTORO, DRIGGS, WALCH,  
 KEARNEY, HOLLEY & THOMPSON  
 4 400 South Fourth Street, Third Floor  
 Las Vegas, Nevada 89101  
 Telephone: 702/791-0308  
 5 Facsimile: 702/791-1912

7 David Stewart, Esq.  
 Georgia Bar. No. 681149  
 dstewart@alston.com  
 8 Nadya Munasifi, Esq.  
 Georgia Bar No. 156051  
 nmunasifi@alston.com  
 9 ALSTON & BIRD LLP  
 10 1201 West Peachtree Street  
 Atlanta, Georgia 30309-3424  
 Telephone: 404/881-7000  
 11 Facsimile: 404/881-7777

12 *Pro Hac Vice Applications Pending*  
 13 *Attorneys for Caesars World, Inc.*

14  
 15 **UNITED STATES DISTRICT COURT**  
 16 **DISTRICT OF NEVADA**

17 CAESARS WORLD, INC., a Florida  
 18 corporation,  
 19  
 Plaintiff,  
 20  
 v.  
 21  
 22 MARCEL JULY, an individual; and OCTAVIUS  
 TOWER LLC, a Nevada limited liability  
 23 company,  
 24  
 Defendants.

CASE NO.: 2:11-CV00536-GMN-PAL  
**PLAINTIFF CAESARS WORLD, INC.'S  
 RESPONSE TO DEFENDANT MARCEL  
 JULY'S MOTION FOR PRELIMINARY  
 INJUNCTION**

25 Plaintiff Caesars World, Inc. ("Caesars"), by and through its undersigned counsel, hereby  
 26 submits this Response to Defendant Marcel July's Motion for Preliminary Injunction (the  
 27 "Response"). This Response is based upon the pleadings and records on file herein, the  
 28 Memorandum of Points and Authorities set forth below, the Declaration of Gary Selesner

1 (“Selesner Decl.”), attached hereto as Exhibit A, the Declaration of Frances D. Pughsley  
2 (“Pughsley Decl.”), attached hereto as Exhibit B, the Declaration of Theresa Conduah  
3 (“Conduah Decl.”), attached hereto as Exhibit C, and the oral argument of counsel.

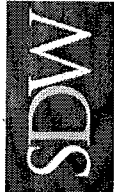
#### 4 I. INTRODUCTION

5 Caesars, through affiliates, owns and operates the world famous Caesars Palace hotel and  
6 casino. On July 19, 2007, Caesars announced its plans for a \$1 billion expansion of Caesars  
7 Palace, the centerpiece of which was the building of a new hotel tower branded OCTAVIUS  
8 TOWER. Caesars has operated luxury villas in its Octavius Tower for nearly two years, and  
9 completion of the remainder of the tower is underway.

10 Two days after Caesars’ 2007 press release, Defendant Marcel July (“July”) registered  
11 numerous domain names that incorporated the CAESARS PALACE and OCTAVIUS TOWER  
12 marks. He then posted a website at the domain names with photographs of Caesars Palace and  
13 offers to sell the domain names to the highest bidder. An international domain name arbitration  
14 panel recognized July’s actions for what they were – opportunistic actions undertaken in bad  
15 faith – and ordered that July transfer the Caesars related domain names to Caesars.

16 Undeterred, and without Caesars’ knowledge, July later secured federal registrations for  
17 the OCTAVIUS TOWER mark based on claims that he had used the mark in commerce in the  
18 United States in connection with a band, a website, and an equipment rental business. On March  
19 2011, July sent a letter to Caesars demanding that it cease further use of its OCTAVIUS  
20 TOWER mark. Caesars believes that confusion is unlikely and that the parties’ can peacefully  
21 co-exist in the marketplace under their marks. Nevertheless, July has refused to rescind his  
22 demands. Accordingly, Caesars filed the present action to request a declaration that it has the  
23 right to continue to use its mark.

24 July responded with a counterclaim for trademark infringement and dilution. Despite a  
25 nearly four year delay in asserting his alleged rights, July further moved for a preliminary  
26 injunction to halt Caesars’ use of its OCTAVIUS TOWER mark. For the reasons set forth  
27 below, July has no enforceable trademark rights in the OCTAVIUS TOWER mark because he  
28



1 has not made bona fide use of the mark in commerce in the United States. Nevertheless, even if  
2 he owned any rights in the mark, Caesars' world-class, luxury hotel services are not likely to be  
3 confused with July's heavy metal band or website.

4 July also has not shown that he will suffer any legitimate harm in the absence of a  
5 preliminary injunction. He has not even shown that he has used his mark in the United States in  
6 nearly two years or that he has any current plans to use the mark in the future. By contrast, the  
7 burden on Caesars of having to cease use of a mark it has used for nearly four years and around  
8 which it has built considerable consumer recognition and goodwill would be substantial and  
9 irreparable. For these and other reasons set forth more fully below, July's motion for  
10 preliminary injunction should be denied.

11 **II. STATEMENT OF FACTS**

12 **A. CAESARS AND ITS OCTAVIUS TOWER MARK.**

13 Caesars, through affiliates, is the owner and operator of the world famous Caesars Palace  
14 casino hotel in Las Vegas, Nevada as well as CAESARS branded casinos or casino hotels  
15 located in Atlantic City, New Jersey; Ontario, Canada; and Cairo, Egypt. *See* Selesner Decl., ¶  
16 3. Caesars Palace is located in the heart of the strip in Las Vegas and was opened on August 5,  
17 1966. As a result of its location, quality of service, and size, Caesars Palace has enjoyed and  
18 continues to enjoy widespread recognition and success, and is one of the most famous hotels in  
19 the world. *Id.* at ¶ 4; *Caesars World, Inc. v. Milanian*, 247 F. Supp. 2d 1171, 1176 (D. Nev.  
20 2003) ("Because of [Caesars'] outstanding reputation in the hospitality industry and the millions  
21 of dollars dedicated to its promotion, the CAESARS name is among the most famous in the  
22 industry and is world-renowned.").

23 On average, approximately 1.5 million people stay at Caesars Palace each year. Selesner  
24 Decl., ¶ 5. Millions more from around the world visit the casino each year, dine at Caesars'  
25 restaurants and cafes, or watch a show in Caesars' 4,100-seat theater named the Colosseum. *Id.*  
26 Built around a Greco-Roman theme, Caesars Palace features more than 3,300 hotel guest rooms  
27 and suites in five towers, named Augustus, Centurion, Forum, Palace, and Roman. *Id.* at ¶ 6.  
28

1           On July 19, 2007, the parent company of Caesars, Harrah's Entertainment, Inc. (now  
 2 known as Caesars Entertainment Corporation), issued a widely published press release that  
 3 announced plans for a \$1 billion expansion of Caesars Palace. *Id.* at ¶ 8, Ex. 1. The announced  
 4 centerpiece of this expansion was the building of a 23-story 665 room tower named "Octavius  
 5 Tower" after the great-nephew of Julius Caesar. *Id.* Since then, Caesars has issued additional  
 6 press releases regarding its Octavius Tower project that have generated a significant number of  
 7 news articles and other publicity regarding the tower. *Id.*, Ex. 2; Pughsley Decl., Ex. 1-2.

8           To generate consumer interest and enthusiasm in the new tower, Caesars published a  
 9 preview of the tower in the November 2008 issue of Caesars' *CP Quarterly* publication. *Id.* at ¶  
 10 9, Ex. 3. This publication was sent by direct mail to nearly 165,000 consumers, and was placed  
 11 in all guest rooms at Caesars Palace. *Id.*

12           The exterior of Octavius Tower has been completed and stands prominently on East  
 13 Flamingo Road. *Id.* at ¶ 10, Ex. 4. In early 2009, Caesars announced a delay in the completion  
 14 of the tower as a result of the weak economy and its impact on Las Vegas. *Id.* at ¶ 11, Ex. 5.  
 15 Nevertheless, Caesars moved forward with the development of three luxury villas in the tower  
 16 that opened their doors to the public on September 11, 2009. *Id.* at ¶ 12. The villas are each  
 17 more than 8,000 square feet in size and room nights in the villas are valued at thousands of  
 18 dollars per night. *Id.* The villas won the 2010 Hospitality Design Award in the Luxury/Upscale  
 19 Guestrooms or Suites category issued by *Hospitality Design* magazine. *Id.* at ¶ 13, Ex. 6.

20           Guests are directed to the Octavius Tower villas by three prominent signs in Caesars  
 21 Palace that bear the OCTAVIUS TOWER mark. *Id.* at ¶ 14, Ex. 7. There is also a separate  
 22 entrance to the villas marked with a sign that bears the mark OCTAVIUS VILLAS. *Id.* The  
 23 villas have been highly successful and have generated significant revenue for Caesars. *Id.* at ¶  
 24 15.

25           In early 2011, Caesars made the decision to move forward with the completion of the  
 26 remaining rooms in Octavius Tower. *Id.* at ¶ 16. Caesars announced the same in a report that  
 27 was issued on May 10, 2011 and that was widely publicized in news articles and Internet  
 28 postings. *Id.*, Ex. 8. Through its use of the name and mark OCTAVIUS TOWER since 2007 to

1 identify its new tower, the name has achieved significant consumer recognition and goodwill,  
2 and is an asset of significant value to Caesars.

3 The tower is not Caesars' first use of "Octavius" in connection with Caesars Palace. For  
4 years, Caesars Palace has operated a 50,000 square foot ballroom under the name "Octavius."  
5 *Id.* at ¶ 7. The ballroom can host meetings of up to 5,555 people, and, over the years, has hosted  
6 numerous conferences and meetings. *Id.*; Conduah Decl., Ex. 1.

7 **B. JULY'S PURPORTED USE OF THE OCTAVIUS TOWER MARK.**

8 July claims to have used the OCTAVIUS TOWER mark since 1992 in connection with  
9 three sets of a services: (1) a "hard rock" band, (2) a website, and (3) an equipment rental  
10 business.<sup>1</sup> *Separate Answer and Counterclaim of Marcel July* ("July's Counterclaim"), ¶¶ 68, 71  
11 (Dkt. 15).

12 With regard to his band, July claims that he performed in Europe from 1993 to 1996, and  
13 then ceased performing anywhere for seven years. Dkt. 15, ¶74 and Ex. C. July claims that his  
14 OCTAVIUS TOWER band first performed in the United States in 2003, but he identifies only  
15 the following seven concerts that the band has ever performed in the United States – with the last  
16 performance coming nearly two years ago:

- 17 • Mr. D'z Route 66 Diner in Kingman, Arizona on May 3, 2003;
- 18 • Rick's Halloween Bash at the Grand Canyon, Arizona on October 25, 2005;
- 19 • Gloria's Lounge in Visalia, CA on April 22, 2006;
- 20 • Chris' Event Center in Las Vegas, Nevada on February 4, 2006;
- 21 • Tailspin in Las Vegas, Nevada on April 6, 2006;
- 22 • Punta Gorda, Florida on May 10, 2008 and June 24, 2009.

21 *Id.* at ¶ 77.

22 July provides no information regarding the size of the foregoing venues, but the venues  
23 appear to be small, local venues. For example, Mr. D'z Route 66 Diner is a small, roadside diner  
24 on Route 66 in Kingman, Arizona, and the concert in Punta Gorda, Florida appears to be a small,  
25

26 \_\_\_\_\_  
27 <sup>1</sup> July filed articles of organization in November 2009 to form Octavius Tower LLC in Nevada to build an  
28 entertainment center; however, July concedes that this project was placed on hold and does not allege that this center  
*Id.* at ¶ 87.

1 local Veterans Day event. Pughsley Decl., Ex. 3; Dkt 15, Ex. F-5.<sup>2</sup> There is no evidence that  
2 these concerts were promoted in any meaningful way or outside the local areas in which the  
3 concerts took place, and there is no information regarding the number of people who attended the  
4 concerts. There also is no evidence that July has performed under the OCTAVIUS TOWER  
5 mark anywhere in the world since 2009, or that the band has any planned future concerts.

6 With regard to website services, July contends that he initially designed the site in 1993  
7 and that it was uploaded to the Internet in Germany by a German web server company at the  
8 domain name <http://octaviustower.plexiglas-verarbeitung.com/OctaviusTowerx.htm>. Dkt. 15,  
9 ¶73. From 1996 to 2003, July alleges that “Octavius Tower LLC” maintained the website  
10 promoting concerts and streaming videos of performances. *Id.* at ¶75. With the exception of  
11 concert posters and a photo from the concert at Mr. D’z in Arizona in 2003, the website is  
12 devoted to July’s alleged band performances under the name “Octavius Tower” in Europe prior  
13 to 2007. *See* Dkt. 15, Ex. B3. July does not allege that the site was promoted to consumers in  
14 the United States, and July has provided no traffic data regarding the volume or geographic  
15 location of visitors to the site.

16 With regard to equipment rental, July alleges that from 1996 through 2003, Octavius  
17 Tower LLC provided “entertainment services which included renting sound systems, stages,  
18 lighting, and laser-light equipment.” *Id.* at ¶76. However, July makes no allegation that he  
19 offered any of these services in the United States. He attached two contracts as Exhibit E to his  
20 Counterclaim to show his use of the mark, but both are from Europe. *Id.* at Ex. E.

21 Caesars has never encountered any confusion with July or his use of OCTAVIUS  
22 TOWER in the United States for any of three sets of services he claims he has offered under the  
23 mark.

#### 24 C. JULY AND HIS BAD FAITH DOMAIN NAME REGISTRATIONS

25 On July 20, 2007, two days after Caesars announced its plans to build Octavius Tower,  
26 July registered the domain names <octaviustower.com>; <octaviustowers.com>;

27 <sup>2</sup> Caesars can find no information regarding Chris’ Event Center in Las Vegas and, upon information and belief,  
28 Gloria’s is out of business.

1 <octaviustowerlasvegas.com>; <octaviustowerslasvegas.com> (collectively the “Octavius  
2 Domain Names”). *See Complaint*, ¶ 21 (Dkt. No. 1). On the same day, July registered the  
3 domain names <caesarspalacetower.com>; <caesarspalacetowers.com>;  
4 <caesarspalacetowerslasvegas.com>; <caesarstower.com>; and <caesarstowers.com>;  
5 (collectively the “Caesars Domain Names”). *Id.* July used the Octavius Domain Names as  
6 addresses for websites that included four photographs of Caesars Palace and stated “The new  
7 CAESARS PALACE TOWERS ARE COMING SOON!” The websites also included offers to  
8 sell each of the Octavius and Caesars domain names July had registered with the prominent  
9 statements “BRING ALL OFFERS” and “CONTACT: Marcel July.” *Id.* at ¶22, Ex. B.

10 Through correspondence sent in September 2007, Caesars demanded that July transfer  
11 the domain names to Caesars. *Complaint*, ¶23. When July refused to do so, Caesars filed a  
12 domain name arbitration complaint with the National Arbitration Forum (“NAF”) under  
13 ICANN’s Uniform Domain Name Dispute Resolution Policy (“UDRP”), alleging that July had  
14 registered and used the Caesars Domain Names in bad faith. *Id.* at ¶24.<sup>3</sup> The NAF found that  
15 July’s registration of the domain names two days after Caesars announced its plans to open its  
16 new tower was “opportunistic action” undertaken in bad faith. *Caesars World, Inc. v. Marcel*  
17 *July Ra Christian Kaldenhoff*, Nat’l Arbitration Forum, FA 0801001126341 (March 3, 2008).  
18 *See* Dkt. 1, Ex. C. Accordingly, the NAF panel ordered that the Caesars Domain Names be  
19 transferred to Caesars. *Id.*

20 **D. THE PARTIES’ FEDERAL SERVICE MARK APPLICATIONS FOR THE OCTAVIUS**  
21 **TOWER MARK.**

22 **1. Caesars’ Applications.**

23 On July 20, 2007, Caesars, through its affiliate Caesars License Company, LLC (formerly  
24 known as Harrah’s License Company, LLC) (collectively “Caesars”), filed an intent-to-use  
25 service mark application with the U.S. Patent and Trademark Office (“USPTO”) for the mark  
26 OCTAVIUS TOWER for “hotel services” in International Class 43 (hereinafter the “First

27 \_\_\_\_\_  
28 <sup>3</sup> Because a registration had not yet issued for Caesars’ First Service Mark Application, Caesars did not address the  
OCTAVIUS Domain Names in its UDRP complaint. *Complaint*, ¶ 25.

1 Caesars Application”). On January 29, 2008, the USPTO issued Caesars a Notice of Allowance  
2 regarding its application and set a deadline of January 29, 2011 for Caesars to file a Statement of  
3 Use. Caesars did not believe it had an appropriate specimen to provide the USPTO prior to the  
4 January 29, 2011 deadline. Accordingly, Caesars filed a new intent-to-use application with the  
5 USPTO for the OCTAVIUS TOWER mark on December 14, 2010 for the same services  
6 (hereinafter the “Second Caesars Application”). This application is currently pending.

## 7 2. July’s Applications.

8 On May 7, 2008, July filed a federal service mark application with the USPTO to register  
9 the mark OCTAVIUS TOWER for “Entertainment services, namely, providing a web site  
10 featuring musical performances, musical videos, related film clips and photographs” in  
11 International Class 41. Dkt. 15, Ex. H-1. Presumably this application is for the website  
12 discussed above because it is the only discussed in July’s Counterclaim. The USPTO found no  
13 likelihood of confusion between July’s mark and Caesars’ OCTAVIUS TOWER mark for hotel  
14 services (which was the subject of Caesars’ then pending first application for the mark).<sup>4</sup> The  
15 USPTO granted registration to July’s mark on September 1, 2009 (hereinafter the “Website  
16 Registration”).

17 On July 23, 2009, July filed a second service mark registration application with the  
18 USPTO to register the OCTAVIUS TOWER mark in connection with “Entertainment in the  
19 nature of visual and audio performances, and musical, variety, news and comedy shows;  
20 Presentation of live show performances; Theatrical and musical floor shows provided at  
21 discotheques and nightclubs; Theatrical and musical floor shows provided at performance  
22 venues” in International Class 41. Dkt. 15, Ex. H-2. The USPTO found no likelihood of  
23 confusion between July’s mark and Caesars’ OCTAVIUS TOWER mark for hotel services. The  
24 USPTO granted registration to July’s mark on September 1, 2009 (hereinafter the “Floor Show  
25 Registration”), even though July provided no proof to the USPTO that he had used the mark at

26  
27 <sup>4</sup> July contends that the USPTO does not examine applications to determine a likelihood of confusion with marks  
28 that are the subject of prior filed but still pending applications. Dkt. 15 at ¶ 92. That statement is incorrect. *See Trademark Manual of Examining Procedure* § 1207.01 (“The examining attorney also searches pending applications for conflicting marks with earlier effective filing dates.”).



1 any time in connection with many of the services in his application, including musical floor  
2 shows, and variety, news and comedy shows.<sup>5</sup>

3 **E. JULY'S THREATS TO CAESARS.**

4 Despite the USPTO's prior finding that there is no likelihood of confusion between  
5 Caesars' OCTAVIUS TOWER mark for hotel services and July's use of the mark for  
6 entertainment services, the USPTO issued an office action to Caesars on February 24, 2011  
7 regarding the Second Caesars Application in which the USPTO cited a likelihood of confusion  
8 between Caesars' mark and July's Floor Show Registration. The USPTO did not find a  
9 likelihood of confusion between Caesars' application and July's Website Registration. Dkt 1, ¶  
10 40.

11 Approximately two weeks later, and despite being aware of Caesars' use of the  
12 OCTAVIUS TOWER mark since 2007, July's counsel sent a cease and desist letter to Caesars in  
13 which he stated that his client agrees with the USPTO that there is a likelihood of confusion  
14 between the parties' marks. *Id.* at ¶41. July's counsel demanded that Caesars "cease and desist  
15 using [July's] Trademarked name 'Octavius Tower' in any manner whatsoever, including, but  
16 not limited to, 'cyber squatting'... billboard signs, print or broadcast ads, brochures, and any and  
17 all other forms of displaying this Trademarked name." July's counsel further threatened that  
18 "[f]ailure to do so immediately will result in our client pursuing all legal remedies available to  
19 him." *Id.*, Ex. D.

20 On March 21, 2011, Caesars' counsel sent a response letter to July's counsel. In the  
21 response, Caesars disagreed that there was a likelihood of confusion between the parties'  
22 respective uses of their marks and offered to enter into an appropriate written co-existence  
23 agreement with July. *Id.*, Ex. E. In a reply letter dated March 23, 2011, July's counsel rejected  
24 the possibility of a co-existence agreement and demanded once again that Caesars cease and

25 \_\_\_\_\_  
26 <sup>5</sup> In addition to his two federal registrations, July also applied for and secured three Nevada and one Florida state  
27 service mark registrations – each of which was filed for after Caesars' 2007 press release. *See* Dkt. 15, ¶ 85.  
28 Because July does not premise a counterclaim on these registrations, they are not addressed herein. Notably,  
however, July admitted in his Answer that he has never used the OCTAVIUS TOWER mark in Nevada for the  
services described in his Nevada registrations and that he intentionally made misrepresentations to the Nevada  
Secretary of State's Office in securing the registrations. *Id.* at ¶ 42.

1 desist using the OCTAVIUS TOWER mark. *Id.*, Ex. F. The letter further threatened that  
2 “[f]ailure to do so will result in our client taking all legal actions deemed appropriate to protect  
3 his Trademarks.” *Id.* Caesars filed the instant action seeking a declaratory judgment for  
4 noninfringement of July’s mark as well as cancellation of July’s registrations for non-use,  
5 abandonment and fraud to protect its right to use its valuable OCTAVIUS TOWER mark.

### 6 III. ARGUMENT

7 A party seeking injunctive relief must demonstrate that: (i) it is likely to succeed on the  
8 merits, (ii) it is likely to suffer irreparable harm in the absence of preliminary relief, (iii) the  
9 balance of equities tips in its favor, and (iv) an injunction is in the public interest. *Stormans, Inc.*  
10 *v. Selecky*, 586 F.3d 1109, 1127 (9th Cir. 2009). “[A] preliminary injunction is an extraordinary  
11 and drastic remedy, one that should not be granted unless the movant, *by a clear showing*, carries  
12 the burden of persuasion.” *Mazurek v. Armstrong*, 520 U.S. 968, 972 (1997) (emphasis in  
13 original) (citation omitted). “The cases best suited to preliminary relief are those in which the  
14 important facts are undisputed, and the parties simply disagree about what the legal  
15 consequences are of those facts.” *Remlinger v. State of Nev.*, 896 F. Supp. 1012, 1015 (D.  
16 Nev.1995).

17 As demonstrated below, the facts of this case do not satisfy the Ninth Circuit’s standard  
18 for the issuance of preliminary injunctive relief. July is unlikely to succeed on the merits of his  
19 claims, and he will not suffer any harm, let alone irreparable harm, absent injunctive relief. By  
20 contrast, the harm to Caesars if the requested injunction is issued would be significant. July’s  
21 motion should therefore be denied.

#### 22 A. JULY IS UNLIKELY TO SUCCEED ON THE MERITS OF HIS TRADEMARK 23 INFRINGEMENT CLAIM.

24 To prevail on his infringement claim, July must demonstrate that he will likely establish  
25 at trial that: (1) he has valid and enforceable trademark rights in the OCTAVIUS TOWER mark;  
26 and (2) that the public is likely to be confused by Caesars’ use of its OCTAVIUS TOWER mark  
27 into believing that July sponsors or endorses, or is associated or affiliated with, Caesars’ hotel  
28 services. *See Brookfield Commc’ns, Inc. v. West Coast Entm’t Corp.*, 174 F.3d 1036, 1046 (9th

1 Cir. 1999). July is substantially unlikely to establish either of these elements of his claim.

2 **1. July Owns No Trademark Rights in the OCTAVIUS TOWER Mark.**

3 A term or symbol is capable of being protected as a mark in the United States only if it  
4 has been used in commerce in the United States. 15 U.S.C. § 1127. Use in commerce is defined  
5 as “the bona fide use of the mark in the ordinary course of trade, and not made merely to reserve  
6 a right in a mark.” *Id.* “The ‘talismanic test’ is whether the mark was used ‘in a way  
7 sufficiently public to identify or distinguish the marked goods in an appropriate segment of the  
8 public mind as those of the adopter of the mark.’” *Housing & Servs., Inc. v. Minton*, No. 97 Civ.  
9 2725(SHS), 1997 WL 349949, at \*4 (S.D.N.Y. June 24, 1997) (internal citation omitted). The  
10 use must be “deliberate and continuous, not sporadic, casual or transitory.” *La Societe Anonyme*  
11 *des Parfums Le Galion v. Jean Patou, Inc.*, 495 F.2d 1265, 1272 (2d Cir. 1974).

12 *De minimis* use of a mark is not bona fide use. *Lucent Info. Mgmt., Inc. v. Lucent Tech.*  
13 *Inc.*, 186 F.3d 311, 317 (3rd Cir.1999). Thus, claims of trademark rights have been rejected  
14 where the use was limited and not continuous in the market at issue. *See, e.g., Chance v. Pac-Tel*  
15 *Teletrac Inc.*, 242 F.3d 1151, 1160 (9th Cir. 2001) (finding plaintiff owned no trademark rights  
16 despite mailing 35,000 post cards which generated 128 responses to its toll free number and 2  
17 sales); *La Societe Anonyme*, 495 F.2d at 1272 (finding eighty nine sales over twenty years was  
18 not bona fide use of mark, and stating: “In numerous other cases, where no present intent has  
19 been found to market the trademarked product, minimal sales have been held insufficient to  
20 establish trademark rights.”).

21 To determine whether a party has made bona fide rights in a mark, the court must  
22 consider the “totality of the circumstances.” *Chance*, 242 F.3d at 1159. In applying this  
23 approach, the Ninth Circuit has held that the following non-exhaustive list of factors should be  
24 considered:

25 [T]he genuineness and commercial character of the activity, the  
26 determination of whether the mark was sufficiently public to  
27 identify or distinguish the marked service in an appropriate  
28 segment of the public mind as those of the holder of the mark, the  
scope of the [trademark] activity relative to what would be a  
commercially reasonable attempt to market the service, the degree

1 of ongoing activity of the holder to conduct the business using the  
2 mark, the amount of business transacted, and other similar factors  
3 which might distinguish whether a service has actually been  
4 “rendered in commerce.”

4 *Id.*

5 As noted above, July alleges use of the OCTAVIUS TOWER mark in connection with  
6 three sets of alleged services: (1) equipment rental, (2) a website; and (3) a hard rock band. July  
7 makes no allegation of use of the mark in connection with equipment rental in the United States,  
8 and the only evidence he has submitted is rental contracts in Europe from 2003 and before. He  
9 therefore has not established that he owns trademark rights for these services in the United  
10 States.

11 With regard to his website, it is a German-hosted website at an unusual URL  
12 (<<http://octaviustower.plexiglas-verarbeitung.com/OctaviusTowerx.htm>>). July does not allege  
13 that the site has ever been promoted to or accessed by any consumers in the United States, or that  
14 he has ever generated any revenues in the United States through the site. The content of the site  
15 provides images and recollections of Octavius Tower concerts from 2007. Dkt. 15, Ex. B3.  
16 With the exception of photos from a concert at Mr. D’z in Arizona on May 3, 2003 (which shows  
17 only nine people in attendance at the concert), all of the concert images are from concerts in  
18 Europe. Such use does not constitute bona fide use of the mark in “the ordinary course of trade”  
19 in the United States. *See, e.g., Unuson Corp. v. Built Entm't Group, Inc.*, 2006 U.S. Dist. LEXIS  
20 2207, at \*12-13 (N.D. Cal. Jan. 23, 2006) (rejecting claim of trademark rights where website of  
21 concert promoter “fall[s] into the category of nostalgia and retrospection, rather than present  
22 active use of the mark in commerce.”); *Schussler v. Webster*, No. 07cv2016IEG(AGB), 2008  
23 WL 4350256, at \*3 (S.D. Cal. Sep. 22, 2008) (finding no trademark use from a website that  
24 generated no revenue).

25 With regard to his band, July’s claimed use of the OCTAVIUS TOWER mark in  
26 connection with seven concerts at small venues over the past eight years does not constitute the  
27 “deliberate and continuous” use necessary to establish trademark rights in the United States—  
28

1 statutory or common law.<sup>6</sup> Trademark rights in the United States are territorial in nature and  
2 extend only to the geographic territory in which a party advertises and sells its goods and  
3 services. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 416 (1916) (“Since it is the trade,  
4 and not the mark, that is to be protected, a trademark ... extends to every market where the  
5 trader's goods have become known and identified by his use of the mark. But the mark, of itself,  
6 cannot travel to markets where there is no article to wear the badge and no trader to offer the  
7 article.”). “A party asserting trademark ownership in a trading area must show ‘clear  
8 entitle[ment]’ to protection of its trademark in a particular market. In other words, that party  
9 must introduce evidence to show its trademark ‘has achieved market penetration that is  
10 ‘significant enough to pose the real likelihood of confusion among the consumers in that area.’”  
11 *Lucent*, 186 F.3d at 316-17 (quoting *Natural Footwear Ltd. v. Hart, Schaffner & Marx*, 760 F.2d  
12 1383, 1397 (3d Cir. 1985)). Absent evidence of rights in a market, the senior user is not entitled  
13 to an injunction in the market under either common law or federally registered rights. *Natural*  
14 *Footwear*, 760 F.2d at 1400.

15 July has submitted evidence of only seven concerts over the past eight years in isolated  
16 cities in Arizona, California, Nevada and Florida. July has submitted no evidence that any of  
17 these concerts were promoted other than locally and no evidence of the scope of the advertising  
18 even within the cities where the concerts were held. July also has provided no evidence  
19 regarding attendance at the concerts or any revenue generated from the concerts. Given the  
20 small nature of the venues at which the concerts were allegedly held, it appears clear that the  
21 concerts were small, local concerts with limited public visibility or notoriety.

22 In Arizona, July's band performed only twice: in cities that are approximately 175 miles  
23 away from one another and on concert dates that were two years apart. The last of the concerts  
24 was held nearly *six* years ago. In California, July only ever held one concert, and that was *five*  
25 years ago. July held two concerts in Las Vegas, but the last of the concerts was *five* years ago.  
26 July's last two concerts were in Florida, but the concerts were held a year apart from one another

27 \_\_\_\_\_  
28 <sup>6</sup> July's use of the mark in Europe does not give rise to trademark rights in the United States. See *Buti v. Perosa S.R.L.*, 139 F.3d 98, 103 (2d Cir. 1998).

1 and at the same location. The last of the concerts was held nearly *two* years ago. The record is  
2 devoid of any future concert dates, and July admits that he is not even in the United States at this  
3 time. Dkt. 15, ¶78.

4 July's isolated, sporadic, and discontinued use of the OCTAVIUS TOWER mark for his  
5 band does not give rise to bona fide trademark rights in any of the geographic locations in which  
6 he claims to have used the mark. *See, e.g., Chance*, 242 F.3d at 1159; *Natural Footwear*, 760  
7 F.2d 1383 at 1400 (finding *de minimis* clothing sales of less than \$5,000 to approximately fifty  
8 customers in at least two of the three years for which sales data was available); *La Societe*  
9 *Anonyme*, 495 F.2d at 1272. Simply stated, July has not offered any evidence tending to show  
10 that he penetrated the markets in which he claims to have used the OCTAVIUS TOWER mark  
11 "in a way sufficiently public to identify or distinguish" his hard rock band "in an appropriate  
12 segment of the public mind." *Brookfield*, 174 F.3d at 1052. Absent a showing of such market  
13 penetration, injunctive relief cannot issue as to that market or any other market. *Natural*  
14 *Footwear*, 760 F.2d at 1403.

15 Even if July had established any trademark rights in any of the cities in which he used the  
16 mark, he has abandoned those rights based on his sustained non-use of the mark. Non use for  
17 three years constitutes "prima facie evidence of abandonment." 15 U.S.C. § 1127. A "concrete"  
18 intent to resume use is necessary to overcome a presumption of abandonment arising from non-  
19 use, and July has evidenced no such intent in this case. *Unusun*, 2006 U.S. Dist. LEXIS 2207, at  
20 \*16 (holding mere intent not to abandon insufficient; "concrete" evidence of intent to resume  
21 necessary to overcome presumption of abandonment). Moreover, with regard to July's two most  
22 recent concerts in Florida, any rights arising out of these uses would be junior to Caesars' rights  
23 in its OCTAVIUS TOWER mark as a result of Caesars' continuous marketing and use of its  
24 mark since July 19, 2007. *See Chance*, 242 F.2d at 1160-61 (holding that defendant had senior  
25 rights in its mark based on pre-launch use of the mark and subsequent sales). July is therefore  
26 substantially unlikely to establish the first element of his trademark infringement claim.

27 **2. July's Registrations for the OCTAVIUS TOWER Mark are Invalid.**

28 July owns two U.S. registrations for the OCTAVIUS TOWER mark. A registration

1 normally constitutes *prima facie* evidence of validity of the mark registered, but this presumption  
2 may be rebutted, including if the mark is not in use or if the registration was obtained  
3 fraudulently. 15 U.S.C. § 1115. In this case, neither of July's registrations are valid.

4 With respect to July's Website Registration, there is no evidence that he has used the  
5 mark in the United States for the services listed in the registration (e.g., "Entertainment services,  
6 namely, providing a web site featuring musical performances, musical videos, related film clips  
7 and photographs.") As set forth above, July's purported website is merely a posting of memories  
8 of concerts from 2007 and before. The website therefore falls into the category of nostalgia and  
9 retrospection, not "present active use of the mark in commerce." *Unuson*, 2006 U.S. Dist.  
10 LEXIS 2207, at \*13. Without use, the registration is void *ab initio*. *Aycock Eng'n'g, Inc. v.*  
11 *Airflite, Inc.*, 560 F.3d 1350, 1357 (Fed. Cir. 2009); *see also Societe de Developments et*  
12 *D'Innovations des Marches Agricoles et Alimentaires-SODIMA-Union de Cooperatives*  
13 *Agricoles v. Int'l Yogurt Co.*, 662 F. Supp. 839, 847 (D. Or. 1987) ("An axiom of trademark law  
14 is: no trade, no trademark. The right to register a mark depends upon actual use in trade.").

15 Likewise, July has not offered any evidence to support a bona fide, continuing use of the  
16 OCTAVIUS TOWER mark in the United States in connection with the services identified in his  
17 Floor Show Registration. The registration claims use of the mark in commerce in the United  
18 States for "Entertainment in the nature of visual and audio performances, and musical, variety,  
19 news and comedy shows; Presentation of live show performances; Theatrical and musical floor  
20 shows provided at discotheques and nightclubs; Theatrical and musical floor shows provided at  
21 performance venues." July has submitted no evidence of use of the mark in connection with any  
22 of these services other than for a rock band, and, as set forth above, July has not made bona fide  
23 use of the mark even for this service in the United States. The registration should therefore be  
24 cancelled.

25 In addition to the foregoing issues, July appears to have made numerous material  
26 misrepresentations to the USPTO in connection with his registration applications. Upon  
27 information and belief, July has not used the OCTAVIUS TOWER mark in the United States in  
28 connection with most of the services listed in the Floor Show Registration, including for

1 theatrical shows, musical floor shows, variety shows, news shows and comedy shows. July also  
2 concedes that he did not use the mark for band services in the United States until 2003, despite  
3 his claimed date of first use in commerce in the United States of June 8, 1993. Such clearly  
4 knowing material misrepresentations of fact made to the USPTO to secure registrations to which  
5 he is not properly entitled constitutes fraud and is substantially likely to result in the cancellation  
6 of his registrations through this litigation. *See In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir.  
7 2009). Such clearly known misrepresentations of material fact also “could (and likely would)  
8 strip these registered marks of their ‘presumption of validity’” for purposes of this motion. *Edge*  
9 *Games, Inc. v. Elec. Arts, Inc.*, 745 F. Supp. 2d 1101, 1115 (N.D. Cal. 2010).<sup>7</sup>

10 In sum, because a valid trademark is a prerequisite to a finding of infringement, and  
11 because July has failed to establish that he is likely to establish the ownership of bona fide  
12 trademark rights, his motion should be denied. *Int’l Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4  
13 F.3d 819, 822 (9th Cir. 1993) (holding that a preliminary injunction is properly denied where  
14 “there is great doubt as to the validity of the trademark.”); *see also Advertise.com, Inc. v. AOL*  
15 *Adver., Inc.*, 616 F.3d 974, 982 (9th Cir. 2010) (vacating preliminary injunction where defendant  
16 could likely rebut validity of registered mark).

### 17 3. The Parties’ Services Are Not Likely to Be Confused.

18 Assuming *arguendo* that July can prevail in showing that he owns trademark rights in the  
19 OCTAVIUS TOWER mark, he is substantially unlikely to establish that there is a legitimate  
20 likelihood of consumer confusion between the parties’ services. “The test for likelihood of  
21 confusion is whether a ‘reasonably prudent consumer’ in the marketplace is likely to be confused  
22 as to the origin of the good or service bearing one of the marks.” *Dreamwerks Prod. Group, Inc.*  
23 *v. SKG Studio*, 142 F.3d 1127, 1129 (9th Cir. 1998). Confusion must be “probable, not simply a  
24 possibility.” *Self-Ins. Inst. of Am., Inc. v. Software & Info. Indus. Ass’n*, 208 F. Supp. 2d 1058,  
25 1070 (C.D. Cal. 2000). “Thus, the law requires a showing that the allegedly infringing conduct  
26

27 <sup>7</sup> Tellingly, July has admitted that he has never used the OCTAVIUS TOWER mark in Nevada for the services  
28 described in his Nevada registrations and that he intentionally made misrepresentations to the Nevada Secretary of  
State’s Office in securing his Nevada registrations for the OCTAVIUS TOWER marks. Dkt. 15 at ¶ 42.



1 carries with it a likelihood of confounding an *appreciable number* of reasonably prudent  
2 purchasers exercising ordinary care.” *Id.* (emphasis added) (internal quotations omitted); *see*  
3 *also M2 Software*, 421 F.3d at 1083 (granting summary judgment and holding plaintiff’s mark  
4 was not “likely to confuse *an appreciable number* of people as to the source of the product”)  
5 (emphasis in original). In the context of survey evidence, this means that more than ten percent  
6 of the surveyed consumers must be confused. *See Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d  
7 455, n15 (4th Cir. 1996); *Newport Pac. Corp. v. Moe's SW Grill, LLC*, No. 05-995-KI, 2006 U.S.  
8 Dist. LEXIS 74481, at \*10 (D. Or. Sept. 28, 2006).

9 Courts in the Ninth Circuit examine the following eight factors in evaluating the  
10 likelihood of confusion:

11 (1) strength of the mark; (2) proximity of the goods; (3) the  
12 similarity of the marks; (4) evidence of actual confusion; (5)  
13 marketing channels used; (6) type of goods and the degree of care  
14 likely to be exercised by the purchaser; (7) defendant’s intent in  
selecting the mark; and (8) the likelihood of expansion of the  
product lines.

15 *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979). The *Sleekcraft* factors are  
16 intended to provide guidance rather than dictate a particular result, and the relative importance of  
17 each factor is case-specific. *See Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1140-41 (9th  
18 Cir. 2002).

19 *a. Any Trademark Rights July Owns are Weak:* “The scope of the  
20 trademark protection [given to] marks depends upon the strength of the mark, with stronger  
21 marks receiving greater protection than weak ones.” *Entrepreneur*, 279 F.3d at 1141. The  
22 strength of a trademark is evaluated in terms of both its conceptual strength and its commercial  
23 strength. *Network Automation, Inc. v. Advanced Sys. Concepts*, 2011 U.S. App. LEXIS 4488, at  
24 \*23-24 (9th Cir. Cal. Mar. 8, 2011). Conceptual strength refers to the distinctiveness of a mark  
25 while commercial strength is based on “actual marketplace recognition.” *Id.* July’s mark is  
26 inherently distinctive, but it has no commercial strength. His alleged use in the United States  
27 mark has been sporadic, transitory and isolated, and he concedes that he has had no use in nearly  
28 two years. Few consumers are likely to ever have been exposed to July’s mark or to be aware of

1 his band. Unless a consumer is familiar with a mark, it is axiomatic that the consumer will not  
2 be confused by the use of the same mark by a third party. *See* 2 J. Thomas McCarthy, *McCarthy*  
3 *on Trademarks and Unfair Competition* § 16:1 (4th ed.1997), § 16.1 (“In the absence of  
4 customer recognition of the symbol, the ‘owner’ of the business has no good will, and thus there  
5 is nothing for the ‘trademark’ or ‘trade dress’ to symbolize or represent.”). This factor therefore  
6 weighs heavily in Caesars’ favor. *See, e.g., Edison Bros. Stores, Inc. v. Cosmair, Inc.*, 651 F.  
7 Supp. 1547, 1555 (S.D.N.Y. 1987) (finding that plaintiff’s NOTORIOUS mark for clothing and  
8 shoes “is not widely recognized in the marketplace and cannot be deemed particularly strong  
9 commercially” and holding mark not infringed by use of same mark for perfume); *Lubovsky, Inc.*  
10 *v. Esprit de Corp.*, 627 F. Supp. 483, 487 (S.D.N.Y. 1986) (finding plaintiff’s ESPRIT mark for  
11 shoes weak, despite long use, because of nominal advertising of the mark, and holding that  
12 defendant’s use of the same mark for clothing non-infringing).

13 **b. *The Parties Services are not Related:*** “Related goods are those  
14 products which would be reasonably thought by the buying public to come from the same source  
15 if sold under the same mark.” *Sleekcraft*, 599 F.2d at 348, n.10 (quotations omitted). The  
16 proximity of goods is measured by whether the products are: (1) complementary; (2) sold to the  
17 same class of purchasers; and (3) similar in use and function. *Id.* at 350. Luxury hotel services  
18 and heavy metal rock band services are not complementary, generally are not sold to the same  
19 consumers, and are not in any way similar in use or function. This factor therefore weighs  
20 decidedly in Caesars’ favor. *See, e.g., Norm Thompson Outfitters*, 448 F.2d at 1298 (finding no  
21 likelihood of confusion of a slogan used by the plaintiff for clothing and sports equipment and  
22 the defendant for automobiles).

23 **c. *Similarity of the Marks:*** Although the parties’ marks are  
24 identical, “consumers will actually encounter the trademarks differently in the marketplace.”  
25 *Cohn v. Petsmart, Inc.*, 281 F.3d 837, 842 (9<sup>th</sup> Cir. 2002). Caesars’ OCTAVIUS TOWER mark  
26 is a secondary brand to the famous CAESARS PALACE mark and serves merely to identify one  
27 set of hotel services offered within Caesars Palace. The Ninth Circuit has recognized that the  
28 emphasis on such a housemark “has the potential to reduce or eliminate likelihood of confusion.”

1 *Id.* (citation omitted); *see also Norm Thompson Outfitters, Inc. v. General Motors Corp.*, 448  
2 F.2d 1293, 1298 (9th Cir.1971) (likelihood of confusion mitigated where “the name of the  
3 company invariably accompanied the [trademarked] slogan”); *Pristine Indus., Inc. v. Hallmark*  
4 *Cards, Inc.*, 753 F. Supp. 140, 145-46 (S.D.N.Y. 1990) (use of defendant’s well-known  
5 HALLMARK mark was strong factor pointing to no likelihood of confusion; preliminary  
6 injunction denied). The mark CAESARS PALACE presents the dominant commercial identity  
7 when Caesars’ OCTAVIUS TOWER mark is used. Because the CAESARS PALACE mark is  
8 both famous and readily distinguishable from July’s mark, confusion between the parties’  
9 services is highly unlikely. *See Cohn*, 281 F.3d at 843.

10 **d. The Record is Devoid of Actual Confusion:** Caesars has not  
11 encountered a single instance of actual confusion despite the fact that it announced its plans to  
12 build Octavius Tower nearly four years ago and despite the fact that it has been offering services  
13 under its mark for nearly two years. Even an attempt by July to foment confusion by posting a  
14 reference to his band on a page of the *Las Vegas Sun* website that is devoted to Caesars’ new  
15 tower has not resulted in actual consumer confusion. *See Pughsley Decl.*, Ex. 4.

16 July alleges that there have been instances of actual confusion, but he has not introduced  
17 any evidence to support his allegation. Moreover, even if he had a few instances of confusion, it  
18 would not credibly support a finding of a likelihood of confusion in this case because the alleged  
19 infringer’s “use of a mark must be likely to confuse an *appreciable* number of people as to the  
20 source of the product . . . That there are a few consumers who do not pay attention to obvious  
21 differences and assume common sources where most other people would not, [does] not  
22 demonstrate the requisite likelihood of confusion.” *Entrepreneur*, 279 F.3d at 1151 (emphasis in  
23 original); *see also Official Airline Guides v. Goss*, 6 F.3d 1385, 1393 (9th Cir. 1993) (holding  
24 lower court properly found “no persuasive evidence of actual confusion” where plaintiff  
25 submitted seven pieces of misdirected mail). Indeed, courts have found survey results indicating  
26 less than ten percent confusion evidence of the absence of likelihood of confusion. *See, e.g.*,  
27 *Newport Pac. Corp.*, 2006 U.S. Dist. LEXIS 74481, at \*10 (“Confusion survey results below  
28 10% are evidence that confusion is not likely.”).

1 *e. The Parties' Channels of Trade and Marketing are Dissimilar:*

2 Caesars offers its services to consumers in the market for hotel services while July's customers  
3 presumably are concertgoers. With regard to marketing, July advertises his band only when he  
4 has a concert (which has been nearly two years ago now), and only in local concert posters. In  
5 contrast, Caesars promotes its mark through magazines, press releases, and in casino signage.  
6 This factor therefore favors Caesars. *Cf. Moose Creek, Inc. v. Abercrombie & Fitch Co.*, 331 F.  
7 Supp. 2d 1214, 1229 (C.D. Cal. 2004) (finding factor weighs against confusion where parties'  
8 marketing efforts were "geared toward different customer audiences").

9 *f. Consumers of Caesars' Services are Sophisticated and Will*

10 *Exercise Care in Their Purchases:* Caesars' OCTAVIUS TOWER services are expensive  
11 luxury services. Consumers of these services are sophisticated and will not easily be misled.  
12 They will also exercise a high degree of care in their purchasing decision. *Official Airline*  
13 *Guides*, 6 F. 3d at 1393 ("[B]uyers will exercise greater care in their purchases of expensive  
14 goods."); *see also Carnival Corp. v. SeaEscape Casino Cruises, Inc.*, 74 F. Supp. 2d 1261, 1267  
15 (S.D. Fla. 1999) (finding VIP clubmembers of cruise line to be sophisticated consumers who are  
16 not likely to be confused). Such consumers are substantially unlikely to believe that a luxury  
17 tower at Caesars Palace has anything to do with July's band, whose highest cover charge for any  
18 concert it has given in the United States appears to be \$10 from a concert at Gloria's Lounge in  
19 2006. This is particularly true, as here, where the name "Octavius" has already been prominently  
20 associated with Caesars for years as a result of Caesars' operation of a significant meeting and  
21 conference space under the name OCTAVIUS.

22 *g. Caesars Had No Intent of Trading on July's Alleged Rights:*

23 Caesars had no knowledge of July or his alleged use of his OCTAVIUS TOWER prior to naming  
24 its tower. July had not filed a registration application at the time, and he had only performed  
25 with his band five times up to that point anywhere in the United States. Caesars adopted the  
26 OCTAVIUS TOWER mark because Caesars Palace is a Roman-themed hotel and casino and its  
27 towers include such names as Augustus, Centurion, and Forum. "Octavius" was a natural  
28 selection as the name for its next tower because it is a name bestowed on the great-nephew of

1 Julius Caesar, who was later named Augustus. It is also a name that Caesars has used for years  
2 in connection with one of its primary ballrooms, and is thus a name already associated by the  
3 public with Caesars.

4 **h. Neither Party is Likely to Expand into the Other's Market:** There  
5 is no evidence that the parties intend to expand into each other's service lines. July does not  
6 make any allegation that he intends to open a hotel, and a hotel would certainly not be a natural  
7 line of expansion for a part time band that has not played in nearly two years. July thus has not  
8 shown the "strong possibility of expansion into competing markets" that would be required for  
9 this factor to weigh in his favor. *M2 Software, Inc. v. Madacy Entm't*, 421 F.3d 1073, 1085 (9th  
10 Cir. 2005).

11 **i. Summary of the Factors:** In sum, the *Sleekcraft* factors  
12 overwhelmingly weigh against a finding of a likelihood of confusion in this case. The parties  
13 services are simply too dissimilar for a consumer to mistakenly believe that the OCTAVIUS  
14 TOWER at Caesar's Palace is associated with July's occasional rock band. July's motion does  
15 not make any effort to argue that any of the *Sleekcraft* factors weigh in his favor. Instead, he  
16 premises his motion on the fact that the USPTO rejected the Second Caesars Application because  
17 of its prior registration of July's prior Floor Show Registration. However, this was merely an  
18 *initial* office action, was not designated as final, and, thus, was nothing more than "a low-level  
19 preliminary determination [that] was conclusory, not searching or analytical." *A & H*  
20 *Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 221 (3d Cir. 2000); *see also*  
21 TMEP § 714.01 (final action must include "a clear and unequivocal statement that the refusal ...  
22 is final"). Such initial determinations are considered inconclusive and unpersuasive because the  
23 USPTO lacks the courts' access to evidence of actual marketplace conditions, and are thus given  
24 little weight in litigation. *See HGI Mktg. Servs., Inc. v. PepsiCo Inc.*, 1995 U.S. App. LEXIS  
25 4532, at \*6 (9th Cir. Mar. 3, 1995); *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d  
26 794, 802 (9th Cir. 1970); *see also Everest Capital Ltd. v. Everest Funds Mgmt., LLC*, 393 F.3d.  
27 755, 764 (8th Cir. 2005) (affirming exclusion of evidence regarding trademark examiner's initial  
28 determination of likelihood of confusion).

1           Moreover, when the USPTO first considered the issue of whether there is a likelihood of  
2 confusion between the parties' marks when Caesars' first application was pending and July's  
3 application was the junior application, the USPTO found that there was *no* likelihood of  
4 confusion between the parties' marks. The USPTO's more recent decision therefore conflicts  
5 with its prior decision, and, when the facts discussed above are brought to the USPTO's  
6 attention, Caesars is substantially likely to overcome this initial refusal and secure registration of  
7 its mark. Accordingly, July is unlikely to succeed on the merits of his trademark infringement  
8 claim.

9           **B.       JULY IS UNLIKELY TO SUCCEED ON HIS DILUTION CLAIM.**

10           Injunctive relief under the federal dilution statute is available to a trademark owner if it  
11 establishes that: (1) its mark is famous; (2) the infringer is making commercial use of the mark;  
12 (3) the infringer's use began after the owner's mark became famous; and (4) the infringer's use  
13 dilutes the quality of the mark by diminishing the capacity of the mark to identify and distinguish  
14 goods and services. *See* 15 U.S.C. § 1125(c); *World Mkt. Ctr. Venture, LLC v. Strickland*, 2011  
15 U.S. Dist. LEXIS 15479, at \*18 (D. Nev. Feb. 14, 2011).

16           Because July does not own trademark rights in the OCTAVIUS TOWER mark for the  
17 reasons stated above, he does not have an actionable claim for dilution under the Lanham Act. 15  
18 U.S.C. § 1125(a). Moreover, even if he did, he would not have an actionable claim because his  
19 mark is not famous within the meaning of the Act. Fame in the dilution context is interpreted  
20 exceptionally narrowly. *Thane Int'l, Inc., v. Trek Bicycle Corp.*, 305 F.3d 894, 905 (9th Cir.  
21 2002). "Dilution is a cause of action invented and reserved for a select class of marks—those  
22 marks with such powerful consumer associations that even non-competing uses can impinge  
23 their value." *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 (9th Cir. 1999). Dilution  
24 protection extends only to those parties whose marks are a "household name." *Thane*, 305 F.3d  
25 at 905. July's OCTAVIUS TOWER mark is far from being a household name. Indeed, if such  
26 well known marks as AVERY DENISON, FUN SHIP, TREK and the University of Texas  
27 Longhorn logo are not famous, July's mark certainly is not. *See Avery Dennison*, 189 F.3d 868;  
28 *Carnival Corp. v. SeaEscape Casino Cruises, Inc.*, 74 F. Supp. 2d 1261 (S.D. Fla. 1999); *Thane*,

1 305 F.3d at 905; *Board of Regents, Univ. of Tex. Sys. v. KST Elec., Ltd.*, 550 F. Supp. 2d 657,  
2 678 (W.D. Tex. 2008). July is therefore substantially unlikely to prevail on the merits of his  
3 dilution claim, and his motion should be denied without further consideration of the remaining  
4 preliminary injunction factors. *See E! Entm't Televison, Inc. v. Entm't One GP Ltd.*, 363 Fed.  
5 Appx. 510, 511 (9th Cir. 2010) (“Having concluded that the district court did not abuse its  
6 discretion in finding that E! failed to demonstrate a likelihood of success on the merits of its  
7 infringement or dilution claims, we need not address the remaining three factors of the  
8 preliminary injunction inquiry.”).

9 **C. JULY WILL NOT BE IRREPARABLY HARMED ABSENT AN INJUNCTION.**

10 July attempts to invoke the presumption of irreparable harm that has traditionally  
11 attached in the trademark context following a showing of likely success on the merits. However,  
12 this presumption is not available to July for several reasons, including because July cannot  
13 demonstrate a likelihood of success on the merits of his trademark infringement or dilution  
14 claims. *See Egg Works, Inc. v. Egg World, LLC*, No. 2:10-cv-1013-LDG, 2010 U.S. Dist.  
15 LEXIS 105295, at \*25-26 (D. Nev. Sept. 14, 2010); *Premier Nutrition, Inc. v. Organic Food*  
16 *Bar, Inc.*, 475 F. Supp. 2d 995, 1007 (C.D. Cal. 2007).

17 Moreover, even if July had shown a likelihood of success on the merits of his claims,  
18 after the Supreme Court’s decisions in *eBay* and *Winter*,<sup>8</sup> a party seeking a preliminary  
19 injunction against trademark infringement “is no longer entitled to a presumption of irreparable  
20 harm on the ground that it has shown a likelihood of success on the merits.” *Maxim Integrated*  
21 *Prods., Inc. v. Quintana*, 654 F. Supp. 2d 1024, 1030 (N.D. Cal. 2009). Rather, it is July’s  
22 burden to prove that he is likely to suffer irreparable harm in the absence of preliminary relief.  
23 *Edge Games, Inc.*, 745 F. Supp. 2d at 1116; *see also Aurora World, Inc. v. TY Inc.*, 719 F. Supp.  
24 2d 1115, 1169 (C.D. Cal. 2009) (requiring proof of irreparable harm on motion for preliminary  
25 injunction); *Marks Org., Inc. v. Joles*, No. 09 CV 10629 (KMW), 2011 U.S. Dist. LEXIS 28182,

26 \_\_\_\_\_  
27 <sup>8</sup> *Winter v. Natural Res. Def. Council*, 555 U.S. 7 (2008) (clarifying that plaintiff must prove a likelihood, not just a  
28 possibility, of irreparable harm); *eBay, Inc. v. MercExchange*, 547 U.S. 388 (2006) (holding permanent injunction  
should not automatically issue based on a finding of patent infringement and articulating four-part test for  
injunctions).

1 at \*27 (S.D.N.Y. Mar. 16, 2011) (same).

2 In the context of preliminary injunctive relief, irreparable harm is established when the  
3 moving party “is unlikely to be made whole by an award of monetary damages or some other  
4 legal remedy at a later date, in the ordinary course of litigation.” *Edge Games*, 745 F. Supp. 2d  
5 at 1117. July has failed to meet this burden.

6 As previously discussed, the record contains compelling evidence that July has no  
7 trademark rights in the OCTAVIUS TOWER mark and that his registrations should not have  
8 issued in the first instance. “[T]his thunderstorm over the validity of [July’s] asserted mark[]  
9 tempers the likelihood of irreparable harm. Indeed, without [a] valid and protectable mark[],  
10 [July] cannot suffer any harm to its property rights due to [Caesars] continued use of the  
11 [OCTAVIUS TOWER] name.” *Id.* at 1117. Moreover, there is no evidence in the record that  
12 July has performed under the OCTAVIUS TOWER mark anywhere in the world since 2009, and  
13 there is no evidence in the record of any planned future concert dates in the United States.  
14 Indeed, there is no allegation that the band is even still together or intends to perform again.  
15 Likewise, July makes no allegation that he has offered his alleged music equipment rental  
16 services anywhere in the world since 2003. His website has not been updated since 2007 and is  
17 merely a retrospective of past Octavius Tower concerts. July has therefore failed to introduce  
18 evidence that he will suffer legitimate harm of any kind if Caesars is allowed to continue to use  
19 its mark until July’s claims can be considered fully on the merits after discovery and trial.

20 Finally, July’s nearly four year delay in seeking provisional relief negates any  
21 presumption of irreparable harm that might otherwise attach. *See Advanced Rotorcraft Tech.,*  
22 *Inc. v. L-3 Commc’ns. Corp.*, No. C06-06470 WHA, 2007 U.S. Dist. LEXIS 11986, at \*23 (N.D.  
23 Cal. Feb. 6, 2007) (denying injunction where dispute had begun more than two years earlier);  
24 *Cascade Fin. Corp. v. Issaquah Cmty. Bank*, No. C07-1106Z, 2007 U.S. Dist. LEXIS 71966 at  
25 \*47 (W.D. Wash. Sept. 26, 2007) (“[A] delay in seeking injunctive relief will undercut the  
26 presumption of irreparable harm in trademark cases.”). July concedes that he has been aware of  
27 Caesars’ plans to build its OCTAVIUS TOWER since Caesars’ initial press release regarding the  
28 tower in July 2007. Dkt. 15, ¶¶ 8, 79. July’s assertion that his delay in enforcing his putative



1 trademark rights was due to Caesars not having filed a Statement of Use with the USPTO is  
2 simply unavailing. *See Advanced Rotorcraft*, 2007 U.S. Dist. LEXIS 11986 at \*23 (finding  
3 delay “implies a lack of urgency and irreparable harm” where plaintiff was aware of defendant’s  
4 *intent* to use copyright in dispute two years prior). July therefore has not demonstrated that he  
5 will suffer any legitimate harm of any kind if the drastic relief he requests through this motion is  
6 denied, and his request for the relief should be denied

7 **D. THE BALANCE OF HARDSHIPS TIPS DECIDEDLY IN FAVOR OF CAESARS.**

8 “In evaluating the balance of hardships, a court must consider the impact granting or  
9 denying a motion for a preliminary injunction will have on the respective enterprises.” *Int’l*  
10 *Jensen*, 4 F.3d at 827. Caesars will suffer significant harm if an injunction issues. The  
11 OCTAVIUS TOWER project is a billion dollar expansion for Caesars that it has prominently  
12 promoted for nearly four years. Caesars has generated significant consumer recognition and  
13 goodwill in its mark, and it has actively sold services under the mark for nearly two years. If  
14 enjoined, Caesars would incur considerable additional expense in rebranding, including new  
15 signage, press releases, and direct to consumer communications of the rebranding to avoid  
16 confusion as to the location and nature of the services it has offered under the mark and to  
17 transition the goodwill it has built in its mark to a new mark. Even with these efforts, there is  
18 nearly certain to be confusion among the public in general and Caesars’ consumers in particular  
19 as to whether the rebranded tower and rooms are the same or a new project and whether the  
20 rebranded villas are of the same quality and location as those that have been offered for nearly  
21 two years under the OCTAVIUS TOWER mark.

22 In sharp contrast, July provides no evidence of any legitimate harm he has or will suffer,  
23 and his claims of harm are simply not credible in light of the limited and sporadic nature of his  
24 use of the OCTAVIUS TOWER mark. No doubt because of this, July relies on the “principles  
25 of equity” to support his claim for relief. However, rather than supporting his motion, the  
26 principles of equity support denial of the motion. The law is well established that a party is not  
27 entitled to the equitable relief of a court unless the party comes to the court with clean hands.  
28 *See Adler v. Fed. Republic of Nigeria*, 219 F.3d 869, 876-877 (9th Cir. 2000). “The unclean

1 hands doctrine closes the doors of a court of equity to one tainted with inequity or bad  
2 faith relative to the matter in which he seeks relief, however improper may have been the  
3 behavior of the defendant.” *Id.* (quotations omitted); *see also Precision Instrument Mfg. Co. v.*  
4 *Auto. Maint. Mach. Co.*, 324 U.S. 806, 814 (U.S. 1945) (“[H]e who comes into equity must come  
5 with clean hands.”). The record is replete with numerous examples of July’s bad faith conduct,  
6 including: (i) registering numerous domain names incorporating Caesars’ CAESARS,  
7 CAESARS PALACE, and OCTAVIUS TOWER marks *two days* after Caesars announced its  
8 plan to build Octavius tower, using images of Caesars Palace on websites posted to the Internet  
9 at each of these domain names, then offering to sell the domain names to the highest bidder; (ii)  
10 making fraudulent statements to the USPTO in securing registrations for his alleged trademark  
11 rights; and (iii) attempting to foment confusion in the marketplace. The balance of hardships  
12 thus tips decidedly against issuance of the relief July seeks.

13 **E. THE PUBLIC INTEREST WILL NOT BE SERVED BY AN INJUNCTION.**

14 One of the primary purposes behind the trademark laws is to protect the purchasing  
15 public from being misled. *See Mattel, Inc. v. MCA Records, Inc.*, 296 F. 3d 894, 905 (9th Cir.  
16 2002) (stating that “a trademark injunction . . . is premised on the need to prevent consumer  
17 confusion”). There is no legitimate evidence that the relevant consuming public is being  
18 deceived. Here, the parties’ services are simply too dissimilar and July’s mark too unknown to  
19 the consuming public to result in any legitimate risk of confusion. In fact, July does not appear  
20 to have any current business activity. Accordingly, the drastic remedy of a preliminary  
21 injunction is unwarranted in this case.

22 **F. JULY SHOULD BE REQUIRED TO POST A SIGNIFICANT BOND SHOULD AN**  
23 **INJUNCTION ISSUE.**

24 Under Rule 65(c) of the Federal Rules of Civil Procedure, the Court may issue a  
25 preliminary injunction “only if the movant gives security in an amount that the court considers  
26 proper to pay the costs and damages sustained by any party found to have been wrongfully  
27 enjoined or restrained.” Fed. R. Civ. P. 65(c). “The requirement of security serves to protect a  
28 defendant who is enjoined *pendente lite* but who later prevails on the merits of the case.” *Clark*

1 *Pac. v. Krump Constr., Inc.*, 942 F. Supp. 1324, 1352 (D. Nev. 1996). The harm to Caesars  
2 would be significant if it were forced to rebrand. Accordingly, Caesars respectfully request that  
3 the Court require July to post a substantial bond should the Court issue an injunction.

4 **IV. CONCLUSION**

5 For the foregoing reasons, Caesars respectfully submits that July's motion for preliminary  
6 injunction should be denied.

7 DATED this 6<sup>th</sup> day of June, 2011.

8 **SANTORO, DRIGGS, WALCH,**  
9 **KEARNEY, HOLLEY & THOMPSON**

10 /s/ James D. Boyle

11 NICHOLAS J. SANTORO, ESQ.

12 Nevada Bar No. 00532

13 JAMES D. BOYLE, ESQ.

14 Nevada Bar No. 08384

15 400 South Fourth Street, Third Floor

16 Las Vegas, Nevada 89101

17 ALSTON & BIRD LLP

18 David Stewart, Esq.

19 Georgia Bar. No. 681149

20 Nadya Munasifi, Esq.

21 Georgia Bar No. 156051

22 *Pro Hac Vice Applications Pending*

23 *Attorneys for Caesars World, Inc.*

SANTORO, DRIGGS, WALCH,  
KEARNEY, HOLLEY & THOMPSON

SDW

1 **CERTIFICATE OF SERVICE**

2 Pursuant to Fed. R. Civ. P. 5(b), I certify that on the 6<sup>th</sup> day of June, 2011, I caused the  
3 document entitled **PLAINTIFF CAESARS WORLD, INC.'S RESPONSE TO**  
4 **DEFENDANT MARCEL JULY'S MOTION FOR PRELIMINARY INJUNCTION**, to be  
5 served as follows:

Attorneys of Record	Parties Represented	Method of Service
8 Michael W. Sanft, Esq. 9 Sanft Law Group 10 520 South Fourth St. 11 Suite 320 Las Vegas, Nevada 89101		<input type="checkbox"/> Personal Service <input checked="" type="checkbox"/> Email/E-File <input type="checkbox"/> Fax Service <input type="checkbox"/> Mail Service

12 DATED this 6<sup>th</sup> day of June, 2011.

13  
14 /s/ James D. Boyle  
15 James D. Boyle

SANTORO, DRIGGS, WALCH,  
KEARNEY, HOLLEY & THOMPSON

