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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91167237
Party	Plaintiff Venture Out Properties LLC Venture Out Properties LLC 177 Post Street Suite 910 San Francisco, CA 94108 UNITED STATES
Correspondence Address	Martin E. Hsia, 32,471 Cades Schutte LLLP 1000 Bishop Street 12th floor Honolulu, HI 96813 UNITED STATES mhsia@cades.com, glf@ventureout.com, skaneshiro@cades.com
Submission	Reply in Support of Motion
Filer's Name	Martin E. Hsia, Reg. No. 32,471
Filer's e-mail	mhsia@cades.com, bhairston@cades.com
Signature	/Martin E. Hsia/
Date	09/05/2006
Attachments	Reply Memo in Support of Motion for Summary Judgment.PDF (16 pages) (140046 bytes)

IN THE UNITED STATES PATENT & TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

VENTURE OUT PROPERTIES LLC,)	
)	
Opposer,)	
)	Opposition No. 91167237
v.)	Serial No.: 78/475,098
)	
WYNN RESORTS HOLDINGS, LLC)	
)	
Applicant.)	
_____)	

**OPPOSER’S REPLY MEMORANDUM IN
SUPPORT OF MOTION FOR SUMMARY JUDGMENT**

I. INTRODUCTION.

Opposer VENTURE OUT PROPERTIES LLC (“Opposer”) submits the following for its reply to Applicant WYNN RESORTS HOLDINGS, LLC’S (“Applicant”) Opposition to Opposer’s Motion For Summary Judgment, filed herein on August 16, 2006 (the “Opposition”). Opposer respectfully requests that the Board consider this Reply Memorandum, pursuant to 37 C.F.R. § 2.127(e)(1), and grant Opposer’s Motion For Summary Judgment (the “Motion”). Applicant’s Trademark Application Serial No. 78/475,098 (the “Wynn Application”) to register the service mark “CABANA BAR & CASINO” (in a design) (“Applicant’s Mark”) must be refused pursuant to Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), because Applicant’s Mark so resembles Opposer’s mark “CABANA” (“Opposer’s Mark”), for which Opposer seeks registration pursuant to its Trademark Application Serial No. 76/630,391 (“Opposer’s Application”), as to be likely to cause confusion when used on or in connection with the services identified in Applicant Wynn’s Application.

II. ARGUMENT.

A. **Differences in Actual Use, Channels of Trade, and Markets Do Not Create Any Genuine Issues As To Likelihood of Confusion.**

Applicant admits that it first used its mark in connection with “casino services” offered poolside at its Wynn Las Vegas hotel and casino, when it opened on April 28, 2005. Applicant has not disputed Opposer’s prior date of first use of Opposer’s Mark in connection with “hotel services”, since October 1999 (which also precedes the August 27, 2004 filing date of the Wynn Application). Thus, Opposer’s priority of use is conceded by Applicant.

The crux of Applicant’s Opposition to the Motion is that there are differences between the way Applicant’s and Opposer’s marks are actually used, their respective actual channels of trade, and their actual markets which preclude a finding that Applicant’s Mark would be likely to cause confusion with Opposer’s Mark.

For instance, Applicant disputes the similarity of the marks on the grounds that Opposer’s “alleged CABANA mark consists of the stylized phrase THE CABANA AT WAIKIKI, written in a circular shape around a Hawaiian design logo”, in contrast with Applicant’s “CABANA BAR & CASINO mark in a stylized font”. Opp. at 8. In addition, Applicant disputes the similarity of trade channels on the grounds that Opposer actually “markets its property on its website and through printed advertisements and brochures” in which its “small, uniquely themed specialty hotel in Hawaii” is “primarily advertised as the only ‘gay-owned and operated’ resort in Waikiki’.” Opp. at 11. In contrast, Applicant contends that its mark is actually used in “providing casino services to guests already staying at its resort” in Las Vegas, with “[n]o advertisement, marketing, or any other material . . . used to promote CABANA BAR & CASINO outside of the Wynn resort itself”. Id.

Applicant misconstrues the basis of the 2(d) opposition, however. The focus of the Board in an opposition, where as in this case, the Wynn Application does not contain

limitations on channels of trade, is upon the goods or services as described in the application rather than on any evidence showing how they are actually used. 3 McCarthy on Trademarks and Unfair Competition, § 20:15 at 20-34 (4th ed. 2006).

In determining likelihood of confusion in an opposition, it is the mark as shown in the application and as used on the goods described in the application which must be considered, not the mark as actually used by the applicant. This is because an opposition does not determine the common law rights of the applicant, but only whether applicant is entitled to federal registration of the mark as shown in the application and as used on the goods described in the application. Where applicant in its application does not delimit any specific trade channels of distribution, no limitation will be put on the description of goods in determining the opposition. It is the goods described in the application rather than what the evidence shows the goods to be in fact that must be considered. . . . The same rule applies to services and to ex parte examinations.

Id. § 20:15 at 20-34, 20-34.1 (emphasis added; footnotes deleted).

Accordingly, Opposer’s alleged actual marketing of its property as a “small, uniquely themed hotel in Hawaii” and the “only gay-owned and operated resort in Waikiki” cannot insulate the Wynn Application from a finding that it creates a likelihood of confusion. Because the Wynn and Opposer’s applications are not limited in terms of channels of trade and because they describe the services broadly, the respective marks must be assumed to be used in connection with goods or services available to all classes of purchasers – not just straight or gay ones – and to move in all channels of trade. TMEP § 1207.01(a)(iii).

The nature and scope of a party’s goods or services must be determined on the basis of the goods or services recited in the application or registration. If the cited registration [or application] describes goods or services broadly, and there is no limitation as to the nature, type, channels of trade or class of purchasers, it is presumed that the registration [or application] encompasses all goods or services of the type described, that they move in all normal channels of trade, and that they are available to all classes of purchasers. Therefore, if the cited registration has a broad identification of goods or services, an applicant does not avoid likelihood of confusion merely by more narrowly identifying its related goods.

Id. (emphasis added; citations omitted). Thus, because Applicant's Mark is broadly claimed for use in connection with "casino services" (without any channels of trade limitation), while Opposer's application is to register its mark in connection with the broad category of "hotel services" (without any channels of trade limitation), Applicant's reliance on Opposer's printed advertisements, references to its particular market segment, and Applicant's contention that it only advertises its services to guests staying at its hotel, fails to raise any genuine issue of material fact because it is irrelevant to determining likelihood of confusion in an opposition proceeding.

Applicant's attempt to distinguish its use geographically is also misplaced. Applicant contends that its mark is actually used only in conjunction with its Las Vegas hotel and casino, whereas Opposer's Mark is used in Hawaii. Opp. at 10-11. However, neither application is geographically restricted. Thus, territorial separation of actual use is irrelevant. See 3 McCarthy on Trademarks and Unfair Competition, § 23:78 at 23-220.1 (4th ed. 2006) ("Territorial separation of the use of the cited registered mark from the area of use of the applicant is irrelevant to determining likelihood of confusion in a geographically unrestricted application.").

Likewise, with regard to the similarity of the marks, "[if] a mark (in either an application or a registration) is presented in standard characters, the owner of the mark is not limited to any particular depiction. The rights associated with the mark in standard characters reside in the wording (or other literal element, e.g. letters, numerals, punctuation) and not in any particular display. Therefore, an applicant cannot, by presenting its mark in special form, avoid likelihood of confusion with a mark that is registered in standard characters because the registered marks presumably could be used in the same manner of display." TMEP § 1207.01(c)(iii) (brackets added; parentheses in original).

In its Opposition to the Motion, Applicant misleadingly describes Opposer's Mark as "consist[ing] of the stylized phrase THE CABANA AT WAIKIKI, written in a circular shape around a Hawaiian design logo." Opp. at 8. In reality, Opposer's Mark, as used, is "CABANA". See Exhibit "B" to the Motion and FitzGerald Dec. at ¶¶ 2, 3. Moreover, Opposer's Mark as shown in its Application No. 76/630,391 consists only of "CABANA", for "hotel services" – it is not shown in the application as "THE CABANA AT WAIKIKI" (see Exhibit 6 attached to Applicant's Opposition). Opposer's Mark as shown in its application is in standard character form, without any claim to any particular font style, size or color, not in a "stylized phrase" or "in a circular shape" as described by Applicant in its Opposition. *Id.* Thus, because Opposer's Mark is in standard characters, it cannot be presumed that the special form of Applicant's Mark will avoid likelihood of confusion. TMEP § 1207.01(c)(iii).

Given the similarity of the marks in terms of their appearance, sound and meaning, it is clear that confusion is likely since the dominant term of both marks is the same – "CABANA" ("BAR & CASINO" is in smaller font than, and appears below, "CABANA" in the Wynn Application). "It is the general rule that likelihood of confusion is not avoided between otherwise confusingly similar marks merely by adding or deleting a house mark or matter that is descriptive or suggestive of the named goods or services. Sometimes the rule is expressed in terms of the dominance of the common term. Therefore, if the dominant portion of both marks is the same, then confusion may be likely notwithstanding peripheral differences." TMEP § 1207.01(b)(iii). Here, because the dominant portion of Applicant's Mark is "CABANA", which is identical to Opposer's "CABANA" Mark, there is a likelihood of confusion notwithstanding the addition of the descriptive "BAR & CASINO" in Applicant's Mark.

B. Opposer Does Not Contend That the Disclaimer of BAR and CASINO “Removes” the Terms From the Overall Mark.

At page 8 of its Opposition, Applicant creates a strawman issue, contending that Opposer argues that the disclaimer of BAR and CASINO in the Wynn Application removes the terms from the overall appearance of the mark. That was not Opposer’s argument, however.

Instead, as plainly stated in its Motion, the disclaimer of BAR and CASINO means that those terms are not distinctive (in fact, they are descriptive or generic), and thus those terms cannot cure the confusion that is otherwise created by the dominant portion of the mark – “CABANA”. 3 McCarthy on Trademarks and Unfair Competition, § 23:51 at 23-160 (4th ed. 2006) (“[M]any courts have held that a disclaimer does not serve to cure an otherwise clear case of likely confusion”). See e.g. In Re J.M. Originals Inc., 6 USPQ2d 1393 (TTAB 1987) (JM ORIGINALS (with “ORIGINALS” disclaimed) for various items of apparel, was held likely to be confused with JM COLLECTABLES for “knitwear – namely sport shirts.”). Applicant’s Opposition does not dispute the dominance of “CABANA” in its mark, which portion is identical to Opposer’s Mark; Applicant merely distracts by drawing attention to the disclaimer.

C. Differences in the Services Identified Do Not Create Any Genuine Issues As To Likelihood of Confusion.

Applicant further contends that its mark is for use in connection with “casino services”, which are “separate and distinct” from the “hotel services” for which Opposer seeks registration of its mark, and therefore, there can be no likelihood of confusion. Opp. at 9-10. However, Applicant incorrectly assumes that the goods or services at issue need to be identical or similar in order to determine that there is a likelihood of confusion.

The goods or services do not have to be identical or even competitive in order to determine that there is a likelihood of confusion. The inquiry is whether the goods [or services] are related, not identical. The issue is not whether the goods [or services] will be confused with each other, but rather whether the public will be confused about their source.

* * *

It is sufficient that the goods or services of the applicant and the registrant are so related that the circumstances surrounding their marketing are such that they are likely to be encountered by the same persons under circumstances that would give rise to the mistaken belief that they originate from the same source

TMEP § 1207.01(a)(i) (emphasis added; citations omitted).

Therefore, the only relevant question in this case is whether “casino services” are so related to “hotel services” that consumers would believe they originate from the same source. Although Applicant contends that the “majority of hotels across the country do not market casino services under the same mark as hotel services” (Opp. at 10), Applicant has not presented any supporting evidence. Applicant merely argues that Opposer’s citations to various third-party registrations of other marks for “hotel services” and “casino” and/or “restaurant” and/or “bar” and/or “cocktail lounge” services are not indicative of the practices of all hotels. Applicant tellingly fails to submit any contrary evidence, however. Therefore, Opposer’s cited third-party registrations (see Exhibits “H” – “P” to the Motion) constitute undisputed evidence that consumers believe hotel, casino, restaurant, bar and cocktail lounge services may originate from the same source and are thus related to one another. TMEP § 1207.01(d)(iii) (“Third-party registrations that cover a number of different goods or services have some probative value to the extent that they may serve to suggest that goods or services are of a type that may emanate from a single source, if the registrations are based on use in commerce.”).

In fact, Applicant itself has filed another application in connection with various services including “casino services” and “resort hotel, restaurant, bar and lounge services”. On or about July 26, 2005, Applicant filed U.S. Trademark Application Serial No. 78/679,036 for “WYNN” (in a design), in connection with “casino services” in International Class 41 and “resort hotel, restaurant, bar and lounge services” in International Class 43. See Exhibit “Q” attached to Opposer’s Motion. That application is based on Applicant’s actual use since

April 28, 2005. Id. By filing this application, Applicant effectively admits that hotel, casino, restaurant, bar, and lounge services are related, and is estopped from arguing to the contrary.

The identity of the dominant portions of the marks and the common channels of trade for, and relatedness of, the services, compel a finding of a likelihood of confusion. See In Re J.M. Originals Inc., 6 USPQ2d 1393 (TTAB 1987) (holding that “if two marks for related goods or services share the same dominant feature and the marks, when viewed in their entirety, create similar overall commercial impressions, then confusion is likely.”). Therefore, and because Opposer has undisputed priority of use, the opposition must be sustained.

D. None of The Other Du Pont Factors Weigh In Favor of Applicant.

Even considering the other Du Pont factors, there is likely confusion between Applicant’s use of CABANA BAR & CASINO (and design) and Opposer’s use of CABANA.

For instance, Applicant contends that the sophistication level of relevant purchasers weighs in its favor because they are relatively careful and thus will be aware of the differences between the sources of services based on the differences in how the marks are used. Opp. at 12. Applicant contends that its mark is only used in the “world famous Wynn Las Vegas”, whereas Opposer’s Mark is related to its “small specialty hotel”. Applicant, however, has not submitted any evidence showing that purchasers of “casino services” are more sophisticated or more careful than any other consumers. Thus, in view of the strong likelihood of confusion created by the other factors, the level of purchaser sophistication cannot be assumed to be sufficient in this case to tip the scales in the other direction. 3 McCarthy on Trademarks and Unfair Competition, § 23:95 at 23-245 (4th ed. 2006) (“[w]hen there is a strong likelihood of confusion created by other factors, even a high level of care exercised by an ordinary purchaser in a certain setting will not be sufficient to tip the scales in the other direction.”).

Applicant contends that there are “100 live registrations and applications for marks incorporating the term CABANA for a variety of goods and services”, suggesting that CABANA is a weak “common” term. Opp. at 14. However, this Du Pont factor – the number and nature of similar marks in use on similar goods – weighs in favor of likelihood of confusion, since “CABANA” is not a term that is actually and commonly used in connection with the services at issue. Applicant fails to submit any relevant evidence that “CABANA” is used commonly in connection with casino or hotel, restaurant, bar, and/or cocktail lounge services – the services at issue here. In fact, a TESS search for “CABANA” and Class 41 indicates there are only two other live applications (other than Opposer’s and Applicant’s applications) for “CABANA” in connection with Class 41. See Exhibit “R” attached hereto. But one of them – Application Serial No. 78/902692 for “CABANA CHARLEY’S TIKI BAR AND GRILL” – is an ITU application, so it is irrelevant under this Du Pont factor. Id. Opposer may file cancellation petitions or oppositions as to the other applications once this opposition is resolved, just as it has done against other “CABANA” applications (e.g. Opposer obtained judgments in its oppositions to Estefan Enterprises, Inc.’s applications nos. 91168910 for “CABANA BEACH” and 91168937 for “CABANA BEACH RESORT” in Class 43). See Exhibit “S” attached hereto and Counsel’s Dec. Therefore, it cannot be concluded that “CABANA” is so weak as to preclude likelihood of confusion.

Applicant also contends that, because evidence of actual confusion is the best evidence of likelihood of confusion, and because Opposer has not presented evidence of actual confusion, the Du Pont factor of actual confusion weighs against a finding of likelihood of confusion. Opp. at 14-15. However, as Applicant admits, this factor is relevant where the absence of actual confusion has been evident “despite several years of simultaneous use”. Opp. at 15. In this case, Applicant has only been using its mark since the Wynn hotel opened on

April 28, 2005 – only a little over a year ago. Opp. at 2. The absence of actual confusion over such a short period of time, and in allegedly separate geographic markets, does not rule out likelihood of confusion. Moreover, “[i]t is unnecessary to show actual confusion to establish likelihood of confusion”. TMEP § 1207.01(d)(ii). This factor does not avoid a finding a likelihood of confusion given the identity of the dominant portions of the marks, the common channels of trade, and the relatedness of the services. All other Du Pont factors are not relevant, and in any event, Applicant has not presented evidence supporting its arguments.

III. CONCLUSION.

Opposer respectfully submits that its Motion must be granted and the opposition must be sustained. Applicant does not dispute Opposer’s standing. Nor does Applicant dispute the fact that Opposer has been using its mark long before Applicant opened its hotel. Applicant merely argues that consumers will not be confused because its mark is used in connection with separate and distinct (straight) “casino services” in Las Vegas, whereas Opposer’s Mark is used in connection with (gay) “hotel services” in Hawaii. As shown above, however, the channels of trade and markets are not restricted in the applications, and thus the differences alleged by Applicant cannot avoid likelihood of confusion. Applicant has not presented any evidence that raises a genuine issue of material fact. Any doubt must be resolved in favor of Opposer, as the senior user.

DATED: Honolulu, Hawaii, September 5, 2006.

Respectfully submitted,



Martin E. Hsia, Reg. No. 32,471
CADES SCHUTTE LLP
P.O. Box 939,
Honolulu, Hawaii 96808
Tel: (808) 521-9200
Attorney for Opposer
VENTURE OUT PROPERTIES, LLC

IN THE UNITED STATES PATENT & TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

VENTURE OUT PROPERTIES LLC,)
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 Opposer,)
) Opposition No. 91167237
 v.) Serial No.: 78/475,098
)
 WYNN RESORTS HOLDINGS, LLC)
)
 Applicant.)
 _____)

DECLARATION OF COUNSEL; EXHIBITS “R” – “S”

I, MARTIN E. HSIA, hereby declare as follows:

1. I am a partner of Cades Schutte A Limited Liability Law Partnership LLP, counsel of record in this proceeding for Opposer VENTURE OUT PROPERTIES LLC, and am duly authorized to make this declaration, which is based upon my personal knowledge and information unless otherwise stated.

2. Attached hereto as Exhibit “R” is a true and correct copy of the Trademark Electronic Search System (TESS) search results for the word “CABANA” and Class 41.

3. Attached hereto as Exhibit “S” are true and correct copies of judgments entered in favor of Opposer in Opposition Nos. 91168910 and 91168937, against Estefan Enterprises, Inc.

4. In addition, Opposer filed a Notice of Opposition against Estefan Enterprises, Inc., with regard to its application serial no. 78/493,473 for “CABANA BEACH HOTEL & RESORT” covering “hotel, resort hotels, restaurant, bar, cocktail lounge, provisions of conference and banquet facilities”. Applicant failed to file an answer, the Board issued a

Notice of Default allowing applicant 30 days to oppose the default, and said 30 day period has now expired without applicant having filed its answer.

5. Opposer has also filed a Petition for Cancellation of Registration No. 2,851,141, held by Orient-Express Hotels, Inc., for "LA CABANA" covering "restaurant and bar services". Registrant has recently filed its answer.

The undersigned being warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001, and that such willful false statements and the like may jeopardize the validity of the application or document or any registration resulting therefrom, declares that all statements made of his own knowledge are true; and all statements made on information and belief are believed to be true.

DATED: Honolulu, Hawaii, September 5, 2006.



MARTIN E. HSIA, Reg. No. 32,471



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Refine Search (cabana)[BI] and (041)[IC]

Current Search: S2: (cabana)[BI] and (041)[IC] docs: 7 occ: 20

	Serial Number	Reg. Number	Word Mark	Check Status	Live/Dead
1	78902692		CABANA CHARLEY'S TIKI BAR AND GRILL	TARR	LIVE
2	78571395		CABANA RECORDINGS	TARR	LIVE
3	78496602		CANINE CABANA	TARR	DEAD
4	78475098		CABANA BAR & CASINO	TARR	LIVE ✓
5	78430952		CABANA CARDIO	TARR	DEAD
6	76597834		CABANA BAR & CASINO	TARR	LIVE ✓
7	72426826	0985684	CABANA THEATRE	TARR	DEAD

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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

em

Mailed: August 4, 2006

Opposition No. 91168910

Venture Out Properties LLC

v.

Estefan Enterprises, Inc.

On May 26, 2006, the Board sent a notice of default to applicant because no answer had been filed.

The record shows no response thereto.

Accordingly, judgment by default is hereby entered against applicant, the opposition is sustained, and registration to applicant is refused. See Fed. R. Civ. P. 55, and Trademark Rule 2.106(a).

*By the Trademark Trial
and Appeal Board*

EXHIBIT S

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Baxley

Mailed: July 10, 2006

Opposition No. 91168937

Venture Out Properties LLC

v.

Estefan Enterprises, Inc.

By the Trademark Trial and Appeal Board:

On April 25, 2006, the Board sent a notice of default to applicant because no answer had been filed. No response thereto is of record.

Accordingly, judgment by default is hereby entered against applicant, the opposition is sustained, and registration to applicant is refused. See Fed. R. Civ. P. 55, and Trademark Rule 2.106(a).

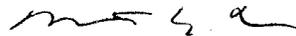
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_____)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of OPPOSER'S REPLY
MEMORANDUM IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT was mailed on
September 5, 2006, to: Lauri S. Thompson, Esq., Quirk & Tratos, 3773 Howard Hughes Pkwy,
Suite 500 North, Las Vegas, Nevada 89109-0991.

DATED: Honolulu, Hawaii, September 5, 2006.



Martin E. Hsia, Reg. No. 32,471
CADES SCHUTTE LLP
A Limited Liability Law Partnership
P.O. Box 939
Honolulu, Hawaii 96808
Tel: (808) 521-9200

Attorney for Opposer
VENTURE OUT PROPERTIES LLC