

ESTTA Tracking number: **ESTTA73527**

Filing date: **03/29/2006**

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

Notice of Opposition

Notice is hereby given that the following party opposes registration of the indicated application.

Opposer Information

Name	Dorothy Tovar
Granted to Date of previous extension	03/29/2006
Address	5541 Ralston Way Placerville, CA 95667 UNITED STATES

Attorney information	Daniel N. Ballard McDonough Holland & Allen PC 555 Capital Mall, 9th Floor Sacramento, CA 95814 UNITED STATES dballard@mhalaw.com Phone:916-325-5823
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Applicant Information

Application No	76582191	Publication date	11/29/2005
Opposition Filing Date	03/29/2006	Opposition Period Ends	03/29/2006
Applicant	R & R Partners Inc. 900 South Pavilion Center Dr. Las Vegas, NV 89144 UNITED STATES		

Goods/Services Affected by Opposition

Class 035. First Use: 2002/12/00 First Use In Commerce: 2002/12/00 All goods and services in the class are opposed, namely: Advertising, public relations
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Related Proceedings	91168381; 91162466; 91161982
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Attachments	Notice of Opposition.pdf (49 pages)
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Signature	/Daniel N. Ballard/
Name	Daniel N. Ballard
Date	03/29/2006

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

Dorothy L. Tovar)	
)	Opposition No.: TO BE ASSIGNED
Opposer,)	
)	Application No. 76/582,191
v.)	
)	
R & R Partners, Inc.,)	
)	
Applicant.)	
)	
_____)	

NOTICE OF OPPOSITION and
REQUEST TO SUSPEND PROCEEDING

BOX TTAB FEE
Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451

Dear Commissioner:

Dorothy L. Tovar ("Tovar") is an individual residing in Placerville, California. Tovar believes she will be damaged by registration of the mark shown in Application Serial No. 78/582191 and, therefore, hereby opposes registration of that mark. As grounds for opposition, Tovar alleges the following:

The Parties

1. Tovar is the owner of the federally registered trademark WHAT HAPPENS IN VEGAS STAYS IN VEGAS ("WHIVSIV") as used on various clothing items. Tovar's WHIVSIV mark has been placed on the principal register under Serial Numbers 2,930,998 and 2,986,162.

2. Tovar first used the WHIVSIV mark on clothing in interstate commerce in

April 2003. Tovar currently sells a clothing line that includes many different types of garments, each of which is affixed with her WHIVSIV trademark.

3. R & R Partners ("the Applicant") seeks to register WHAT HAPPENS HERE STAYS HERE ("WHHSH") for "advertising and public relations" in International Class 035. The Applicant sought registration of the WHHSH slogan on March 22, 2004 claiming it first used the mark in commerce in December 2003.

4. The Applicant is an advertising agency. In that capacity, the Applicant created a "Vegas Stories" advertising campaign for one of its clients, the Las Vegas Convention and Visitors Authority ("LVCVA"). LVCVA launched its "Vegas Stories" advertising campaign in December 2003 to promote tourism to Las Vegas, Nevada. The WHHSH slogan is used in that campaign.

Tovar has Standing to Oppose Registration

5. Tovar has a real interest in the registration of the WHHSH slogan because, among other reasons, the Applicant has asserted in currently on-going litigation that its alleged trademark rights in the WHHSH slogan preclude Tovar from using her federally registered WHIVSIV trademark in commerce. *See Tonka Corporation v. Tonka Tools, Inc.*, 229 USPQ 857, 859 (TTAB 1986) ("Petitioner has a real interest in seeking to cancel a registration that has been asserted, even defensively, against it in U.S. District Court."); *See also Young v. AGB Corporation*, 152 F.3d 1377, 1380 (Fed. Cir. 1998) (there is no basis for interpreting the opposition statute any differently than the cancellation statute.)

6. Tovar has counterclaimed for declaratory relief seeking declarations from the Court that (1) the Applicant's use of the WHHSH slogan does not preclude Tovar from using her WHIVSIV trademark in commerce and (2) the Applicant is not entitled to federally register the WHHSH slogan as a trademark.

7. Tovar would be damaged by the Applicant's registration of the WHHSH slogan because, among other reasons, registration would improperly confer to the Applicant the statutory presumptions that the slogan is a valid mark, the Applicant is the owner of the mark, and the Applicant has the exclusive right to use the mark. The Applicant is not entitled to any of these unwarranted and unearned presumptions—each of

which would damage Tovar unfairly by making it more difficult for her to defend herself from the Applicant's currently on-going trademark infringement lawsuit.

The Applicant Does Not Use the WHHSH Mark in Commerce

8. At no time has the Applicant used the WHHSH slogan in commerce to promote its advertising services.

9. The specimen of use Applicant submitted in support of its registration of the WHHSH slogan reveals that the slogan is used to promote tourism to Las Vegas, not to promote any service offered by the Applicant. The specimen relied upon are advertising scripts written for radio broadcasts that were purchased by the Applicant on behalf of and for the benefit of LVCVA. As shown by each script, the WHHSH slogan is being used to promote tourism to Las Vegas, not the Applicant's advertising services. The WHHSH slogan is, therefore, being used to identify the subject of the advertising rather than the Applicant's advertising services. This is clearly shown by the substance and context of each script and, specifically, by the addition of "Las Vegas" after each use of WHHSH slogan.

10. In litigation involving the WHHSH mark, the Applicant and LVCVA admit that the Applicant designed the advertising campaign in which the WHHSH slogan is used not to promote its services but "for the benefit of the LVCVA." First Amended Complaint for Trademark Infringement and Unfair Competition at ¶ 5 attached hereto as Exhibit 1.

11. The Applicant and LVCVA further admit that the WHHSH slogan is used "to widely promote Las Vegas throughout the United States." *Id.* at ¶ 10.

12. The Applicant and LVCVA further admit that the WHHSH slogan "became recognized throughout the United States and relied upon by consumers for advertising and promotion for the (sic) Las Vegas." *Id.* at ¶ 17.

13. The Applicant admits it licenses the WHHSH slogan solely to "LVCVA to promote Las Vegas." The Applicant also asserts the WHHSH slogan "is distinctive and famous because it engaged in a nationwide campaign to advertise the City of Las Vegas using the Mark."

14. The Applicant clearly does not use the WHHSH slogan to promote its advertising services. The Applicant, therefore, falsely declared in its application to register WHHSH that it uses the WHHSH slogan in commerce. The Applicant is not entitled to register WHHSH as a trademark. *See In re Advertising & Marketing Development*, 821 F.2d 614, 619-20 (Fed. Cir. 1987) (“service mark registration for advertising services must be based on use of the mark to identify the advertising services themselves.”).

Tovar's Letter of Protest

15. Tovar filed a Letter of Protest on March 21, 2005 under Section 1715 *et seq.* of the Trademark Manual of Examination Procedures to inform the Trademark Office of the above-noted facts relating to the Applicant's request to register the WHHSH slogan as a trademark. A true and correct copy of Tovar's Letter of Protest is attached hereto as Exhibit C.

16. The Administrator for Trademark Classification and Practice denied the Protest and asserted that Tovar's protest grounds would be more amenable to resolution in an inter partes proceeding. A true and correct copy of that Response is attached hereto as Exhibit D.

The Applicant Does Not Own the WHHSH Slogan

17. LVCVA alleges that it assigned the WHHSH slogan and its goodwill to the Applicant. Tovar asserts that the assignment was, and is, invalid and that the Applicant is not the owner of any rights in the WHHSH slogan.

18. Because it is not the owner of the WHHSH slogan, the Applicant cannot register the slogan as a mark. 15 U.S.C. § 1051(a). The Applicant's application to register the WHHSH slogan is, therefore, void under 37 C.F.R. § 2.71(d).

This Opposition Proceeding Should be Suspended Pending Resolution of the On-Going Litigation

19. The Applicant and Tovar are currently engaged in on-going litigation over Tovar's continued use of her WHIVSIV mark and the Applicant's right to register the

WHHSH slogan as a trademark. Tovar requests, pursuant to 37 C.F.R. 2.117, that the Board suspend this proceeding in its entirety pending final resolution of that civil action. A copy of the Applicant's First Amended Complaint and Tovar's Answer and Counterclaims are attached hereto as Exhibits A and B, respectively.

WHEREFORE, Tovar prays that Application Serial No. 76/582191 be rejected, that no registration be issued thereon to Applicant, and that this opposition be sustained in favor of Tovar.

Respectfully submitted,



Dated: March 29, 2006

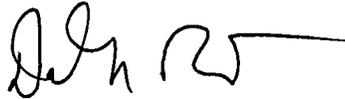
Attorneys for Applicant Dorothy L. Tovar

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CERTIFICATE OF SERVICE

The undersigned certifies that a copy of Opposer's NOTICE OF OPPOSITION was served on Applicant this 29th day of March, 2006, by first class mail, postage prepaid in an envelope addressed to Applicants' attorney as follows:

Douglas L. Hendricks
Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94105-2482



Dated: March 29, 2006

Attorneys for Applicant Dorothy L. Tovar

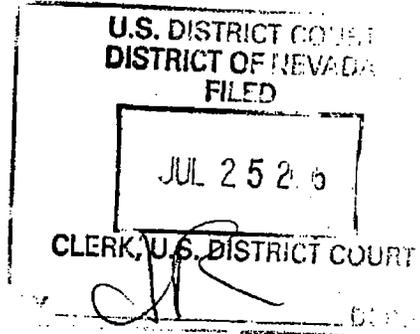
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EXHIBIT A

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7 Jones Vargas
8 JOHN P. DESMOND
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13 Attorneys for Plaintiffs
14 R & R Partners, Inc. and
15 Las Vegas Convention & Visitors Authority



16 IN THE UNITED STATES DISTRICT COURT

17 DISTRICT OF NEVADA

18 R & R PARTNERS, INC., a Nevada
19 corporation, and LAS VEGAS CONVENTION
20 & VISITOR'S AUTHORITY, a Nevada
21 governmental agency,

22 Plaintiffs,

23 v.

24 DOROTHY TOVAR, an individual,
25 and ADRENALINE SPORTS, INC., a
26 California corporation,

27 Defendants.

Case No. CV-N-04-0145 LRH (VPC)

[PROPOSED]
FIRST AMENDED COMPLAINT

DEMAND FOR JURY TRIAL

28 Plaintiffs R & R PARTNERS, INC. ("R & R") and the LAS VEGAS CONVENTION & VISITOR'S AUTHORITY ("LVCVA") as and for their Amended Complaint against Defendants DOROTHY TOVAR ("Tovar") and ADRENALINE SPORTS, INC. ("Adrenaline Sports") (collectively "Defendants") allege the following:

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1 **Jurisdiction and Venue**

2 1. This is a trademark infringement action arising under 15 U.S.C. §§ 1125. Jurisdiction is
3 proper under 15 U.S.C. § 1121, 28 U.S.C. §§ 1331, 1367 and 1338.

4 2. Venue is proper under 28 U.S.C. § 1391 in the District of Nevada because both Plaintiffs
5 are located in this district and upon information and belief Defendants do business and have
6 sufficient contacts with the State of Nevada.

7 **The Parties**

8 3. R & R is a Nevada corporation with principal places of business located in Las Vegas and
9 Reno, Nevada. The Las Vegas Convention & Visitor's Authority is a Nevada Governmental
10 Agency located in this District.

11 4. Tovar and Adrenaline Sports both transact business within this District and/or contract to
12 supply goods and/or services in this District.

13 **Facts**

14 5. R & R conducts business in the area of advertising, public relations and government
15 services for others.

16 6. In or about the fall of 2002, R & R designed a unique and effective advertising campaign
17 for the benefit of the LVCVA using the tag line/trademark "WHAT HAPPENS HERE STAYS
18 HERE" (the "Mark").

19 7. R & R's unique advertising campaign began broadcasting at least as early as December of
20 2002.

21 8. Since at least December of 2002 to the present the advertising campaign has become well
22 known throughout the United States.

23 9. Since at least December of 2002, a great amount of time, effort and money was expended
24 in connection with the promotion and advertisement of Las Vegas such that the Mark and its
25 goodwill have become an asset of substantial value.

26 10. Subsequent to the first use of the Mark and prior to the acts of Defendants complained
27 of herein, the Mark has continuously and extensively been used by Plaintiffs to widely promote Las
28

1 Vegas throughout the United States. Most recently, the mark was used during an ad campaign run
 2 during the commercials for the Oscars on or about March 7, 2004.

3 11. LVCVA registered the Mark in the State of Nevada on or about July 11, 2003 with a
 4 date of first use of December 2002. LVCVA then transferred its ownership interest in the Mark to
 5 R & R.

6 12. Notwithstanding R & R's well-known and prior common law and statutory rights in the
 7 Mark, Tovar and/or Adrenaline Sports, with at least constructive notice of the prior ownership rights
 8 of R & R or LVCVA in the Mark, intentionally and willfully adopted, used and licensed for use the
 9 Mark WHAT HAPPENS IN VEGAS STAYS IN VEGAS and WHAT HAPPENS AT SPRING
 10 BREAK STAYS AT SPRING BREAK (collectively "the Tovar Marks") based upon use in
 11 interstate commerce.

12 13. Tovar applied for and received a Nevada Registration for the mark WHAT HAPPENS
 13 IN VEGAS STAYS IN VEGAS for use on clothing with a date of first use in Nevada of April 17,
 14 2003. Tovar also filed at least, the following federal applications all based upon use in interstate
 15 commerce:

	Mark	Goods/Services	Serial No. and Filing Date	Date of alleged first use
18	1 What Happens in Vegas Stays in Vegas	Clothing, namely shirts	78/975105 2/28/2003	4/17/2003
20	2 What Happens in Vegas Stays in Vegas	Clothing, namely underwear, sleepwear and headwear	78/220184 2/28/03	Not stated
22	3 What Happens in Vegas Stays in Vegas	Key accessories, namely, key chains, key fobs, key holders, key rings decorations, namely license plate frames, picture frames	78/231585 3/28/2003	Not stated
24	4 What Happens in Vegas Stays in Vegas	Glassware, including drinking glasses, shot glasses, wine glasses, martini glasses, coffee mugs, beer mugs, plates, bowls, pans	78/311277 10/8/2003	Not stated
26	5 What Happens at Spring Break Stays at Spring Break	Clothing, namely, shirts, underwear, sleepwear and headwear	78/227388 3/19/2003	Not stated

1 14. In support of the registration for the above WHAT HAPPENS IN VEGAS STAYS IN
2 VEGAS mark ("Vegas" mark) under Serial No. 78/975105, Tovar submitted specimens to the U.S.
3 Patent & Trademark Office ("USPTO") showing use of the mark on tee shirts and alleging a date of
4 first use in interstate commerce of the Vegas mark of April 17, 2003.

5 15. The Vegas mark was not affixed to the inside label of the tee shirt submitted as a
6 specimen to the USPTO. Nor was it affixed to the inside label of any tee shirts sold by Tovar with
7 the Vegas mark on or before April 17, 2003.

8 16. In response to an Office Action which refused registration of the Vegas mark on the
9 basis that it was ornamental, Tovar falsely stated to the USPTO that the tee shirt had the mark
10 affixed to the inside label. Based upon these representations to the USPTO, the mark was approved
11 for registration.

12 17. Prior to the infringing use of the Mark by Defendants, the Mark became recognized
13 throughout the United States and relied upon by consumers for advertising and promotion for the
14 Las Vegas, distinguishing such goods and services from the same or similar goods and services of
15 others. The Mark thus represents goodwill belonging to Plaintiffs.

16 18. Defendants' unauthorized, intentional and willful use of Plaintiffs' Mark creates a
17 likelihood of confusion, mistake and deception as to the affiliation, connection, association, origin,
18 sponsorship or approval of the goods and services of Plaintiffs with those of Tovar and/or
19 Adrenaline Sports, all to Plaintiffs' irreparable loss and damage.

20 19. Upon information and belief, actual confusion of consumers has occurred or will likely
21 occur and will continue to occur as a result of the acts of Defendants complained of herein, unless
22 Defendants are enjoined from continuing said acts. Furthermore, Plaintiffs will suffer irreparable
23 injury to their reputation and goodwill unless Defendants are so enjoined.

24 **CLAIM I**
25 **Common Law- Trademark Infringement**

26 20. Plaintiffs repeat, reallege and reiterate each and every paragraph set forth above as if
27 fully set forth herein.

1 21. By the acts complained of herein, Plaintiffs have priority in the Mark and Defendants
2 have used a reproduction, counterfeit, copy or colorable imitation of the Mark in connection with
3 the sale, offering for sale, distribution and advertising of its goods and services, and such use is
4 likely to cause confusion, mistake and deception among the consuming public.

5 22. Plaintiffs have been damaged by Defendants' willful infringement in an amount
6 according to proof.

7 23. Plaintiffs are entitled to an award of their reasonable attorney's fees and costs of suit as a
8 result of Defendants' willful infringement.

9 **CLAIM II**
10 **Lanham Act Violation - Unfair Competition**
11 **15 U.S.C. § 1125(a)**

12 24. Plaintiffs repeat, reallege and reiterate each and every paragraph set forth above as if
13 fully set forth herein.

14 25. Defendants' use of their infringing mark constitutes a false designation of origin,
15 description or representation, which is likely to cause confusion, mistake or to deceive as to origin,
16 affiliation, connection, sponsorship or association of Plaintiffs with that of Tovar and/or Adrenaline
17 Sports, or as to the origin, sponsorship or approval of Defendants' use of the Mark by Plaintiffs, in
18 violation of 15 U.S.C. § 1125(a).

19 26. Plaintiffs have been damaged by Defendants' willful unfair competition in an amount
20 according to proof.

21 **CLAIM III**
22 **Common Law Unfair Competition**

23 27. Plaintiffs repeat, reallege and reiterate each and every paragraph set forth above as if
24 fully set forth herein.

25 28. Defendants' use of its infringing mark constitutes a false designation of origin,
26 description or representation, which is likely to cause confusion, mistake or to deceive as to origin,
27 affiliation, connection, sponsorship or association of Defendants' goods and services with those of
28 Plaintiffs, which constitutes unfair competition in violation of Nevada common law.

1 29. Plaintiffs have been damaged by Defendants' conduct in an amount according to proof.

2 30. Defendants acted knowingly, willfully, and maliciously with the intent to injure Plaintiffs
3 by engaging in the conduct herein described. Defendants acted to defraud and oppress Plaintiffs
4 through their intentional and willful use of Plaintiff's Mark. Said actions demonstrate conduct
5 evidencing a willful and conscious disregard of the rights of Plaintiffs, thereby justifying an award
6 of punitive damages in the amount to be proven at trial.

7 **CLAIM IV**
8 **Deceptive Trade Practice Violation**

9 31. Plaintiffs repeat, reallege and reiterate each and every paragraph set forth above as if
10 fully set forth herein.

11 32. Defendants' use of their infringing mark constitutes a false designation of origin,
12 description or representation, which is likely to cause confusion, mistake or to deceive as to origin,
13 affiliation, connection, sponsorship or association of Defendants with Plaintiffs, or as to the origin,
14 sponsorship or approval of Defendants' use of the Mark by Plaintiffs, in violation of Nev. Rev.
15 Statute §598.

16 33. Defendants acted knowingly, willfully, and maliciously with the intent to injure Plaintiffs
17 by engaging in the conduct herein described. Defendants acted to defraud and oppress Plaintiffs
18 through their intentional and willful use of Plaintiff's Mark. Said actions demonstrate conduct
19 evidencing a willful and conscious disregard of the rights of Plaintiffs, thereby justifying an award
20 of punitive damages in the amount to be proven at trial.

21 34. Plaintiffs are entitled to injunctive relief and restitution according to proof.

22 **CLAIM V**
23 **Common Law Dilution**

24 35. Plaintiffs repeat, reallege and reiterate each and every paragraph set forth above as if
25 fully set forth herein.

26 36. Plaintiffs' Mark is a distinctive and famous mark. The Mark has become instantly
27 recognizable as being associated with the advertisement of Las Vegas and is widely recognized by
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1 consumers throughout the United States and is in substantially exclusive use. The acts of
2 Defendants occurred after Plaintiffs' Mark became famous.

3 37. Defendants committed these acts willfully and with the intent to trade on the reputation
4 of R & R and LVCVA and to trade on the goodwill associated with the Mark and to cause dilution
5 of the famous Mark.

6 38. Plaintiffs have been damaged as a result of Defendants' willful conduct in an amount
7 according to proof.

8 39. Defendants acted to defraud and oppress Plaintiffs through their intentional and willful
9 use of Plaintiff's Mark, and by inducing others to infringe on Plaintiffs' Mark. Said actions
10 evidencing a willful and conscious disregard of the rights of R&R and LVCVA, thereby justifying
11 an award of punitive damages under Nev. Rev. Stat. § NRS 600.430 in the amount to be proven at
12 trial.

13 **CLAIM VI**
14 **Federal Claim for Dilution under Section 43(c)(1)**

15 40. Plaintiffs repeat, reallege and reiterate each and every paragraph set forth above as if
16 fully set forth herein.

17 41. By the acts complained of herein, Defendants have willfully caused dilution of
18 Plaintiffs' famous Mark and continue to do so.

19 42. Plaintiffs' Mark is a distinctive and famous mark. The Mark has been used in
20 connection with the goods and services on which it appears, has been the subject of extensive
21 advertising and promotion, is widely recognized by consumers throughout the United States and is
22 in substantially exclusive use. The acts of Defendants occurred after the Mark became famous.

23 43. Defendants have lessened the capacity of Plaintiff's famous mark to identify and
24 distinguish the goods and services of R & R and LVCVA from those of Defendants. Defendants
25 have blurred the unique association which has heretofore existed between Plaintiffs' Mark and the
26 goods or services offered by that Mark and/or tarnished the reputation of Plaintiffs through the use
27 of its Mark.

1 44. Defendants committed these acts willfully and with the intent to trade on the reputation
2 of Plaintiffs and trade on and goodwill associated with the Mark and to cause dilution of the famous
3 Mark.

4 45. Plaintiffs have been damaged as a result of Defendants' conduct in an amount according
5 to proof.

6 **CLAIM VII**
7 **Cancellation of Registration(s)**

8 46. Plaintiffs repeat, reallege and reiterate each and every paragraph set forth above as if
9 fully set forth herein.

10 47. Tovar fraudulently represented to the Patent & Trademark Office and the Nevada
11 Secretary of State that she had first used the term WHAT HAPPENS IN VEGAS STAYS IN
12 VEGAS in interstate commerce on April 17, 2003, when in fact that term was used (if at all)
13 ornamentally and did not serve as a trademark on or before her alleged date of first use.

14 48. To gain federal registration of the proposed Mark, Plaintiff Tovar falsely represented to
15 the USPTO that she applied the proposed mark to labels inside the tee shirts submitted as
16 specimens, when she did not do so.

17 49. Upon information and belief, the Patent & Trademark Office reasonably relied on
18 Tovar's false representations and approved the Vegas mark for registration.

19 50. Tovar knowingly submitted false information to the Nevada Secretary of State and the
20 USPTO in support of her state and federal trademark applications for the Vegas mark.

21 51. Plaintiffs are damaged by the fraudulent statements and the registrations issued in
22 reliance thereon.

23 52. Plaintiffs are entitled to cancellation of the registrations issued to Tovar for the term
24 WHAT HAPPENS IN VEGAS STAYS IN VEGAS as a result of her fraudulent statements.

25
26 **PRAYER FOR RELIEF**

27 Plaintiffs demand the following relief:
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1 1. Plaintiffs be awarded their damages and Defendants' profits attributable to Defendants'
2 infringement under common law, for Unfair Competition under the Federal Lanham Act and
3 common law and for Dilution under common law and the Federal Lanham Act;

4 2. Plaintiffs be awarded three times the profits attributable to Defendants' infringement and
5 Unfair Competition under 15 U.S.C. § 1117 and Nev. Rev. Statute §§598 and 600.435-450;

6 3. Plaintiff be awarded its reasonable attorney's fees and costs of suit, under 15 U.S.C. §
7 1117 and Nev. Rev. Statute §§598 and 600.435-450;

8 4. An accounting be undertaken to determine the amount of a constructive trust to be
9 established for the benefit of Plaintiffs, reflecting the value of Defendants unjust enrichment gained
10 through its acts complained of herein;

11 5. An injunction be issued pursuant to 15 U.S.C. § § 1114 and 1116 and Nev. Rev. Statute
12 §§598 and 600.435-450 against Defendants and their servants, agents, employees, successors and
13 assigns, and all persons acting in concert or privity with them, enjoining each of them, singly and
14 collectively, from

15 (a) any further infringing or contributory infringing use of the Mark, or any mark
16 confusingly similar thereto,

17 (b) further holding itself or inducing others to hold themselves out to the public as
18 being affiliated with or sponsored by R & R or LVCVA in any manner, or committing any acts
19 likely to imply any such relationship or affiliation, and

20 (c) unfairly competing with R & R or LVCVA.

21 6. An order requiring Defendants to file with this Court and serve on Plaintiffs within thirty
22 days after the service of an injunction, a report in writing under oath, setting forth in detail the
23 manner and form in which Defendants have complied with the injunction.

24 7. An order requiring Defendants to deliver to Plaintiffs for destruction all material in
25 Defendants' possession or control bearing Defendants' infringing marks or any other designation
26 confusingly similar thereto under 15 U.S.C. § 1118.

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1 8. An order preventing Defendants' unfair competition and awarding damages necessary to
2 restore to Plaintiffs any money or property which Defendants have acquired by means of its unfair
3 competition;

4 9. Compensatory damages in an amount to be proven at trial;

5 10. Punitive damages in an amount to be proven at trial;

6 11. An order awarding Plaintiff prejudgment interest on any monetary award;

7 12. An order that Tovar's Nevada registrations be cancelled and that Tovar's federal
8 applications and registrations for the Mark be cancelled and/or abandoned, and

9 14. Such other and further relief as this Court deems just and proper.

10
11 DATED this ____ day of _____, 2005.

12 **JONES VARGAS**

13
14
15 By: _____

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Attorneys for Plaintiff
R&R Partners, Inc. and
Las Vegas Convention
and Visitors Authority

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DEMAND FOR JURY TRIAL

Pursuant to Fed.R.Civ.P. 38, PLAINTIFFS hereby demand a trial by jury on all issues so triable in this action.

DATED this ____ day of _____, 2005.

JONES VARGAS

By: _____

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Attorneys for Plaintiff
R&R Partners, Inc. and
Las Vegas Convention
And Visitors Authority

EXHIBIT B

ORIGINAL

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FILED
AUG 17 PM 3:11
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Attorneys for Defendants and Counterclaimants
Dorothy Tovar and Adrenaline Sports, Inc.

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

R & R PARTNERS, a Nevada Corporation,
and the LAS VEGAS CONVENTION AND
VISITORS AUTHORITY,

Plaintiffs,

v.

DOROTHY TOVAR, an individual, and
ADRENALINE SPORTS, INC.,

Defendants,

AND RELATED COUNTERCLAIMS

Case No. CV-N-04-0145-LRH-VPC

**ANSWER AND COUNTERCLAIMS TO
FIRST AMENDED COMPLAINT**

JURY TRIAL REQUESTED

Defendants and Counterclaimants DOROTHY TOVAR ("Tovar") and ADRENALINE SPORTS, INC. ("Adrenaline Sports") hereby answer the First Amended Complaint filed by Plaintiffs and Counterclaim Defendants R&R PARTNERS ("R&R") and the LAS VEGAS CONVENTION AND VISITORS AUTHORITY ("LVCVA") and brings certain counterclaims as follows.

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1 Tovar and Adrenaline Sports (collectively "Defendants") deny all the allegations in the First
2 Amended Complaint that are not specifically and expressly admitted. Defendants deny, generally
3 and specifically, each purported claim contained in the First Amended Complaint and further deny
4 that Plaintiffs are entitled to any recovery, relief, or remedy as requested or in any other form
5 whatsoever. Defendants incorporate into this Answer all the allegations pled in their Counterclaims.

6 **JURISDICTION AND VENUE**

- 7 1. Defendants admit the allegations in paragraph 1 of the First Amended Complaint.
8 2. Defendants admit the allegations in paragraph 2 of the First Amended Complaint.

9 **PARTIES**

10 3. Defendants lack knowledge or information sufficient to form a belief as to the
11 allegations in paragraph 3 of the First Amended Complaint and, therefore, deny those allegations.

12 4. Answering the allegations in paragraph 4 of the First Amended Complaint, Tovar
13 admits that she transacts business within this District but denies that she contracts to supply goods
14 and/or services in this District. Adrenaline Sports admits the allegations in paragraph 4 of the First
15 Amended Complaint.

16 **FACTS**

17 5. Answering the allegations in paragraph 5 of the First Amended Complaint,
18 Defendants admit that R&R conducts business in the area of advertising and public relations.
19 Defendants lack knowledge or information sufficient to form a belief as to whether R&R conducts
20 business in the area of government services for others and, therefore, deny that allegation.

21 6. Answering the allegations in paragraph 6 of the First Amended Complaint,
22 Defendants admit that R&R designed an advertising campaign for the benefit of the LVCVA that
23 uses the tag line WHAT HAPPENS HERE STAYS HERE. Defendants deny that the advertising
24 campaign is unique. Defendants lack knowledge or information sufficient to form a belief as to
25 when R&R created the advertising campaign and, therefore, deny that the advertising campaign was
26 created in or about the fall of 2002.

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1 7. Answering the allegations in paragraph 7 of the First Amended Complaint,
2 Defendants admit that the advertising campaign first began broadcasting in December of 2002 but
3 deny that the advertising campaign is unique.

4 8. Defendants lack knowledge or information sufficient to form a belief as to the
5 allegations in paragraph 8 of the First Amended Complaint and, therefore, deny those allegations.

6 9. Defendants admit the allegations in paragraph 9 of the First Amended Complaint.

7 10. Answering the allegations in paragraph 10 of the First Amended Complaint,
8 Defendants deny that the Mark was continually and extensively used by Plaintiffs to widely promote
9 Las Vegas throughout the United States prior to the acts by Defendants that are complained of in the
10 First Amended Complaint. Defendants lack knowledge or information sufficient to form a belief as
11 to the date the Mark was most recently used in an advertising campaign and, therefore, deny that it
12 was most recently used on or about March 2, 2004 during a telecast of the Oscars.

13 11. Defendants admit the allegations in paragraph 11 of the First Amended Complaint.

14 12. Defendants deny the allegations in paragraph 12 of the First Amended Complaint.

15 13. Answering the allegations in paragraph 13 of the First Amended Complaint,
16 Defendants admit that Tovar applied for and received a Nevada state trademark registration for her
17 WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark for use on clothing with a date of first use
18 of April 17, 2003. Defendants admit that Tovar filed the federal trademark applications identified in
19 paragraph 13 of the First Amended Complaint on the dates so indicated. Defendants deny that the
20 federal trademark applications identified in paragraph 13 of the First Amended Complaint were
21 based on her WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark being used in interstate
22 commerce. Defendants further respond that each federal trademark application identified in
23 paragraph 13 of the First Amended Complaint was filed as an intent-to-use application.

24 14. Defendants admit the allegations in paragraph 14 of the First Amended Complaint.

25 15. Answering the allegations in paragraph 15 of the First Amended Complaint,
26 Defendants admit that Tovar's WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark was not
27 affixed to the inside label of the tee shirt submitted to the USPTO on February 28, 2003 in support of
28 her trademark registration application Serial No. 78/975105. Defendants admit that Tovar's WHAT

1 HAPPENS IN VEGAS STAYS IN VEGAS mark was not affixed to the inside label of any tee shirt
2 sold by Adrenaline Sports on or before April 17, 2003.

3 16. Answering the allegations in paragraph 16 of the First Amended Complaint,
4 Defendants deny that Tovar made any false statements to the USPTO. Defendants, therefore, deny
5 that the USPTO granted Tovar a federal trademark registration for her WHAT HAPPENS IN
6 VEGAS STAYS IN VEGAS mark based on false representations made by Tovar.

7 17. Answering the allegations in paragraph 17 of the First Amended Complaint,
8 Defendants deny that their use of Tovar's WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark
9 infringes or dilutes the WHAT HAPPENS HERE STAYS HERE mark. Defendants admit that the
10 WHAT HAPPENS HERE STAYS HERE mark has become recognized throughout the United States
11 as a means to promote Las Vegas as a tourist destination but deny that this recognition occurred
12 prior to Defendants' use of the WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark in
13 commerce. Defendants further respond that Plaintiffs have failed to identify which Plaintiff owns
14 the goodwill associated with the WHAT HAPPENS HERE STAYS HERE mark. Defendants,
15 therefore, deny the allegation that the "Mark thus represents the goodwill belonging to Plaintiffs."
16 Defendants admit that one of the Plaintiffs owns the goodwill associated with the WHAT HAPPENS
17 HERE STAYS HERE mark but assert, for various reasons, that neither has any right to enforce the
18 mark against these Defendants.

19 18. Defendants deny the allegations in paragraph 18 of the First Amended Complaint.

20 19. Defendants deny the allegations in paragraph 19 of the First Amended Complaint.

21 **AS TO CLAIM I**

22 20. Defendants restate, reallege, and reiterate their responses in all preceding paragraphs
23 of this Answer as if fully set forth herein.

24 21. Answering the allegations in paragraph 21 of the First Amended Complaint,
25 Defendants respond that Plaintiffs have failed to allege any facts that establish when each Plaintiff
26 allegedly owned the WHAT HAPPENS HERE STAYS HERE mark. Defendants cannot, therefore,
27 evaluate the allegation that "Plaintiffs have priority in the Mark" and so deny that allegation.
28 Defendants admit that LVCVA used the WHAT HAPPENS HERE STAYS HERE mark in

1 commerce before Defendants used Tovar's WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark
2 in commerce. Defendants deny all the remaining allegations in paragraph 21 of the First Amended
3 Complaint.

4 22. Defendants deny the allegations in paragraph 22 of the First Amended Complaint.

5 23. Defendants deny the allegations in paragraph 23 of the First Amended Complaint.

6 **AS TO CLAIM II**

7 24. Defendants restate, reallege, and reiterate their responses in all preceding paragraphs
8 of this Answer as if fully set forth herein.

9 25. Answering the allegations in paragraph 25 of the First Amended Complaint,
10 Defendants respond that Plaintiffs have failed to identify which Plaintiff is associated in the minds of
11 consumers with the WHAT HAPPENS HERE STAYS HERE mark. Defendants deny all the
12 allegations in paragraph 25 of the First Amended Complaint regardless of which Plaintiff is
13 allegedly associated with the WHAT HAPPENS HERE STAYS HERE mark.

14 26. Defendants deny the allegations in paragraph 26 of the First Amended Complaint.

15 **AS TO CLAIM III**

16 27. Defendants restate, reallege, and reiterate their responses in all preceding paragraphs
17 of this Answer as if fully set forth herein.

18 28. Answering the allegations in paragraph 28 of the First Amended Complaint,
19 Defendants respond that Plaintiffs have failed to identify their respective goods or services and have
20 failed to distinguish, in any way, between the goods and services offered by R&R and the goods and
21 services offered by LVCVA. Defendants cannot, therefore, evaluate the allegation that Defendants'
22 use of Tovar's WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark on clothing is likely to
23 cause consumer confusion with the goods and services of "those of Plaintiffs." Defendants deny all
24 the allegations in paragraph 28 of the First Amended Complaint.

25 29. Defendants deny the allegations in paragraph 29 of the First Amended Complaint.

26 30. Answering the allegations in paragraph 30 of the First Amended Complaint,
27 Defendants respond that Plaintiffs' reference to "Plaintiff's Mark" is ambiguous in that Plaintiffs do
28 not specify which Plaintiff is the owner of the WHAT HAPPENS HERE STAYS HERE mark.

1 Defendants deny all the allegations in paragraph 30 of the First Amended Complaint regardless of
2 which Plaintiff is alleged to be the owner of the WHAT HAPPENS HERE STAYS HERE mark.

3 **AS TO CLAIM IV**

4 31. Defendants restate, reallege, and reiterate their responses in all preceding paragraphs
5 of this Answer as if fully set forth herein.

6 32. Answering the allegations in paragraph 32 of the First Amended Complaint,
7 Defendants respond that Plaintiffs have failed to allege which of them consumers associate with the
8 WHAT HAPPENS HERE STAYS HERE mark. Defendants deny all the allegations in paragraph 32
9 of the First Amended Complaint regardless of which Plaintiff they assert is associated with the mark.

10 33. Answering the allegations in paragraph 33 of the First Amended Complaint,
11 Defendants respond that Plaintiffs' reference to "Plaintiff's Mark" is ambiguous in that Plaintiffs do
12 not specify which Plaintiff is the owner of the WHAT HAPPENS HERE STAYS HERE mark.
13 Defendants deny all the allegations in paragraph 33 of the First Amended Complaint regardless of
14 which Plaintiff is alleged to own the mark.

15 34. Defendants deny the allegations in paragraph 34 of the First Amended Complaint.

16 **AS TO CLAIM V**

17 35. Defendants restate, reallege, and reiterate their responses in all preceding paragraphs
18 of this Answer as if fully set forth herein.

19 36. Answering the allegations in paragraph 36 of the First Amended Complaint,
20 Defendants admit that the WHAT HAPPENS HERE STAYS HERE mark has become recognized
21 throughout the United States as a means to promote Las Vegas as a tourist destination. Defendants
22 deny all the remaining allegations in paragraph 36 of the First Amended Complaint.

23 37. Defendants deny the allegations in paragraph 37 of the First Amended Complaint.

24 38. Defendants deny the allegations in paragraph 38 of the First Amended Complaint.

25 39. Answering the allegations in paragraph 39 of the First Amended Complaint,
26 Defendants respond that Plaintiffs' reference to both "Plaintiff's Mark" in the singular possessive and
27 "Plaintiffs' Mark" in the plural possessive creates a fundamental ambiguity because these
28 contradictory allegations of ownership of the WHAT HAPPENS HERE STAYS HERE mark cannot

1 be reconciled. Defendants cannot, therefore, evaluate the allegations in paragraph 39 of the First
2 Amended Complaint. Defendants deny all the allegations in paragraph 39 of the First Amended
3 Complaint regardless of which Plaintiff is alleged to own the mark.

4 **AS TO CLAIM VI**

5 40. Defendants restate, reallege, and reiterate their responses in all preceding paragraphs
6 of this Answer as if fully set forth herein.

7 41. Defendants deny the allegations in paragraph 41 of the First Amended Complaint.

8 42. Answering the allegations in paragraph 42 of the First Amended Complaint,
9 Defendants admit that the WHAT HAPPENS HERE STAYS HERE mark has been the subject of
10 extensive advertising and promotion and has become recognized throughout the United States as a
11 means to promote Las Vegas as a tourist destination. Defendants deny all the remaining allegations
12 in paragraph 42 of the First Amended Complaint.

13 43. Answering the allegations in paragraph 43 of the First Amended Complaint,
14 Defendants respond that Plaintiffs' reference to both "Plaintiff's Mark" in the singular possessive and
15 "Plaintiffs' Mark" in the plural possessive creates a fundamental ambiguity because these
16 contradictory allegations of ownership of the WHAT HAPPENS HERE STAYS HERE mark cannot
17 be reconciled. Defendants cannot, therefore, evaluate the allegations in paragraph 43 of the First
18 Amended Complaint. Defendants deny all the allegations in paragraph 43 of the First Amended
19 Complaint regardless of which Plaintiff is alleged to own the mark.

20 44. Defendants deny the allegations in paragraph 44 of the First Amended Complaint.

21 45. Defendants deny the allegations in paragraph 45 of the First Amended Complaint.

22 **AS TO CLAIM VII**

23 46. Defendants restate, reallege, and reiterate their responses in all preceding paragraphs
24 of this Answer as if fully set forth herein.

25 47. Defendants deny the allegations in paragraph 47 of the First Amended Complaint.

26 48. Defendants deny the allegations in paragraph 48 of the First Amended Complaint.

27 49. Answering the allegations in paragraph 49 of the First Amended Complaint,
28 Defendants admit that the USPTO approved Tovar's application to federally register as a trademark

1 her WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark. Defendants deny that Tovar made
2 any false statements to the USPTO. Defendants, therefore, deny that the USPTO granted Tovar a
3 federal trademark registration for her WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark
4 based on false representations made by Tovar.

5 50. Answering the allegations in paragraph 50 of the First Amended Complaint,
6 Defendants deny that Tovar submitted any false information to the Nevada Secretary of State or to
7 the USPTO.

8 51. Defendants deny the allegations in paragraph 51 of the First Amended Complaint.

9 52. Defendants deny the allegations in paragraph 52 of the First Amended Complaint.

10 As separate and affirmative defenses, Defendants further respond as follows:

11 **FIRST AFFIRMATIVE DEFENSE**
12 **(Trademark Registration)**
13 **(By both Defendants against both Plaintiffs)**

14 Each and every claim alleged by Plaintiffs is barred under 15 U.S.C. §1115(a) because
15 Tovar's WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark is federally registered as a
16 trademark. Tovar's WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark is registered under two
17 separate registrations, Registration Nos. 2986162 and 2930998. Placement of Tovar's WHAT
18 HAPPENS IN VEGAS STAYS IN VEGAS mark on the Principle Register is prima facie evidence
19 that she, and through her Adrenaline Sports, has the exclusive right to use the mark in commerce on
20 or in connection with clothing.

21 In addition, each and every claim alleged by Plaintiffs is barred under Nev. Rev. Statute
22 §600.350 because Tovar's WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark is registered in
23 the State of Nevada as a trademark which raises a disputable presumption that she is the owner of the
24 mark in Nevada as the mark is applied to clothing.

25 **SECOND AFFIRMATIVE DEFENSE**
26 **(Lack of Standing)**
27 **(By both Defendants against R&R)**

28 Each and every claim alleged by R&R is barred because R&R lacked standing at the time it
filed suit on March 22, 2004. R&R admits that its rights in the WHAT HAPPENS HERE STAYS
HERE mark derives from a trademark assignment agreement memorialized on November 9, 2004.

1 Any alleged earlier oral assignments of the WHAT HAPPENS HERE STAYS HERE mark from
2 LVCVA to R&R are invalid as a matter of law. See 15 U.S.C. §1060 and Nev. Rev. Statute
3 §600.370. Assuming the written assignment agreement is valid, its effective date can be no earlier
4 than November 9, 2004, a date subsequent to R&R's filing of its Complaint in this action.

5 In addition, under Nevada law, a trademark assignment must be filed with the Nevada
6 Secretary of State's Office. See Nev. Rev. Statute §600.370. The written assignment agreement
7 transferring ownership of the WHAT HAPPENS HERE STAYS HERE mark to R&R was not filed
8 with Nevada Secretary of State's Office until July of 2005, a date subsequent to R&R's filing of its
9 Complaint in this action.

10 R&R admits, moreover, that it created the WHAT HAPPENS HERE STAYS HERE mark
11 "for the benefit of the LVCVA" and that the mark was used "in connection with the promotion and
12 advertisement of Las Vegas." R&R has no common law trademark rights, therefore, in the WHAT
13 HAPPENS HERE STAYS HERE mark because it did not, and does not, use the mark to promote its
14 advertising services. R&R admits, rather, that it uses the mark to promote Las Vegas tourism
15 services—services which R&R itself does not provide.

16 Each and every claim alleged by R&R is also barred because R&R currently lacks standing.
17 The trademark assignment agreement purporting to assign the WHAT HAPPENS HERE STAYS
18 HERE mark from LVCVA to R&R is invalid as an assignment in gross. Although both Defendants
19 assert that the mark is famous and that it "and its goodwill have become an asset of substantial
20 value," R&R paid LVCVA only \$1.00 to purchase the mark. The goodwill of the mark, therefore,
21 was not assigned along with the mark and, for that reason, the assignment is invalid. Absent a valid
22 assignment, R&R has no standing to assert any rights that may exist in the WHAT HAPPENS
23 HERE STAYS HERE mark.

24 LVCVA, moreover, is barred by the Nevada Constitution from gifting public assets to private
25 corporations. See Nevada Constitution, Article 8, Section 9. As a result, the purported assignment
26 of the WHAT HAPPENS HERE STAYS HERE mark from LVCVA to R&R was void ab initio. For
27 this reason as well, R&R does not and never had standing to sue either Defendant.

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THIRD AFFIRMATIVE DEFENSE
(Lack of Standing)
(By both Defendants against LVCVA)

Each and every claim alleged by LVCVA is barred because LVCVA lacks standing. LVCVA has not asserted, nor pled any facts to support the assertion, that it is the governmental entity imbued with the responsibility and power to protect the reputation of, and the goodwill created in, the City of Las Vegas.

Moreover, LVCVA admits that it assigned its rights in the WHAT HAPPENS HERE STAYS HERE mark to R&R. LVCVA also admits that it took back only a non-exclusive license to use the mark. As a nonexclusive trademark licensee, LVCVA does not have standing to sue either Defendant for trademark infringement or dilution under the common law or under any provision of the Lanham Act or other statute. LVCVA does not have standing to bring suit for its common law or statutory unfair competition claims because those claims all derive from alleged wrongs that are identical or equivalent to the trademark infringement and dilution claims brought by LVCVA for which LVCVA lacks standing.

LVCVA's purported remedy of prospective injunctive relief is unavailable because it admits it is not the current owner of the WHAT HAPPENS HERE STAYS HERE mark. LVCVA's purported remedy of damages for wrongs alleged to have occurred in the past are unavailable because LVCVA has not identified the period of time it allegedly owned the mark and has not pled that it suffered any damages during that time nor plead with any specificity the nature, character, or amount of damages it suffered. LVCVA has failed to plead facts, therefore, that give rise to a case or controversy between LVCVA and either Defendant.

FOURTH AFFIRMATIVE DEFENSE
(Not a Real Party in Interest)
(By both Defendants against LVCVA)

Each and every claim alleged by LVCVA is barred because LVCVA is not a real party in interest. As only a non-exclusive licensee of the WHAT HAPPENS HERE STAYS HERE mark, and for other reasons, LVCVA does not own any rights in the mark sufficient to justify a finding that it is a real party in interest under Federal Rule of Civil Procedure 17(a).

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FIFTH AFFIRMATIVE DEFENSE

**(Not a Necessary party)
(By both Defendants against LVCVA)**

Each and every claim alleged by LVCVA is barred because LVCVA is not a necessary party in this litigation. As only a non-exclusive licensee of the WHAT HAPPENS HERE STAYS HERE mark, and for other reasons, LVCVA does not have an interest in the subject of this action sufficient to justify a finding that it is a necessary party under Federal Rule of Civil Procedure 19.

SIXTH AFFIRMATIVE DEFENSE

**(Misjoinder)
(By both Defendants against both Plaintiffs)**

Each and every claim alleged by Plaintiffs is barred due to the misjoinder of LVCVA as a party. R&R and LVCVA successfully joined LVCVA in this action on the theory that one of the two Plaintiffs—but not both—own the WHAT HAPPENS HERE STAYS HERE mark and has the right to enforce the mark. The joinder of a party as a plaintiff merely to ensure that at least one plaintiff is properly before the Court violates the rules governing joinder as well as substantive and procedural due process.

SEVENTH AFFIRMATIVE DEFENSE

**(Failure to State a Cause of Action)
(By Both Defendants against both Plaintiffs)**

Each and every claim alleged by Plaintiffs fails to state a claim upon which relief can be granted. Although each and every claim alleged by Plaintiffs requires that one or the other or both own rights in the WHAT HAPPENS HERE STAYS HERE mark that are enforceable against these Defendants, neither Plaintiff owns any such rights. For this reason and others, Plaintiffs have failed to state a cause of action.

Plaintiffs' trademark dilution claims are statutorily barred because Tovar's WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark is federally registered as a trademark. See 15 U.S.C. § 1125(c).

EIGHTH AFFIRMATIVE DEFENSE

**(Unclean Hands)
(By Both Defendants against both Plaintiffs)**

Each and every claim alleged by Plaintiffs is barred under the doctrine of unclean hands. Plaintiffs conspired to and did engage in a fraudulent and sham trademark assignment transaction.

1 The assignment of the WHAT HAPPENS HERE STAYS HERE mark from LVCVA to R&R was
2 intended solely to confer standing on R&R to enforce the WHAT HAPPENS HERE STAYS HERE
3 mark. Plaintiffs did not, and do not, intend for R&R to control the quality of the mark or the goods
4 or services on which the mark is affixed and, in fact, R&R did not, and does not, control either.
5 Plaintiffs' motivation to assign the mark to R&R was solely for enforcement and litigation purposes
6 which violates fundamental trademark law and public policy.

7 LVCVA also falsely asserted in a January 16, 2004 trademark registration application filed
8 with the Nevada Secretary of State that LVCVA used the WHAT HAPPENS HERE STAYS HERE
9 mark on clothing since at least December of 2002. LVCVA has admitted, however, that it never
10 used the WHAT HAPPENS HERE STAYS HERE mark on clothing placed in commerce.
11 LVCVA's false assertion was made with the intent to deceive the Nevada Secretary of State and was
12 successful in persuading the Nevada Secretary of State to grant LVCVA a Nevada state trademark
13 registration for the WHAT HAPPENS HERE STAYS HERE mark on clothing. In addition to
14 constituting unclean hands, this conduct is fraudulent, is unlawful under Nev. Rev. Statute §600.340,
15 and is punishable as a misdemeanor under Nev. Rev. Statute §205.215.

16 R&R has also falsely asserted to the USPTO and to third parties that R&R is "the original
17 user of the WHAT HAPPENS HERE STAYS HERE trademark" and that it has used the mark in
18 commerce since at least December of 2002. Both R&R and LVCVA admit, however, that
19 LVCVA— not R&R—is the original owner and user of the WHAT HAPPENS HERE STAYS
20 HERE trademark. R&R's false assertions to the USPTO and the third parties were made knowingly
21 and with the intent to unlawfully frustrate those third parties' efforts to use in commerce trademarks
22 created in a similar format to the WHAT HAPPENS HERE STAYS HERE mark. R&R has engaged,
23 moreover, in a campaign of selective enforcement of the WHAT HAPPENS HERE STAYS HERE
24 mark.

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NINTH AFFIRMATIVE DEFENSE
(Fraud in the Procurement of a Trademark)
(By both Defendants against LVCVA)

Each and every claim alleged by LVCVA is barred because LVCVA obtained its Nevada state trademark registration for the WHAT HAPPENS HERE STAYS HERE mark on clothing due to fraud.

TENTH AFFIRMATIVE DEFENSE
(Estoppel)
(By both Defendants against both Plaintiffs)

Each and every claim alleged by Plaintiffs is barred under the doctrine of estoppel

ELEVENTH AFFIRMATIVE DEFENSE
(Waiver)
(By both Defendants against both Plaintiffs)

Defendants allege that Plaintiffs have waived their claims against these Defendants.

TWELFTH AFFIRMATIVE DEFENSE
(Laches)
(By Both Defendants against both Plaintiffs)

Each and every claim alleged by LVCVA is barred by the doctrine of laches. Each and every claim alleged by R&R against Adrenaline Sports is barred by the doctrine of laches.

THIRTEENTH AFFIRMATIVE DEFENSE
(Trademark Fair Use)
(By both Defendants against both Plaintiffs)

Defendants are entitled to use Tovar's WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark under the common law doctrine of fair use and under 15 U.S.C. §1125(c)(4).

FOURTEENTH AFFIRMATIVE DEFENSE
(Violation of Due Process)
(By both Defendants against both Plaintiffs)

Defendants allege that, as to each claim, although Defendants deny they committed or are responsible for any act or omission that could support the recovery of punitive damages in this action, if and to the extent any such act or omission is found, recovery of such punitive damages against Defendants is unconstitutional under the United States Constitution and the California Constitution, including: the Excessive Fines Clause of the Eighth Amendment, the Due Process Clause of the Fifth Amendment and Section One of the Fourteenth Amendment and other provisions

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1 of the United States Constitution; and, the Excessive Fines Clause of Section 17 of Article 1, the
2 Due Process Clause of Section 7 of Article 1, and other provisions of the California Constitution.

3 **COUNTERCLAIMS**

4 Defendants allege as follows:

5 **JURISDICTION AND VENUE**

6 1. This Court has original subject matter jurisdiction under 15 U.S.C. §1121 and 28
7 U.S.C. §§1331 and 1338. All the counterclaims arise under the Federal Declaratory Judgment Act
8 at 28 U.S.C. §§2201 and 2202. In addition, the Second and Third Counterclaim also arise under 15
9 U.S.C. §§1119 and 1121.

10 2. Venue is proper under 28 U.S.C. §1391.

11 **THE PARTIES**

12 3. Dorothy Tovar ("Tovar") is an individual residing in Placerville, California.

13 4. Adrenaline Sports, Inc. (Adrenaline Sports") is a California corporation with its
14 principle place of business in Placerville, California.

15 5. R&R Partners, Inc. ("R&R") is a Nevada corporation with principle places of
16 business in Reno and Las Vegas, Nevada.

17 6. The Las Vegas Convention and Visitors Authority ("LVCVA") is a Nevada
18 Governmental Agency with its principle place of business in Clark County, Nevada.

19 7. Tovar and Adrenaline Sports engage in business in Clark County, Nevada.

20 8. R&R and LVCVA have brought suit against Tovar and Adrenaline Sports
21 (collectively "Counterclaimants") alleging violations of federal trademark law and Nevada statutory
22 and common law. An actual justiciable controversy, therefore, exists between R&R and LVCVA on
23 the one hand and Counterclaimants on the other.

24 **FACTUAL BACKGROUND**

25 9. Adrenaline Sports is in the business of designing and marketing clothes.

26 10. Adrenaline Sports created a line of clothing—tee shirts, strap tanks, camisoles,
27 panties, sweatpants, shorts, skirts, tube tops, crop tanks, caps, and doggy t-shirt—branded with the
28 phrase WHAT HAPPENS IN VEGAS STAYS IN VEGAS.

1 11. Adrenaline Sports first sold clothing under the WHAT HAPPENS IN VEGAS
2 STAYS IN VEGAS mark in mid-April of 2003. Currently, Adrenaline Sports sells its WHAT
3 HAPPENS IN VEGAS STAYS IN VEGAS clothing line wholesale to hotel and casino retail outlets,
4 specialty boutiques, certain websites, and certain other retail stores. Some of these retail outlets are
5 located in the hotels Mandalay Bay, Excalibur, Palace Station, Monte Carlo, Mirage, New York New
6 York, and Circus Circus. Other retail outlets carrying the WHAT HAPPENS IN VEGAS STAYS
7 IN VEGAS clothing line are the Green Valley Ranch, Fat Tuesday, World of Watches, Love
8 Boutique, Stratosphere, and Hustler Hollywood Stores.

9 12. At least one retail outlet, the stores of the MGM family of casinos, has stopped selling
10 the WHAT HAPPENS IN VEGAS STAYS IN VEGAS clothing line during the pendency of this
11 lawsuit.

12 13. Retailer purchasing managers have requested that the following items be added to
13 Adrenaline Sports' WHAT HAPPENS IN VEGAS STAYS IN VEGAS clothing line: visors,
14 sweatshirts, sweatshirts with hoods, men's long-sleeve shirts, men's short-sleeve shirts, beach towels,
15 water bottles, beach bag, beverage coolers, suckers, and bumper stickers.

16 14. At no time has Adrenaline Sports or Tovar held out the WHAT HAPPENS IN
17 VEGAS STAYS IN VEGAS clothing line as being made by, endorsed by, sponsored by, or affiliated
18 with the City of Las Vegas or any official entity associated with the City of Las Vegas.

19 15. Tovar is a co-owner of Adrenaline Sports. Tovar applied for, and received on
20 April 22, 2003, a Nevada state trademark registration for her WHAT HAPPENS IN VEGAS STAYS
21 IN VEGAS mark as used on clothing.

22 16. On February 28, 2003, Tovar filed an intent-to-use application under 15 U.S.C.
23 §1051(b) to federally register as a trademark the phrase WHAT HAPPENS IN VEGAS STAYS IN
24 VEGAS for clothing. After Adrenaline Sports began selling clothes under the WHAT HAPPENS
25 IN VEGAS STAYS IN VEGAS mark, Tovar amended her application to assert that the mark was
26 being used in commerce—with a first use date of April 17, 2003—and converted her application to a
27 use-based application under 15 U.S.C. §1051(a) as used on tee shirts. Tovar also disclaimed any
28 right to use the geographic indicator "Vegas" apart from the remainder of the mark.

1 17. In her response dated May 18, 2004 to the Trademark Examiner's objection that the
2 mark was only being used ornamentally, Tovar identified its use as a trademark: (1) the mark was
3 shown with the words "Adrenaline Sports,™" directly underneath, (2) the clothing line was offered
4 for sale on the www.whathappensinvegas.com and www.whathappensinvegasstaysinvegas.com
5 websites, (3) when sold through those websites the mark was in close proximity to an order form
6 link that was equivalent to a point of sale display, (4) the mark was used on posters in an actual in-
7 store point of sale display, (5) the wholesale purchasers of the clothing line were informed of the
8 entire line of clothing and Tovar's Nevada state trademark registration, and (6) the mark was used on
9 labels and hang tags attached to the clothing. At no time did Tovar assert to the Trademark Office
10 that the labels and hang tags were used on clothing on or before April 17, 2003.

11 18. The Trademark Examiner concluded that for the reasons stated in Tovar's May 18,
12 2004 response, the WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark was entitled to
13 placement on the Principal Register. Tovar shortly thereafter received U.S. Registration
14 No. 2930998 for WHAT HAPPENS IN VEGAS STAYS IN VEGAS as used on tee shirts.

15 19. In addition, Tovar received federal trademark registration for her WHAT HAPPENS
16 IN VEGAS STAYS IN VEGAS mark as used on "[c]lothing; namely underwear, sleepwear, and
17 headwear." This registration has been given Registration No. 2986162.

18 20. Both R&R and LVCVA admit that neither sells or offers to sell clothing under the
19 WHAT HAPPENS HERE STAYS HERE mark. Counterclaimants do not allege, therefore, that
20 R&R and LVCVA's use of WHAT HAPPENS HERE STAYS HERE infringes Tovar's rights in her
21 federally and Nevada state registered WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark as
22 used on clothing.

23 21. Tovar also owns two additional trademark applications, U.S. Serial Nos. 78398294
24 and 78398277, both filed on April 7, 2004, for design marks containing the phrase WHAT
25 HAPPENS IN VEGAS STAYS IN VEGAS as used on certain clothing.

26 22. In addition to her federal and Nevada state trademark registrations and applications,
27 Tovar owns common law trademark rights to her WHAT HAPPENS IN VEGAS STAYS IN
28 VEGAS mark.

1 23. Tovar also owns the domain names WhatHappensInVegasStaysInVegas.com,
2 WhatHappensInVegasStaysInVegas.net, WhatHappensInVegas.org, WhatHappensInVegas.info, and
3 WhatHappensInVegas.biz.

4 24. Tovar has licensed to Adrenaline Sports the rights to use all of her trademarks and
5 domain names.

6 25. Counterclaimants allege that the phrase "What happens in Vegas, stays in Vegas" has
7 been in the common vernacular for many years and pre-dates the creation and use of WHAT
8 HAPPENS HERE STAYS HERE as a mark to promote tourism to Las Vegas. The phrase "What
9 happens in Vegas, stays in Vegas" also predates, of course, Counterclaimants' creation and use of
10 WHAT HAPPENS IN VEGAS STAYS IN VEGAS as a mark to brand Adrenaline Sports' clothing
11 line.

12 26. Counterclaimants allege that any false associations consumers may make between
13 Tovar's WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark and the City of Las Vegas is due
14 to the consumers' exposure to that phrase as used in the common vernacular and the simple fact that
15 the mark contains the geographic indicator "Vegas."

16 27. Counterclaimants allege that the WHAT HAPPENS HERE STAYS HERE mark
17 derives from the traveling salesman's mantra "What happens on the road, stays on the road." More
18 recently, but still before the creation of WHAT HAPPENS HERE STAYS HERE, musicians took up
19 the adage and have kept it very much alive. R&R has, in fact, posted on its website an article from
20 BrandWeek magazine entitled "Playing for Keeps" about the creation of the WHAT HAPPENS
21 HERE STAYS HERE mark which states that the mark is just such a derivative.

22 28. "What you see here, stays here" is another very similar adage that has been used in
23 counseling groups and addiction treatment centers for many years before the creation of WHAT
24 HAPPENS HERE STAYS HERE. "What happens in the field, stays in the field" and "What
25 happens on TDY, stays on TDY" are two additional phrases used by servicemen for many years
26 before the creation of WHAT HAPPENS HERE STAYS HERE.

27 29. Contrary to R&R and LVCVA's assertion that WHAT HAPPENS HERE STAYS
28 HERE is a famous mark, Counterclaimants allege that the slogan resides comfortably within the

1 common vernacular as but one of a number of similar phrases and that its use confers only limited
2 trademark rights to its owner.

3 **FIRST COUNTERCLAIM**

4 **(Declaratory Relief—No Unlawful Conduct by Counterclaimants)**
5 **(By both Counterclaimants against R&R and LVCVA)**

6 30. Counterclaimants reallege and incorporate herein by reference the allegations
7 contained in all of the foregoing counterclaim paragraphs.

8 31. An actual and justiciable controversy exists between R&R and LVCVA on the one
9 hand and Counterclaimants on the other.

10 32. R&R and LVCVA assert that Counterclaimants' use of the WHAT HAPPENS IN
11 VEGAS STAYS IN VEGAS mark on clothing infringes and dilutes R&R and LVCVA's common
12 law trademark rights in the WHAT HAPPENS HERE STAYS HERE mark, as protected under the
13 Lanham Act, and that such use is also unfair competition under Nevada common and statutory law.
14 R&R and LVCVA further assert that Tovar fraudulently procured a federal trademark registration
15 for her WHAT HAPPENS IN VEGAS STAYS IN VEGAS mark on clothing.

16 33. Counterclaimants assert that their use of the WHAT HAPPENS IN VEGAS STAYS
17 IN VEGAS mark on clothing is presumed to be lawful under 15 U.S.C. §1115(a).

18 34. Counterclaimants assert that their use of the WHAT HAPPENS IN VEGAS STAYS
19 IN VEGAS mark on clothing has not caused and is not likely to cause confusion as to whether the
20 WHAT HAPPENS IN VEGAS STAYS IN VEGAS clothing line originates from, is affiliated,
21 connected, or associated with, or is sponsored by either R&R or LVCVA.

22 35. Counterclaimants assert that the WHAT HAPPENS HERE STAYS HERE is not
23 famous and cannot be diluted and that, if the mark is famous, Counterclaimants are statutorily
24 immune from a dilution claim under 15 U.S.C. §1125(c)(3) and, in any event, they have not diluted
25 the mark by their use of WHAT HAPPENS IN VEGAS STAYS IN VEGAS clothing.
26 Dispositively, the survey expert retained by R&R and LVCVA to provide the factual evidence in
27 support of their claims testified that his survey was not designed to, and did not, accumulate any
28 evidence of dilution.

///

1 36. Counterclaimants assert that Tovar procured her federal registration for the WHAT
2 HAPPENS IN VEGAS STAYS IN VEGAS mark on clothing through a normal, and lawful,
3 exchange of information and correspondence with the Trademark Office.

4 37. Counterclaimants allege that their use of Tovar's WHAT HAPPENS IN VEGAS
5 STAYS IN VEGAS mark on clothing has not, and will not, cause any damage to R&R or LVCVA's
6 reputation, ability to promote tourism to Las Vegas, or any other cognizable interest either may have.

7 38. Counterclaimants allege that R&R or LVCVA's claims are greatly disrupting
8 Adrenaline Sports' ability to market, promote, and expand its WHAT HAPPENS IN VEGAS
9 STAYS IN VEGAS clothing line.

10 39. Unless this Court declares that Counterclaimants use of the WHAT HAPPENS IN
11 VEGAS STAYS IN VEGAS mark does not infringe, dilute, or otherwise violate any rights R&R and
12 LVCVA may have in the WHAT HAPPENS HERE STAYS HERE mark, Adrenaline Sports' sales
13 of its WHAT HAPPENS IN VEGAS STAYS IN VEGAS clothing line will continue to be seriously
14 harmed.

15 40. Certain declarations from this Court as to the parties' rights and responsibilities in
16 their respective marks are necessary, therefore, to resolve this dispute and to avoid future litigation.

17 41. Counterclaimants request a declaration from this Court that their use of the WHAT
18 HAPPENS IN VEGAS STAYS IN VEGAS mark on clothing does not infringe, dilute, constitute
19 unfair competition or deceptive trade practices, or otherwise violate any rights R&R and LVCVA
20 may have in the WHAT HAPPENS HERE STAYS HERE mark.

21 42. Tovar requests a declaration from this Court that she did not engage in any fraudulent
22 conduct in order to procure U.S. Registration No. 2930998 for her WHAT HAPPENS IN VEGAS
23 STAYS IN VEGAS mark.

24 **SECOND COUNTERCLAIM**

25 **(Declaratory Relief—No Federal Registration of WHAT HAPPENS HERE STAYS HERE)**
26 **(By both Counterclaimants against R&R)**

27 43. Counterclaimants reallege and incorporate herein by reference the allegations
28 contained in all of the foregoing counterclaim paragraphs.

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1 44. R&R Partners filed a federal trademark application on March 22, 2004 seeking to
2 register the WHAT HAPPENS HERE STAYS HERE mark for "Advertising, public relations"
3 services. The application has been given Serial No. 76582191. R&R asserted in that application
4 that it first used the mark in commerce in December of 2002.

5 45. R&R admits in its First Amended Complaint, however, that it created the WHAT
6 HAPPENS HERE STAYS HERE mark "for the benefit of the LVCVA" and that the mark was used
7 "in connection with the promotion and advertisement of Las Vegas." R&R also admits that all of the
8 work product—including the WHAT HAPPENS HERE STAYS HERE mark—created by R&R for
9 LVCVA is, under those parties' advertising services contract, property belonging to LVCVA.

10 46. R&R falsely asserted to the Trademark Office, therefore, that it was using the WHAT
11 HAPPENS HERE STAYS HERE mark as a source indicator of its services. R&R was not using the
12 mark as a means to brand or promote its advertising services. R&R created the mark for LVCVA's
13 use in promoting Las Vegas tourism. The law is clear: advertising companies such as R&R can only
14 register as trademarks those marks used to brand or promote their advertising services, not the goods
15 or services provided by their clients.

16 47. Even if R&R has the right to register WHAT HAPPENS HERE STAYS HERE as a
17 mark, it did not have that right on March 22, 2004, the date it filed its trademark registration
18 application, because the trademark assignment granting R&R ownership of the mark was not
19 memorialized or effective until November 9, 2004. R&R, therefore, falsely asserted in its trademark
20 registration application that it, not LVCVA, was entitled to register the mark. Moreover, R&R
21 falsely asserted that it, not LVCVA, first used the mark in December of 2002.

22 48. Counterclaimants allege they will be harmed if R&R succeeds in registering WHAT
23 HAPPENS HERE STAYS HERE as a trademark. Because trademark registrants enjoy certain
24 statutory benefits that common law trademark owners do not enjoy, such as the presumption of
25 validity and enhanced damage awards, Counterclaimants will be unfairly prejudiced in this litigation
26 and in the marketplace if R&R succeeds in registering the mark and will suffer other harms as well.
27 Counterclaimants will also have a claim for damages against R&R under 15 U.S.C. §1120 and Nev.
28 Rev. Statute §600.410 for fraudulent procurement of a trademark registration.

1 49. Counterclaimants, therefore, request that this Court declare that R&R has no right to
2 register WHAT HAPPENS HERE STAYS HERE as a trademark.

3 **THIRD COUNTERCLAIM**

4 **(Declaratory Relief—No State Registration of WHAT HAPPENS HERE STAYS HERE)**
5 **(By both Counterclaimants against LVCVA)**

6 50. Counterclaimants reallege and incorporate herein by reference the allegations
7 contained in all of the foregoing counterclaim paragraphs.

8 51. LVCVA asserted in its January 16, 2004 trademark registration application filed with
9 the Nevada Secretary of State that LVCVA used the WHAT HAPPENS HERE STAYS HERE mark
10 on clothing since at least December of 2002.

11 52. LVCVA has admitted, however, that it never used the WHAT HAPPENS HERE
12 STAYS HERE mark on clothing placed in commerce.

13 53. LVCVA, therefore, made a false representation to the Nevada Secretary of State in
14 order to procure a registration for the WHAT HAPPENS HERE STAYS HERE mark on clothing.

15 54. Counterclaimants allege they are being harmed by this registration.

16 55. Counterclaimants request that this Court declare LVCVA's Nevada State registration
17 for the WHAT HAPPENS HERE STAYS HERE mark on clothing invalid and unenforceable.

18 **REQUEST FOR RELIEF**

19 WHEREFORE, Tovar and Adrenaline Sports respectfully request this Court to:

20 A. Dismiss the First Amended Complaint in its entirety and enter judgment in favor of
21 Tovar and Adrenaline Sports;

22 B. Enter an Order declaring that Tovar and Adrenaline Sports' use of the WHAT
23 HAPPENS IN VEGAS STAYS IN VEGAS mark on clothing does not infringe, dilute, constitute
24 unfair competition or deceptive trade practices, or otherwise violate any rights R&R and LVCVA
25 may have in the WHAT HAPPENS HERE STAYS HERE mark.

26 C. Enter an Order declaring that Tovar did not engage in any fraudulent conduct in order
27 to procure U.S. Registration No. 2930998 for her WHAT HAPPENS IN VEGAS STAYS IN
28 VEGAS mark.

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D. Enter an Order declaring that R&R has no right to federally register WHAT HAPPENS HERE STAYS HERE as a trademark.

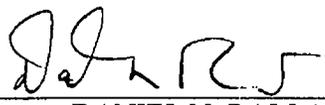
E. Enter an Order declaring that LVCVA's registration for the WHAT HAPPENS HERE STAYS HERE mark on clothing invalid and unenforceable.

F. Find that this is an exceptional case under 15 U.S.C. §1117 and award Tovar and Adrenaline Sports their reasonable attorneys' fees incurred in this action.

G. Award Tovar and Adrenaline Sports such other and further relief, as this Court deems just and appropriate, whether in equity or law.

DATED: August 17, 2005

McDONOUGH HOLLAND & ALLEN PC
Attorneys at Law

By: 
DANIEL N. BALLARD

Attorneys for Defendants and Counterclaimants
Dorothy Tovar and Adrenaline Sports, Inc.

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CASE TITLE: *R & R Partners, Inc. v. Dorothy Tovar*

COURT/CASE NO: United States District Court, Nevada, No. CV-N-04-0145-LRH-VPC

PROOF OF SERVICE

I am employed in the County of Sacramento; my business address is 555 Capitol Mall, 9th Floor, Sacramento, California. I am over the age of eighteen years and not a party to the foregoing action.

On August 17, 2005 I served the within:

ANSWER AND COUNTERCLAIMS TO FIRST AMENDED COMPLAINT

(by mail) on all parties in said action by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. At McDonough Holland & Allen PC, mail placed in that designated area is given the correct amount of postage and is deposited that same day, in the ordinary course of business, in a United States mailbox in the City of Sacramento, California.

(by personal delivery) by personally delivering a true copy thereof to the person(s) and at the address(es) set forth below:

(by overnight delivery) on the following party(ies) in said action by placing a true copy thereof enclosed in a sealed envelope, with delivery fees paid or provided for, in a designated area for outgoing overnight mail, addressed as set forth below. In the ordinary course of business at McDonough Holland & Allen PC, mail placed in that designated area is picked up that same day for delivery the following business day.

(by facsimile) by transmitting a true copy thereof to the persons at the following telecopier numbers and obtaining electronic confirmation that the transmissions have been received:

Kirstin M. Jahn, Esq. JAHN & ASSOCIATES 565 California Avenue Reno, NV 89509 <i>Phone: (775) 329.2282</i> <i>Fax: (775) 324.9089</i>	Attorneys for R & R Partners, Inc.
John P. Desmond, Esq. JONES VARGAS 100 W. Liberty Street, 12th Floor Reno, NV 89501 <i>Phone: (775) 786.5000</i> <i>Fax: (775) 786.1177</i>	Attorneys for R & R Partners, Inc.
Douglas Hendricks MORRISON & FOERSTER LLP 425 Market Street San Francisco, CA 94105 <i>Phone: (415) 268.7037</i> <i>Fax: (415) 276.7037</i>	Attorneys for LVCVA

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<p>C. James Georgeson GEORGESON THOMPSON & ANGARAN, CHTD. 100 West Grove street, Suite 500 Reno, NV 89509 <i>Phone: (775) 827.6440</i> <i>Fax: (775) 827.9256</i></p>	<p>Attorneys for LVCVA</p>
<p>Barry L. Breslow, Esq. ROBISON, BELAUSTEGUI, SHARP & LOW 71 Washington Street Reno, NV 89503 <i>Phone: (775) 329.3151</i> <i>Fax: (775) 329.7941</i></p>	

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on August 17, 2005, at Sacramento, California.


 ADELE ESPANA-PURPUR

EXHIBIT D



Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451
www.uspto.gov

SEP 15 2005

Daniel N. Ballard
McDONOUGH HOLLAND & ALLEN PC
555 Capitol Mall, 9th Floor
Sacramento, CA 95814-4692

Re: Letter of Protest filed against Trademark Application Serial No. 76582191 for the mark WHAT HAPPENS HERE STAYS HERE

Dear Mr. Ballard:

The Administrator for Trademark Classification and Practice has reviewed your Letter of Protest.(Sections 1715-1715.07 of the Trademark Manual of Examining Procedure)

Decision: Your Letter of Protest is hereby DENIED.

Your Letter of Protest merely sets forth a disagreement with the Examining Attorney's exercise of judgement. As such it is best resolved by evidence offered in an inter partes proceeding.

Your Letter of Protest will be kept on file for two years by the Patent and Trademark Office and will not be referred to the Examining Attorney.

The denial of your Letter of Protest does not preclude you from filing an opposition to a pending application after it has published in the Official Gazette or a petition to cancel an existing registration with the Trademark Trial and Appeal Board. 37 C.F.R. Sections 2.91-2.145 You may obtain further information regarding proceedings before the Trademark Trial and Appeal Board by calling (571) 272-8500.

Sincerely,

A handwritten signature in cursive script that reads "Jessie N. Roberts".

Jessie N. Roberts
Administrator for Trademark
Classification and Practice
(571) 272-9574

EXHIBIT C



McDonough Holland & Allen PC
Attorneys at Law

COPY

Daniel N. Ballard
Attorney at Law

Sacramento Office
916.444.3900 tel
916.444.3249 fax
dballard@mhalaw.com

March 21, 2005

VIA EXPRESS MAIL

Commissioner for Trademarks

Attn: Administrator for Trademark Identifications, Classification and Practice
P.O. Box 1451
Alexandria, VA 22313-1451

Sacramento
555 Capitol Mall
9th Floor
Sacramento CA
95814-4692
tel 916.444.3900
toll free 800.403.3900
fax 916.444.8334

Re: U.S. Trademark Application Serial Number 76582191
For: WHAT HAPPENS HERE STAYS HERE
Law Office 103
Examiner: Tracy Cross

Dear Commissioner:

Oakland
1901 Harrison Street
9th Floor
Oakland CA
94612-3501
tel 510.273.8780
toll free 800.339.3030
fax 510.839.9104

The following facts relevant to the registrability of the above-identified trademark application are respectfully brought to your attention pursuant to Section 1715 et seq. of the Trademark Manual of Examination Procedures.

Yuba City
422 Century Park Drive
Suite A
Yuba City CA
95991-5729
tel 530.674.9761
fax 530.671.0990

These facts compel the conclusion that the above-referenced trademark application should not have been approved for publication because the Applicant, the advertising agency R&R Partners, Inc., is not using the term WHAT HAPPENS HERE STAYS HERE in connection with advertising services. Instead, the term is being used solely to promote the services of one of Applicant's clients.¹ In short, contrary to the requirement that the Applicant demonstrate use in commerce of the mark for its advertising services, the Applicant admits—and has filed a specimen that demonstrates—that the applied-for mark is being used solely to promote and identify the entertainment and tourism-related services provided by its licensee, the Las Vegas Convention and Visitors Authority ("LVCVA").

The following relevant facts are drawn from the specimen the Applicant filed with the USPTO as part of the Applicant's trademark registration application and from

¹ Your attention is respectfully drawn to *In Re Advertising & Marketing Development*, 821 F.2d 614, 619 (Fed. Cir. 1987) ("service mark registration for advertising services must be based on use of the mark to identify the advertising services themselves.")



Commissioner for Trademarks
March 21, 2005
Page 2

documents drafted by the Applicant as part of its current litigation relating to the applied-for mark filed in the United States District Court for the District of Nevada in its action entitled *R&R Partners, Inc. v. Tovar*, Case No. CV-N-04-0145.²

Fact #1: The Applicant is an advertising agency that "conducts business in the area of advertising, public relations and government services for others." Complaint for Trademark Infringement and Unfair Competition at ¶ 5 attached as Exhibit 1.

Fact #2: The Applicant designed the mark WHAT HAPPENS HERE STAYS HERE as a "unique and effective advertising campaign for the benefit of the Las Vegas Convention Center ("LVCVA")." *Id.* at ¶ 6.

Fact #3: Though the Applicant asserts LVCVA assigned the Applicant the mark, the Applicant admits the only use of the mark is to "promote the City of Las Vegas on behalf of LVCVA throughout the United States." *Id.* at ¶¶ 10, 11.

Fact #4: The Applicant asserts the mark "became recognized throughout the United States and relied upon by consumers for advertising and promotion for the city of Las Vegas." *Id.* at ¶ 14.

Fact #5: The Applicant asserts that the mark WHAT HAPPENS IN VEGAS STAYS IN VEGAS "creates a likelihood of confusion, mistake and deception as to the affiliation, connection, association, origin, sponsorship or approval of the goods and services" that it provides under its WHAT HAPPENS HERE STAYS HERE mark. *Id.* at ¶ 15.

Fact #6: The mark is licensed by the Applicant only to "LVCVA to promote Las Vegas." Response to Defendant's First Set of Interrogatories to Plaintiff at Response Nos. 9 and 15 attached as Exhibit 2.

Fact #7: The Applicant asserts the mark "is distinctive and famous because it engaged in a nationwide campaign to advertise the City of Las Vegas using the Mark." *Id.* at Response No. 3.

Fact #8: The specimen the Applicant submitted to demonstrate its use of the mark in commerce are scripts "written for a radio broadcast in December 23, 2002." The specimen lists seven radio advertising spots purchased by the Applicant for LVCVA. As shown by each script, the mark is being used to promote tourism in the City of Las Vegas, NOT the Applicant's advertising services. The mark is demonstrably being used to identify the subject of the advertising rather than the Applicant's advertising services by the substance and context of each script and,

² This law firm represents Defendant and Counterclaimant Dorothy Tovar.



McDonough Holland & Allen PC
Attorneys at Law

Commissioner for Trademarks
March 21, 2005
Page 3

specifically, by the addition of "Las Vegas" after each use of mark. Applicant's Office Action Response dated November 16, 2004 attached as Exhibit 3.

In sum, the publication and registration of the mark will result in clear error because the Applicant is not using the mark to identify its advertising and public relations services but rather to promote the tourism-related services provided by the LVCVA and the City of Las Vegas.

In light of the above facts, it is requested that the Examiner withdraw the approval to publish and refuse registration of the application or, at the very least, demand that the Applicant submit a specimen that demonstrates that the mark is being used to identify the Applicant's advertising and public relations services.

Sincerely,

Daniel N. Ballard, Esq.
Attorney for Dorothy Tovar