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

David Stewart, Esq. (pro hac vice application pending)
Georgia Bar. No. 681149
dstewart@alston.com
Nadya Munasifi, Esq. (admitted pro hac vice)
Georgia Bar No. 156051
nmunasifi@alston.com
ALSTON & BIRD LLP
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Telephone: 404/881-7000
Facsimile: 404/881-7777

Attorneys for Caesars World, Inc.

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

CAESARS WORLD, INC., a Florida corporation,

Plaintiff,

v.

MARCEL JULY, an individual; and OCTAVIUS TOWER LLC, a Nevada limited liability company,

Defendants.

CASE NO.: 2:11-CV00536-GMN-PAL

PLAINTIFF CAESARS WORLD, INC.'S REPLY IN SUPPORT OF ITS MOTION FOR PARTIAL DISMISSAL OF DEFENDANT MARCEL JULY'S COUNTERCLAIMS PURSUANT TO FED. R. CIV. P. 12(B)(6)

Plaintiff Caesars World, Inc. ("Caesars") hereby submits this Reply in support of its motion to dismiss Defendant Marcel July's counterclaim for trademark dilution under the

Trademark Dilution Revision Act of 2006 ("TDRA"), 15 U.S.C. § 1125(c).

I. ARGUMENT

A. JULY HAS FAILED TO PLEAD A PLAUSIBLE CLAIM FOR DILUTION.

July contends that the issue presented by Caesars' motion is "how famous must famous be to qualify for protection from dilution of trademark under 15 U.S.C. § 1125(c)." (Dkt. 28, at 3.) In essence, July contends that the standard for fame has not been established by the Ninth Circuit, and that the *Avery* and *Thane* cases cited by Caesars involve trademark infringement and not dilution claims. *Id.* July is incorrect. *Avery* and *Thane* both address dilution claims and, in these cases, the Ninth Circuit set forth a clear standard for the level of fame a mark must have achieved to be protectable under the Act 15 U.S.C. § 1125(c). The Ninth Circuit held in *Thane* that a mark "must be a household name" to qualify for protection. *Thane Int'l, Inc., v. Trek Bicycle Corp.*, 305 F.3d 894, 905 (9th Cir. 2002). Interpreting this standard, this Court has held that fame "refers to brands like Nike, Kodak, and Coca-Cola, household names, not Livingreen." *See World Market Center Venture, LLC. v. Strickland*, No. 2:08-cv-00968-RLH-RJJ, 2011 WL 573757, at *6 (D. Nev. Feb. 14, 2011). Thus, contrary to July's contention, the standard for how famous a mark must be to qualify for protection under the TDRA is clearly established in both this Circuit and District.

Under *Twombly* and *Iqbal*, this Court can and should consider July's allegations that his mark is famous and "determine whether [the allegations] plausibly give rise to an entitlement to relief" before permitting the claim to proceed to discovery. *See Ashcroft v. Iqbal*, 129 S. Ct. 1937, at 1950 (2009). An implausible claim should be dismissed to preserve scarce judicial resources and limit the time and expense of the parties. *See Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 559 (2007) ("when the allegations in a complaint, however true, could not raise a claim of entitlement to relief, this basic deficiency should…be exposed at the point of minimum expenditure of time and money by the parties and the court" (internal citations omitted)). For the reasons cited in Caesars' opening brief, July's claim that his OCTAVIUS TOWER mark is famous is implausible and, for the reasons noted below, July's new website page view evidence does nothing to change this fact. His dilution counterclaim should therefore be dismissed. *See*

Planet Coffee Roasters, Inc. v. Dam, No. SACV 09-00571-MLG, 2009 WL 2486457, at *3 (Aug. 12, 2009 C.D. Cal.) (dismissing claim of dilution on basis that fame not plausible); *Heller Inc. v. Design Within Reach, Inc.*, No. 09 Civ. 1909 (JGK), 2009 WL 2486054 at *4 (Aug. 14, 2009 S.D.N.Y.) (dismissing claim of dilution on basis that fame not plausible); *Field of Screams, LLC v. Olney Boys and Girls Community Sports Ass'n*, DKC 10-0327, 2011 WL 890501 at * 9 (March 14, 2011 D. Md.) (dismissing claim of dilution on basis that fame not plausible).

B. JULY'S NEW EVIDENCE DOES NOT CREATE A GENUINE ISSUE OF FACT AS TO FAME.

In response to Caesars' motion, July has introduced new evidence in the form of a report of the number of page views for the Octavius Tower website during the period April 1, 2011 to June 15, 2011. (Dkt. 28 at 2, Ex. 1.) The report identifies a total of 117,073 page views in the United States during this period, many of which are certainly from the parties and their counsel in connection with this litigation or were the result of publicity regarding the case.

Because this report is outside the pleadings, if the Court considers it, the Court must convert this motion to a motion for summary judgment. Fed. R. Civ. P. 12(d). Ordinarily this conversion would require "10 days notice and an opportunity to present new evidence" before the motion is converted and decided. *See Cunningham v. Rothery*, 143 F.3d 546, 549 (9th Cir. 1998). No notice is necessary in this case, however, because it is July, not Caesars, that has submitted evidence outside the pleadings in connection with this motion. *See, e.g., San Pedro Hotel Co., Inc. v. City of Los Angeles*, 159 F.3d 470 (9th 1998) ("[W]hen a party is represented by counsel, not only may formal notice be unnecessary, a 'represented party who submits matters outside the pleadings to the judge and invites consideration of them has notice that the judge may use them to decide a motion originally noted as a motion to dismiss, requiring its transformation to a motion for summary judgment.'"), *quoting Grove v. Mead School Dist. No. 354,* 753 F.2d 1528, 1533 (9th Cir.1985).

If the Court converts this motion, Caesars is entitled to summary judgment on July's dilution counterclaim because no reasonable jury could conclude that July's mark is famous within the meaning of the TDRA. July's page view report identifies only the number of pages of

his site that were requested by Internet users during the time period of the report. The report contains no information regarding the number of visitors to the site during this time period because one user or a handful of users could have been responsible for all of the page views. *See United States v. Diehl*, 739 F. Supp. 2d 786, 800 (W.D. Pa. 2010). Thus, the report provides no credible information regarding the fame or notoriety of his mark.

Even if the report did indicate that 117,073 unique visitors in the United States went to his site during the two and one-half month period of the report (which could only be true if each user visited the site only once and viewed only one page at the site), that still would not be sufficient to create a genuine issue of material fact as to whether July's mark is famous. As noted above, the Ninth Circuit has set an exceptionally high bar for fame under the TDRA. In *Thane*, the Ninth Circuit affirmed summary judgment to the counterclaim defendant on Trek's claim that its TREK mark was famous despite evidence that 4.5 million unique users visited Trek's website annually. *Thane Int'l, Inc.*, 305 F.3d at 899.

Finally, July's page view report does not evidence the required fame necessary to sustain a claim under the TDRA because July must introduce evidence that his mark was famous prior to Caesars' adoption of its mark. 15 U.S.C. § 1125(c)(1). Caesars announced its intent to launch its Octavius Tower on July 19, 2007, and began using the mark at least as early as September 11, 2009. (Dkt. 1 at ¶¶ 14, 16.) July's report is from April 1 – June 15, 2011.

The other evidence of fame in the record likewise does not create a genuine issue of material fact as to fame. As Caesars noted in its opening brief, July's band has only performed seven concerts in the United States in small venues that are far removed from one another geographically. (Dkt. 22, at 5-6.) July's band has not performed in nearly two years, and it has engaged in only scant advertising and promotion. *Id.* With regard to his equipment rental business, July does not allege that he has ever offered these services in the United States. *Id.* at 6. Accordingly, Caesars submits that it is entitled to summary judgment on July's claim under the TDRA because no reasonable jury could conclude that July's mark is famous within the meaning of the Act. *See, e.g., Thane Int'l, Inc.*, 305 F.3d at 905; *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 877 (9th Cir. 1999) (reversing summary judgment and stating that the court erred in

finding the marks "Avery" and "Dennison" famous); *World Market Center Venture, LLC. v. Strickland*, 2011 WL 573757 (granting summary judgment because mark lacked requisite fame for a dilution claim).

DATED this 14th day of July, 2011.

SANTORO, DRIGGS, WALCH, KEARNEY, HOLLEY & THOMPSON

/s/ James D. Boyle
NICHOLAS J. SANTORO, ESQ.
Nevada Bar No. 00532
JAMES D. BOYLE, ESQ.
Nevada Bar No. 08384
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101

ALSTON & BIRD LLP

David Stewart, Esq. (pro hac vice application pending)
Georgia Bar. No. 681149
Nadya Munasifi, Esq. (admitted pro hac vice)
Georgia Bar No. 156051

Attorneys for Caesars World, Inc.

CERTIFICATE OF SERVICE

Pursuant to Fed. R. Civ. P. 5(b), I certify that on the 14th day of July, 2011, I caused the document entitled **PLAINTIFF CAESARS WORLD, INC.'S REPLY IN SUPPORT OF ITS MOTION FOR PARTIAL DISMISSAL OF DEFENDANT MARCEL JULY'S COUNTERCLAIMS PURSUANT TO FED. R. CIV. P. 12(B)(6),** to be served as follows:

Attorneys of Record	Parties Represented	Method of Service
Michael W. Sanft, Esq. Sanft Law Group 520 South Fourth St. Suite 320 Las Vegas, Nevada 89101		☐ Personal Service ■ Email/E-File ☐ Fax Service ☐ Mail Service

DATED this 14th day of July, 2011.

/s/ James D. Boyle
James D. Boyle