

This Opinion is Not a  
Precedent of the TTAB

Hearing: May 2, 2019

Mailed: July 2, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board  
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*Hollywood Casinos, LLC*

*v.*

*Chateau Celeste, Inc.*  
—

Opposition No. 91203686  
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Hara K. Jacobs and Tyler R. Marandola of Ballard Spahr LLP,  
for Hollywood Casinos, LLC.

Kamran Fattahi of Law Offices of Kamran Fattahi, for Chateau Celeste, Inc.  
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Before Wellington, Lynch, and Larkin,  
Administrative Trademark Judges.

Opinion by Larkin, Administrative Trademark Judge:

Chateau Celeste, Inc. (“Applicant”) seeks registration on the Principal Register of the mark HOLLYWOOD HOTEL (“HOTEL” disclaimed) in standard characters for “Bar and cocktail lounge services; Hotel, restaurant and catering services; Providing

social meeting, banquet and social function facilities; Provision of conference, exhibition and meeting facilities,” in International Class 43.<sup>1</sup>

Hollywood Casinos, LLC (“Opposer”)<sup>2</sup> opposes the application on two grounds: (1) under Section 1(a) of the Act, 15 U.S.C. § 1051(a), on the ground that Applicant was not the owner of the applied-for mark when the opposed application was filed, and the application was thus void ab initio; and (2) under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), on the ground that Applicant’s claimed HOLLYWOOD HOTEL mark so resembles the standard character mark HOLLYWOOD CASINO (“CASINO” disclaimed) in Opposer’s two registrations for casino services and hotel services,<sup>3</sup> as to be likely, when used on or in connection with the services identified in the application, to cause confusion, to cause mistake, or to deceive consumers.

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<sup>1</sup> Application Serial No. 85281324 was filed on March 30, 2011 under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), based on Applicant’s claim of first use of the mark and first use of the mark in commerce at least as early as March 2, 2001. Applicant claimed, under Section 2(f) of the Act, 15 U.S.C. § 1052(f), that the entire mark had become distinctive of the services identified in the application based on Applicant’s substantially exclusive and continuous use of the mark in commerce for at least the five years preceding the filing of the application.

<sup>2</sup> This proceeding was filed by Hollywood Casino Corporation, the original owner of the registrations pleaded in the Notice of Opposition. 1 TTABVUE. (Citations in this opinion to the record and the briefs refer to TTABVUE, the Board’s online docketing system. *Turdin v. Tribolite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014). Specifically, the number preceding TTABVUE corresponds to the docket entry number, and any numbers following TTABVUE refer to the page number(s) of the docket entry where the cited materials or arguments appear.) Opposer is the successor-in-interest to Hollywood Casino Corporation and the assignee of the involved registrations, and was substituted into the proceeding in place of Hollywood Casino Corporation. 39 TTABVUE 2-4.

<sup>3</sup> Registration No. 1851759 for casino services issued on August 30, 1994 and was last renewed in 2014. Registration No. 1903858 for hotel services issued on July 4, 1995 and was last renewed in 2014.

The cases are fully briefed,<sup>4</sup> and counsel for the parties appeared at an oral hearing before the panel on May 2, 2019. We sustain the opposition on the lack of ownership ground, and do not reach Opposer's Section 2(d) claim.<sup>5</sup>

## **I. Trial Record and Evidentiary Matters**

### **A. Trial Record**

Subject to our evidentiary rulings below, the record consists of the pleadings,<sup>6</sup> the file of the opposed application, by operation of Trademark Rule 2.122(b), 37 C.F.R. § 2.122(b), and the following evidence submitted by the parties:

#### **Opposer's Evidence**

1. Notice of Reliance on (a) pages from the Trademark Status & Document Retrieval ("TSDR") database of the United States Patent and Trademark Office ("USPTO") regarding multiple registrations assigned to and now owned by Opposer, offered to "establish the existence of the registrations and the ownership of the marks contained therein," 68 TTABVUE 2, 8-257 (Exs. 1-2); (b) certain of Opposer's responses to Applicant's discovery

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<sup>4</sup> Opposer's main brief was filed in a redacted public form, 96 TTABVUE, and an unredacted confidential form. 97 TTABVUE.

<sup>5</sup> We have "discretion to decide only those claims necessary to enter judgment and dispose of the case" because our "determination of registrability does not require, in every instance, decision on every pleaded claim." *Multisorb Tech., Inc. v. Pactiv Corp.*, 109 USPQ2d 1170, 1171 (TTAB 2013). See *Great Seats, Ltd. v. Great Seats, Inc.*, 84 USPQ2d 1235, 1237 (TTAB 2007) (granting petition to cancel registration on ground that underlying application was void ab initio because it was not filed by the owner of the mark, and declining to reach petitioner's other pleaded claims).

<sup>6</sup> The operative pleadings are Opposer's First Amended Notice of Opposition, 49 TTABVUE 28-32, 53 TTABVUE 3-5, and Applicant's Answer thereto. 63 TTABVUE. Applicant's Answer to Opposer's First Amended Notice of Opposition denied the salient allegations of that pleading and did not interpose any affirmative defenses.

- requests, whose relevance is not stated, *id.* at 258-83 (Exs. 3-5); (c) articles in various printed publications, offered to “show the use and reputation of Opposer’s trademarks” and “the use, reputation, and date of first use of Opposer’s trademarks,” *id.* at 4-5, 284-324 (Exs. 6-18); (d) the transcript of the discovery deposition of Applicant’s Rule 30(b)(6) designee Jeff Zarrinnam and exhibits thereto, offered “to show that Applicant is not the owner of the applied-for mark,” and on various likelihood of confusion factors, *id.* at 5, 324-862 (Ex. 19); (e) definitions of the words “casino” and “hotel” from the OXFORD ENGLISH DICTIONARY, whose relevance is not stated, *id.* at 5, 863-73 (Exs. 20-21); (f) Internet webpages pertaining to the location of Hollywood, whose relevance is not stated, *id.* at 5, 874-80 (Exs. 22-23); (g) Internet webpages from Opposer’s Facebook page “showing examples of consumers referring to Opposer’s services and properties as ‘Hollywood,’” offered to show the strength of Opposer’s marks and their similarity to the applied-for mark, *id.* at 5, 881-99 (Ex. 24); and (h) reviews of Applicant’s hotel property from yelp.com, offered on various likelihood of confusion factors. *Id.* at 5-6, 900-29 (Ex. 25);<sup>7</sup>
2. Opposer’s Rebuttal Notice of Reliance on (a) Applicant’s responses to various of Opposer’s discovery requests, whose relevance is not stated, 89 TTABVUE 2, 6-60 (Ex. 1); (b) various public records, offered on “the

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<sup>7</sup> Opposer’s Notice of Reliance was filed in a redacted public form, 68 TTABVUE, covering the redacted version of Mr. Zarrinnam’s discovery deposition, and an unredacted confidential form covering the unredacted version of his discovery deposition. 69 TTABVUE.

- credibility of Applicant’s witness Jeff Zarrinnam” and “the ownership of the applied-for mark,” *id.* at 2, 61-76 (Exs. 2-6); (c) Internet webpages and articles, offered on “the credibility of Applicant’s witness Jeff Zarrinnam” and “the ownership of the applied-for mark,” *id.* at 3, 77-98 (Exs. 7-10); (d) the results of a WhoIs search on the domain names hollywoodhotel.net and thehollywoodhotel.com, offered on “the ownership of the applied-for mark,” *id.* at 3, 99-107 (Ex. 11); (e) records from the TSDR database regarding Applicant’s application to register CHATEAU CELESTE, offered on “the credibility of Applicant’s witness Jeff Zarrinnam,” *id.* at 3, 108-203 (Ex. 12); and (f) copies of three photographs taken by Opposer’s counsel of the front of the Chateau Celeste Hotel, offered on “the credibility of Applicant’s witness Jeff Zarrinnam.” *Id.* at 3, 202-05 (Ex. 13); and
3. The testimony depositions of Kristin Hagn, 90 TTABVUE, and Jennifer Weissman, 91 TTABVUE,<sup>8</sup> and exhibits thereto, and portions of the testimony deposition of Jeff Zarrinnam, and certain exhibits thereto. 92 TTABVUE.<sup>9</sup>

### **Applicant’s Evidence**

1. Notice of Reliance on (a) records from the TSDR database and the USPTO’s Trademark Electronic Search System (“TESS”) database regarding the

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<sup>8</sup> Ms. Weissman’s transcript was filed in a redacted public form, 91 TTABVUE, and an unredacted confidential form. 92 TTABVUE.

<sup>9</sup> We will cite Mr. Zarrinnam’s discovery deposition as “Zarrinnam Disc. Tr.” and his testimony deposition as “Zarrinnam Tr.”

opposed application, 86 TTABVUE 2, 13-17 (Ex. 1); (b) records from the TSDR and TESS databases regarding Applicant's Registration No. 2879342 of the mark HOLLYWOOD HOTEL, THE HOTEL OF HOLLYWOOD ("HOLLYWOOD HOTEL" disclaimed) for hotel services and other services, offered on the issue of Applicant's ownership of the HOLLYWOOD HOTEL mark, "Opposer's knowledge of this mark," and various likelihood of confusion factors, *id.* at 2, 18-25 (Ex. 2); (c) Applicant's responses to certain of Opposer's discovery requests, whose relevance is not stated, *id.* at 2, 26-38 (Ex. 3); (d) Internet webpages, offered on various likelihood of confusion factors, *id.* at 2-3, 39-42 (Ex. 4); (e) various public records regarding active corporations, limited partnerships, and limited liability companies whose names begin "Hollywood," whose relevance is not stated, *id.* at 3, 43-111 (Exs. 5-6); (f) results of a search of the TESS database for "live" third-party registrations of marks containing the word HOLLYWOOD, offered on the weakness and scope of protection of Opposer's marks, *id.* at 3, 112-135 (Ex. 7); (g) TESS and TSDR records of "live" third-party registrations of marks that begin with the word HOLLYWOOD, offered on the weakness and scope of protection of Opposer's marks, *id.* at 4-10, 136-343 (Ex. 8); (h) Internet webpages showing use of the mark HOLLYWOOD BOWL, offered on the weakness and scope of protection of Opposer's marks, *id.* at 10, 344-47 (Ex. 9), (i) articles regarding the Hollywood Casino Jamul-San Diego, whose

relevance is not stated, *id.* at 10, 87 TTABVUE 2-9 (Ex. 10); and (i) the redacted transcript of the discovery deposition of Jennifer Weissman and exhibits thereto, offered on various likelihood of confusion factors, 86 TTABVUE 10-11, 87 TTABVUE 10-66 (Ex. 11);<sup>10</sup> and

2. The testimony deposition of Jeff Zarrinnam, 98 TTABVUE 1-256, and exhibits thereto, 98 TTABVUE 257-457; 100 TTABVUE 1-297; 101 TTABVUE 1-277.

### **C. Evidentiary Matters**

In its main brief, Opposer states that Applicant had not yet filed the Zarrinnam testimony deposition, and argues that “accordingly, the testimony is not of record in this proceeding.” 96 TTABVUE 11. In its brief, Applicant states that it served the transcript and exhibits from the deposition on Opposer in June 2018, 104 TTABVUE 8, and that it subsequently filed the transcript and exhibits on October 24, 2018, 98-101 TTABVUE, which Applicant claims satisfied the requirement in Trademark Rule 2.123(f)(2), 37 C.F.R. § 2.123(f)(2), that Applicant “promptly file” the transcript and exhibits following certification of the transcript. *Id.* We agree with Applicant that its filing of the transcript and exhibits prior to the submission of the case for final decision satisfied that requirement. *See* TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (“TBMP”) Section 703.01(k) (June 2018).

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<sup>10</sup> Ms. Weissman’s discovery deposition was filed in a redacted public form, 87 TTABVUE, and a redacted confidential version. 88 TTABVUE.

Applicant objects to the admissibility of certain testimony given by Mr. Zarrinnam on cross-examination at his testimony deposition regarding the file history of Applicant's registration of the CHATEAU CELESTE mark, and to the admissibility of the file history itself. 104 TTABVUE 56-58. The grounds for objection are that this cross-examination exceeded the scope of the direct examination, and that the CHATEAU CELESTE registration is irrelevant to Mr. Zarrinnam's credibility. *Id.* Applicant also appears to object to the admissibility of certain photographs and other materials "obtained by Opposer's counsel in 2018" because they also "do not establish the status of use of the CHATEAU CELESTE mark when the statement of use was filed on December 22, 2014." *Id.* at 58.

We need not rule on these objections because we do not rely on any of the cited testimony, or photographs or other materials obtained by Opposer's counsel, and because, as Applicant acknowledges, *id.*, Opposer made the file history of the CHATEAU CELESTE registration of record under its rebuttal Notice of Reliance, 89 TTABVUE 108-201, and, as discussed below, we find that the registration is relevant on the issue of Applicant's ownership of the applied-for mark.

## **II. Standing**

A threshold issue in every inter partes case is the plaintiff's standing to challenge registration. *See Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014); *John W. Carson Found. v. Toilets.com Inc.*, 94 USPQ2d 1942, 1945 (TTAB 2010). The plaintiff must show that it possesses a real interest in the proceeding beyond that of a mere intermeddler, and that it has a



reasonable basis for its belief of damage resulting from registration of the subject mark. *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999).

Opposer has established its standing by properly making of record under notice of reliance its two pleaded registrations of HOLLYWOOD CASINO, pursuant to Trademark Rule 2.122(d)(2), 37 C.F.R. § 2.122(d)(2). 68 TTABVUE 9-39. The registrations give Opposer a likelihood of confusion claim that is not wholly without merit. *Lipton Indus. Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982). Because Opposer has established its standing to assert a Section 2(d) claim, it may assert any other ground that would bar registration, including Applicant's alleged lack of ownership of the mark shown in the involved application. *See, e.g., Corporacion Habanos SA v. Rodriguez*, 99 USPQ2d 1873, 1877 (TTAB 2011).

### **III. Analysis of Lack of Ownership Claim**

#### **A. Applicable Law**

Under the Trademark Act, “[o]ne must be the owner of a mark before it can be registered.” *Huang v. Tzu Wei Chen Food Co.*, 849 F.2d 1458, 7 USPQ2d 1335, 1336 (Fed. Cir. 1988) (quoting *Holiday Inn v. Holiday Inns, Inc.*, 534 F.2d 312, 189 USPQ 630, 635 n.6 (CCPA 1976)); *see* 15 U.S.C. § 1051(a) (“[t]he owner of a trademark used in commerce” may apply for its registration). “[A]n application filed by one who is not the owner of the mark sought to be registered is a void application.” *Hollywood Casino LLC v. Chateau Celeste, Inc.*, 116 USPQ2d 1988, 1992 (TTAB 2015) (“*Chateau Celeste I*”) (quoting *In re Tong Yang Cement Corp.*, 19 USPQ2d 1689, 1690 (TTAB

1991)).<sup>11</sup> The owner of a mark is the entity that controls the nature and quality of the goods or services sold under the mark. *See generally Noble House Home Furnishings, LLC v. Floorco Enters., LLC*, 118 USPQ2d 1413, 1421 (TTAB 2016). Opposer has the burden of proving that Applicant was not the owner of the HOLLYWOOD HOTEL mark when the involved application was filed on March 30, 2011. *Chateau Celeste I*, 116 USPQ2d at 1998.

## **B. The Parties' Arguments**

### **1. Opposer**

Opposer's position is that "Zarco Hotels, Inc. is the owner of the HOLLYWOOD HOTEL mark, not Applicant, and accordingly, the Application should be deemed void *ab initio*." 96 TTABVUE 42. Opposer relies on several underlying arguments, which we summarize as follows: (1) Applicant claims that use of the HOLLYWOOD HOTEL mark began in 1994, and any use of the mark at that point was necessarily by Zarco Hotels, not Applicant, because Applicant was not formed until 1998, *id.* at 47-48; (2) Mr. Zarrinam testified that the mark has never been assigned to Applicant after Applicant's formation, and there is no evidence of such an assignment, *id.* at 48; and (3) Zarco Hotels is the entity that has always used the mark, as shown by "all the

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<sup>11</sup> In *Chateau Celeste I*, the Board denied Opposer's motion for summary judgment on its lack of ownership claim. The Board found that summary judgment was inappropriate, particularly because Mr. Zarrinam's discovery deposition did "not make clear that Applicant was not, in fact, the owner of the trademark HOLLYWOOD HOTEL at the time the application was filed," and "merely establishe[d] that Applicant was not the owner of the physical property known as the Hollywood Hotel located at 1160 North Vermont Avenue in Hollywood." *Chateau Celeste I*, 116 USPQ2d at 1998.

contemporaneous evidence” reflecting its use, *id.* at 42, 48, and Applicant’s claim that it licenses the mark to Zarco Hotels is not credible. *Id.* at 44-47.

Opposer attacks the credibility of Mr. Zarrinnam’s trial testimony primarily on the ground that it is a “repackaging” of his declaration and a purported errata sheet to his discovery deposition that Applicant submitted in response to Opposer’s summary judgment motion, 96 TTABVUE 43-44, both of which were rejected by the Board in *Chateau Celeste I*.<sup>12</sup> *Chateau Celeste I*, 116 USPQ2d at 1997-98 (declining to consider errata sheet because “Applicant has not provided credible reasons for the wholesale substantive changes sufficient to overcome their questionable timing and nature of the changes” and declining to consider Mr. Zarrinnam’s “contradictory declaration” to his “clear answers to Opposer’s unambiguous questions” at his discovery deposition because to do so “would contravene our determination with regard to Mr. Zarrinnam’s errata sheet” and enable Applicant to avoid summary judgment “by simply submitting a sham affidavit that reiterates the points in the errata sheet”).

## **2. Applicant**

Applicant’s position is that it “was considered to be the owner of the HOLLYWOOD HOTEL mark at the time of filing the application therefor.” 104 TTABVUE 56. Applicant summarizes the underlying bases for its position as follows:

The collective expectations of [Applicant and Zarco Hotels],  
their objective manifestations, pattern of practice, internal  
workings, registration of the long version of the mark

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<sup>12</sup> Opposer also claims that Mr. Zarrinnam’s credibility is undermined by his “prior false statements to the USPTO” in a separate application. 96 TTABVUE 48-49.

[HOLLYWOOD HOTEL, THE HOTEL OF HOLLYWOOD] in the name of Chateau Celeste, Inc. in 2004 (which is conclusive evidence of ownership), the 2011 application for the short version of the mark in the name of the same entity, payment to Chateau Celeste, Inc. for the management services provided by Jeff Zarrinnam, and the trial testimony of the person with main responsibility for running the HOLLYWOOD HOTEL since the very beginning.

*Id.*

Applicant complains that “Opposer has essentially recycled and reinstated its previously denied motion for summary judgment” because “Opposer’s claim is essentially based on the same testimony that it obtained several years ago during the discovery deposition of Applicant - the same testimony which the Board previously found did not prove Opposer’s claim” in *Chateau Celeste I. Id.* at 50. Applicant concedes that Zarco Hotels has always owned the property on which the hotel is located and operated the hotel under the applied-for mark, *id.* at 51, 53, 55, and that there was neither a formal assignment of rights in the HOLLYWOOD HOTEL mark from Zarco Hotels to Applicant, nor a formal written licensing agreement regarding the mark between Applicant and Zarco Hotels. Applicant claims that neither an assignment nor a license was necessary for Applicant to have owned the mark at the time of filing. *Id.* at 52-53. According to Applicant:

It would be sufficient that Chateau Celeste, Inc. was formed to own and control the use of the HOLLYWOOD HOTEL mark, and that the use of that mark by Zarco Hotels, Incorporated (as a “related company”) was controlled by Chateau Celeste, Inc. through the services of Chateau Celeste, Inc.’s President/CEO and sole owner/employee [Mr. Zarrinnam].

*Id.* at 55. Applicant argues that there is an oral license between Applicant and Zarco Hotels with respect to use of both the applied-for mark and the “long-form” version of that mark, *id.* at 53-54, and that when Applicant filed to register the applied-for mark it was already the owner of a seven year-old registration of the long-form mark. *Id.* at 54. Applicant claims that “the business surrounding the HOLLYWOOD HOTEL property and establishment is a closely held, family business,” *id.* at 55, and that “although Opposer is attempting to paint a picture that the formalities that may be used by large corporations were not technically followed in this case,” Applicant “and its related entities and personalities have in fact complied with the laws regarding ownership of the subject mark and applying for the mark under the name of the owner.” *Id.* Applicant also notes that there was and is no dispute among Mr. Zarrinnam, Applicant, and Zarco Hotels as to Applicant’s ownership of the applied-for mark when the involved application was filed. *Id.* at 55-56.

### **C. Factual Findings Relevant to Ownership Issue**

The threshold issue regarding ownership is how Applicant came to be the owner of the applied-for mark, which Applicant contends came into existence by virtue of its use by Zarco Hotels several years before Applicant was formed.<sup>13</sup> We set forth below our factual findings relevant to that issue.

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<sup>13</sup> In the opposed application, Applicant claimed March 2, 2001, a date several years after Applicant’s formation, as the date of first use and first use in commerce of the HOLLYWOOD HOTEL mark. Mr. Zarrinnam testified at trial that use actually began in 1994, Zarrinnam Tr. 26:25-27:17, and, as discussed below, the record amply supports this claim. *Cf. Hydro-Dynamics, Inc. v. George Putnam & Co.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987) (for priority purposes, proof of a first use date earlier than that claimed in application requires “clear and convincing” evidence).

## 1. Zarco Hotels

Zarco Hotels is a real estate holding company that was formed in 1994. Zarrinnam Disc. Tr. 15:19-20; Zarrinnam Tr. 18:4-5.<sup>14</sup> Mr. Zarrinnam is the President and CEO of Zarco Hotels, and one of its shareholders. Zarrinnam Tr. 13:22-23; 17:15-18:1. In January 1994, Zarco Hotels bought the real property at 1160 North Vermont Avenue in Los Angeles, California, Zarrinnam Tr. 16:19-22, and since then has been the sole owner of that property. Zarrinnam Disc. Tr. 29:1-7; Zarrinnam Tr. 28:21-24. The 1160 North Vermont Avenue property is the only one owned by Zarco Hotels. Zarrinnam Tr. 186:18-23. Mr. Zarrinnam has managed the Hollywood Hotel as its Hotel Director and General Manager since its purchase by Zarco Hotels. Zarrinnam Tr. 191:7-16.

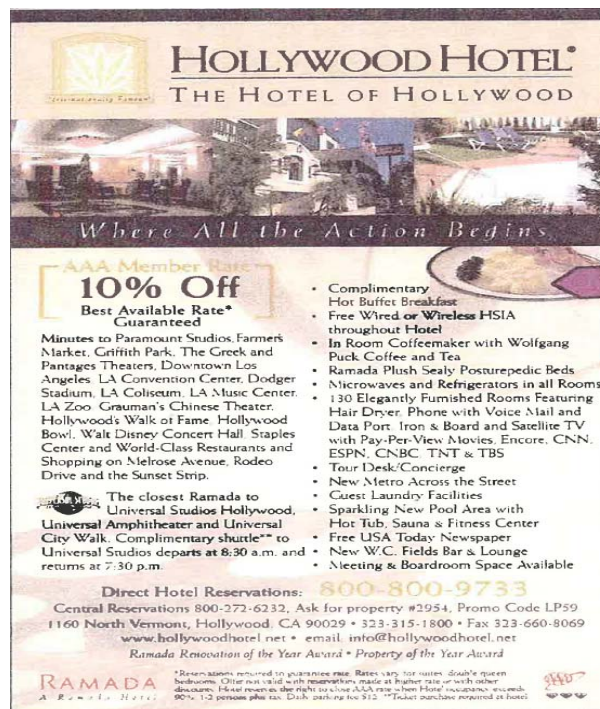
A hotel named the “Hollywood Legacy Hotel” was operating on the 1160 North Vermont Avenue property when Zarco Hotels bought it in 1994. Zarrinnam Tr. 18:19-19:1. The name of the hotel was changed within a few months of the purchase to the “Hollywood Hotel,” which Mr. Zarrinnam testified opened for business by June 1994. Zarrinnam Tr. 19:5-25; 20:12-22:10; Ex. 1. He testified that the name change was made to follow the legacy of a previous “Hollywood Hotel” that had operated on the property until it was closed in 1964, and because the hotel was located in Hollywood, California. Zarrinnam Tr. 34:14-35:2; 38:12-41:19; Ex. 4.

The Hollywood Hotel was first rated by the American Automobile Association in 1995. Zarrinnam Tr. 41:22-42:13; Ex. 5. The Hollywood Hotel began an affiliation

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<sup>14</sup> At his discovery deposition, Mr. Zarrinnam identified another real estate holding company called Zarco Hotels, LLC, Zarrinnam Disc. Tr. 15:3-8, but did not discuss its business.

that year with Ramada, Zarrinnam Disc. Tr. 46:22-25, and it joined the Ramada franchise reservation system and was referred to as “Hollywood Hotel, a Ramada Hotel” during the period of the affiliation. Zarrinnam Disc. Tr. 22:22-23:3; 48-12-23; Zarrinnam Tr. 22:11-23:3. The hotel remained affiliated with Ramada until 2009. Zarrinnam Disc. Tr. 28:19-21; 49:19-21. We reproduce below an advertisement for the Hollywood Hotel while it was affiliated with Ramada:




Zarrinnam Disc. Tr. 125:13-126:25; Ex. 19 (68 TTABVUE 691).

Zarco Hotels was listed as the user of various fictitious business names, including “Hollywood Hotel and Conference Center Near Universal Studios,” on a fictitious business name statement that was filed in Los Angeles County in June 2003 and that claimed use of that name beginning in December 1994. Zarrinnam Disc. Tr. 38:16-41:1; 45:1-15; Ex. 4. Zarco Hotels has always had between 40-50 employees, Zarrinnam Tr. 186:10-17, and it holds various operating permits for the Hollywood

Hotel, Zarrinnam Tr. 20:6-21:16; Ex. 1 (68 TTABVUE 805-06), together with multiple seller's permits for sales tax collection, tax registration certificates, public health licenses, and Police Commission permits relating to the 1160 North Vermont Avenue property. Zarrinnam Disc. Tr. 226:13-229:10; Ex. 41 (68 TTABVUE 801, 803, 806-07, 810). Mr. Zarrinnam testified at this discovery deposition that Zarco Hotels controls the nature and quality of the services that are provided by the Hollywood Hotel. Zarrinnam Disc. Tr. 15:25-16:3.

Zarco Hotels has been identified as the owner and operator of the Hollywood Hotel in multiple public-facing materials. Zarrinnam Disc. Tr. 218:24-220:11; Ex. 39 (68 TTABVUE 785-86 ("Zarco Hotels Inc. has owned and operated Hollywood Hotel – The Hotel of Hollywood® since 1994")); Zarrinnam Tr. 52:13-22; 57:24-58:3; Ex. 8 (98 TTABVUE 357). An example is the *Los Angeles Magazine* page reproduced below:



Zarrinnam is the President and CEO of Zarco Hotels Inc., which owns The Hollywood Hotel and is also one of the most active and a visionary leaders in the city. He has a deep connection with the city of Hollywood and this connection goes a long way back. Born in Hollywood more than 50 years ago, having this city as his permanent home is one of the things he feels lucky about.



Jeff Zarrinnam's fascination with Hollywood is as deep as his roots in the community. The re-established Hollywood Hotel on Vermont Avenue was built in 1964 and purchased by Zarco, Inc. in 1994. Jeff has amassed many original items from the hotel's first location on Hollywood Boulevard. In addition to launching an aggressive renovation of Hollywood Hotel, Jeff is restoring the 31-suite Chateau Celeste, an upscale boutique hotel directly across the street from Hollywood Hotel, which was originally built in 1927.



Zarrinnam Tr. 59:4-8; Ex. 8 (98 TTABVUE 374-78).

## **2. Applicant**

Applicant was incorporated in Nevada in 1998, four years after the formation of Zarco Hotels, as “Zarco Property Management, Inc.” (“Zarco Property”). Zarrinnam Tr. 18:5-18; 87:18-22; Ex. 15. Zarco Property was qualified to conduct business in California as a foreign corporation in 1999. Zarrinnam Tr. 85:24-88:17; Ex. 15. Mr. Zarrinnam described Applicant as a real estate holding company like Zarco Hotels.<sup>15</sup> Zarrinnam Disc. Tr. 15:13-15. Mr. Zarrinnam has been President and CEO of Applicant since its formation, and is its sole employee and shareholder. Zarrinnam Disc. Tr. 13:15-20; 17:11-18; Zarrinnam Tr. 186:3-6.

Around the time of its incorporation, Zarco Property purchased the real property at 1175 North Vermont Avenue, Zarrinnam Tr. 186:24-187:12, which is located across the street from the 1160 North Vermont Avenue property on which Zarco Hotels has operated the Hollywood Hotel since 1994. Zarrinnam Disc. Tr. 19:20-20:5, 21-24. An “apartment hotel” called the “Chateau Celeste Hotel” that offered both permanent and temporary lodging was operating at the 1175 North Vermont Avenue property when Zarco Property bought it, Zarrinnam Tr. 187:13-15, 25-188:22, and Mr. Zarrinnam managed that hotel in his capacity as Zarco Property’s President and CEO until the hotel closed for renovation. Zarrinnam Tr. 188:10-190:7; Zarrinnam Disc.

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<sup>15</sup> At his discovery deposition, Mr. Zarrinnam identified another real estate holding company called Chateau Celeste, LLC, Zarrinnam Disc. Tr. 15:9-12, but did not discuss its business.

Tr. 21:22-22:4. Mr. Zarrinnam could not recall when the Chateau Celeste Hotel was closed. Zarrinnam Tr. 187:16-18; 188:23-189:3.

In a “Statement of Information” filed with the California Secretary of State in February 2005, Zarco Property listed its business address as 1175 North Vermont Avenue, and described its business as “Vacant Land.” Zarrinnam Tr. 85:24-88:17; Ex. 15. Mr. Zarrinnam testified that Zarco Property changed its name to Chateau Celeste, Inc. in 2009 because that “was the name of the other property.” Zarrinnam Disc. Tr. 52:21-25; Zarrinnam Tr. 87:23-88:12; Ex. 15.

On May 3, 2003, Zarco Property filed an application to register HOLLYWOOD HOTEL, THE HOTEL OF HOLLYWOOD for various services. Zarrinnam Tr.25:2-8; Ex. 2. Mr. Zarrinnam characterized this mark as the longer version of the HOLLYWOOD HOTEL mark shown in the opposed application. Zarrinnam Tr. 26:1-15. He prepared and submitted the 2003 application to register HOLLYWOOD HOTEL, THE HOTEL OF HOLLYWOOD without the assistance of an attorney. Zarrinnam Tr. 26:20-24. As noted above, Mr. Zarrinnam testified that the March 2, 2001 claimed date of first use of both versions of the mark was wrong because use of both marks began at least as early as June 1994. Zarrinnam Tr. 26:25-27:17.

On May 29, 2011, Applicant filed an intent-to-use application to register CHATEAU CELESTE for bar and cocktail lounge services, hotel, restaurant and catering services, providing social meeting, banquet and social function facilities, and provision of conference, exhibition, and meeting facilities. 89 TTABVUE 199-201. Several years after the application was allowed, Applicant filed a statement of use

claiming first use on December 18, 2014. *Id.* at 129-131. A registration issued in February 2015, *id.* at 114, but, as Applicant notes, Applicant surrendered the registration in June 2018. 104 TTABVUE 58 (citing 89 TTABVUE 108-113). At the time of trial, what Mr. Zarrinnam called the “Chateau Celeste property” at 1175 North Vermont Avenue was “a vacant building, undergoing renovation.” Zarrinnam Tr. 187:2-4, 7-8. He testified that when the renovation was complete, the hotel would again be called the Chateau Celeste. Zarrinnam Disc. Tr. 19:20-25; 20:6-14, 25-21:11.

### **3. The Relationship Between Zarco Hotels and Applicant**

Mr. Zarrinnam described the affiliation between Applicant and Zarco Hotels, and the connection of Applicant to the 1160 North Vermont Avenue property, as “me.” Zarrinnam Disc. Tr. 14:11-13, 19-21. He testified that there is an oral license between the companies, Zarrinnam Tr. 197:9-14, in which “I give permission to the other company [Zarco Hotels] to use [the mark].” Zarrinnam Tr. 198:10-11. In response to a question as to whether there is a license fee, Mr. Zarrinnam responded “I mean, I get paid.” Zarrinnam Tr. 199:5-6. He explained that the fee is “tied with the money that I receive.” Zarrinnam Tr. 199:8-15. He testified that there is no “line item” showing the license fee from Zarco Hotels to Applicant, but that the consideration for the license was “[t]hat I am being paid by Zarco Hotels, Incorporated, to manage the hotel. It kind of comes with the territory.” Zarrinnam Tr. 200:8-16. He explained that Applicant provides management services to Zarco Hotels “kind of under my umbrella - - me, personally, providing those services on behalf of Chateau Celeste, Inc. to Zarco Hotels, Incorporated.” Zarrinnam Tr. 200:17-21.

He also explained how he sets other terms of the claimed oral license, such as scope of the permitted services, and its term and termination provisions. With respect to its scope, “the permission is from me, as President and CEO of Chateau Celeste, Inc., to Zarco Hotels, Incorporated, as its President and CEO.” Zarrinnam Tr. 201:22-24. As to its term and termination, he testified that “I renew it annually with Zarco Hotels, Inc.” by “saying so. By thinking about it, I renew it,” Zarrinnam Tr. 202:2-9, and that “I can terminate it at any time” and “I don’t have to give a reason.” Zarrinnam Tr. 203:2-5. He explained that termination of the agreement by Zarco Hotels involves “a thought process. I just have to think about it and say, ‘I don’t want to’ - -.” Zarrinnam Tr. 203:6-11. He testified that “[m]e, as President of Zarco Hotels, Incorporated, if I don’t want to use it or accept the ‘Chateau Celeste’ mark - - I mean the ‘Hollywood Hotel’ mark from Chateau Celeste, Inc., then it will be terminated.” Zarrinnam Tr. 203:12-16.

#### **D. Analysis of Ownership of the HOLLYWOOD HOTEL Mark**

The facts summarized above establish that the HOLLYWOOD HOTEL mark was in use for several years before Applicant was formed in 1998. When the mark was first used in 1994, it was necessarily owned by Zarco Hotels, the entity that was then (and always has been) the owner of the 1160 North Vermont Avenue property, the operator of the hotel located on that property, and the provider of the hotel services rendered there under the HOLLYWOOD HOTEL mark. These circumstances beg the question of how Applicant came to own the mark that it seeks to register.

Mr. Zarrinnam was directly asked that question on cross-examination at his testimony deposition:

Q How did Chateau Celeste, Inc., become the owner of the 'Hollywood Hotel' mark?

Mr. Fattahi: Objection as to form.

THE WITNESS: We applied for the mark earlier, and we received that mark back in 2003, I believe.

Zarrinnam Tr. 183:8-12. His answer does not explain how Applicant came to own the mark, but he subsequently made it clear that ownership was not acquired through an assignment from Zarco Hotels:

Q. Okay. Has anyone else transferred its ownership of the 'Hollywood Hotel' mark to Applicant?

A. No.

Zarrinnam Tr. 184:10-12.

Applicant's counsel was also asked about Applicant's acquisition of the mark at the oral hearing. His principal response was that Applicant was created to own the mark, a position that echoes Applicant's argument in its brief that it "was formed to own and control the use of the HOLLYWOOD HOTEL mark . . . ." 104 TTABVUE 55.

Applicant cites *Lyons v. Am. Coll. of Veterinary Sports Med. & Rehab.*, 859 F.3d 1023, 123 USPQ2d 1024 (Fed. Cir. 2017), *Tzu Wei Chen Food, supra*, *Moreno v. Pro Boxing Supplies, Inc.*, 124 USPQ 1028 (TTAB 2017), *Ballet Tech Found. Inc. v. Joyce Theater Found., Inc.*, 89 USPQ2d 1262 (TTAB 2008), *vacated by stipulation following settlement*, Opp. No. 91180789/Cancellation No. 92042019 (TTAB November 14, 2013), *Great Seats, supra*, *Pneutek, Inc. v. Scherr*, 211 USPQ 824 (TTAB 1981), *Smith Int'l Inc. v. Olin Corp.*, 209 USPQ 1033 (TTAB 1981), and *Am. Mfg. Co. v. Phase Indus., Inc.*, 182 USPQ 498 (TTAB 1976), in support of its arguments that "[w]hen a

mark is used by a related company, the owner is the party who controls the nature and quality of the goods sold or services rendered under the mark,” 104 TTABVUE 49, and that “a formal assignment or transfer of any rights to the trademark HOLLYWOOD HOTEL (the short version) or to the trademark HOLLYWOOD HOTEL, THE HOTEL OF HOLLYWOOD (the long version) was not necessary or legally required” for Applicant to own the marks because Applicant was allegedly formed for that purpose. *Id.* at 55. We will first discuss these cases and then apply their legal principles, as appropriate, to the facts here.

### **1. Federal Circuit Cases**

Applicant cites *Lyons* for the proposition that “in trademark ownership disputes, the collective expectations of the parties, as objectively manifested, by their actions and conduct at the time of filing the trademark application is relevant to a determination of which person or entity was the owner of the mark.” 104 TTABVUE 56. *Lyons* involved an ownership dispute between a number of veterinarians who formed a committee to organize a veterinary specialist organization. After Dr. Lyons was dismissed from the committee, she registered the mark THE AMERICAN COLLEGE OF VETERINARY SPORTS MEDICINE AND REHABILITATION, which had been used by the committee while she was a member. The committee sought cancellation of the registration, and the Board concluded that she did not own the mark when the application that matured into her registration was filed.

The Federal Circuit affirmed, accepting the Board’s analytical framework, which focused on “(1) the parties’ objective intentions or expectations; (2) who the public

associates with the mark; and (3) to whom the public looks to stand behind the quality of goods or services,” *Lyons*, 123 USPQ2d at 1028, because it was appropriate “for resolving ownership disputes when there has been a departure from or change of membership in a group, and, in the absence of a formal agreement governing ownership of the mark, both the departing member and the remnant group claim ownership of the mark.” *Id.* Because this case does not involve that type of ownership dispute, we do not find *Lyons* helpful to our analysis here.

Applicant cites *Tzu Wei Chen Food* for the proposition that an assignment of the HOLLYWOOD HOTEL mark from Zarco Hotels to Applicant “was not necessary or legally required.” 104 TTABVUE 55. In that case, a trademark application was signed by an individual in his own name while his separate application for incorporation in the state of Iowa was pending. The application for incorporation was granted, and a corporation was thus formed, two days before the USPTO received the trademark application for filing. 7 USPQ2d at 1335. The parties, the Board, and the Federal Circuit all agreed “that, in accordance with the terms of incorporation, ownership of the trademark . . . passed on [the date of incorporation] to the newly formed corporation,” and that “ownership of the mark was acquired by the corporation between the time of execution of the application for registration by [the individual] and receipt of the application by the PTO.” *Id.* The Federal Circuit noted that the Board had previously held in *Am. Mfg. Co. and Diebold, Inc. v. Multra-Guard, Inc.*, 189 USPQ 119 (TTAB 1975), that neither a formal assignment of a mark nor recordation of an assignment in the USPTO was necessary to pass title of trademark

rights under certain circumstances, and the court held that because title had passed through the “terms of incorporation,” the named applicant did not own the applied-for mark when the application was filed through its receipt by the USPTO. The application was thus void because it was filed by someone other than its owner, in violation of Section 1(a) of the Trademark Act. 7 USPQ2d at 1336.

## 2. Board Cases<sup>16</sup>

### *Am. Mfg. Co. and Diebold*

The Board’s *Am. Mfg. Co.* and *Diebold* cases cited by the Federal Circuit in *Tzu Wei Chen Food*, as well as the Board’s *Ballet Tech* and *Great Seats* cases cited by Applicant, discuss additional circumstances under which ownership of a mark may pass without an assignment. In *Am. Mfg. Co.*, a company that owned several registrations was merged into a company that filed a cancellation proceeding based on the registrations without recording an assignment to the petitioner. In response to a claim that the petitioner did not own the registrations, the Board held that “[a] merger of one corporation into another effects a transfer of all of the business, assets, and liabilities of the acquired corporation into the surviving corporation,” and the

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<sup>16</sup> The Board’s *Moreno*, *Smith Int’l*, and *Pneutek* cases cited by Applicant in support of its related company argument are inapposite on the facts here. The Board discussed the related company doctrine under Section 5 of the Trademark Act in all three cases, but did not rely on it to resolve an ownership dispute in any of them. *Moreno* decided “[w]hether a licensee can assert priority based on use by the licensee of the licensed mark.” *Moreno*, 124 USPQ2d at 1030. *Pneutek* involved a written license agreement and resolved in the affirmative the question of whether a licensor could own a mark that was only used by its licensee. *Pneutek*, 211 USPQ at 830-833. In *Smith Int’l*, the Board construed written agreements to decide ownership and found that the plaintiff’s registration was void because “it is apparent from the agreements that a legal interest or right of ownership [in the mark] did not vest in” it. *Smith Int’l*, 209 USPQ at 1044-45.



“common law trademark and service mark rights of the acquired corporation as well as the statutory rights shown by the registrations must necessarily be presumed to have passed to the surviving corporation, petitioner herein.” *Am. Mfg. Co.*, 182 USPQ at 500.

In *Diebold*, the applicant Multra-Guard, Inc. claimed that it had priority of use vis-à-vis the opposer because it could rely on prior use of the subject mark by another corporation, Multronics, Inc. “No written assignment from Multronics, Inc. to Multra-Guard, Inc. was made of record but there was testimonial evidence that the latter corporation was created as a wholly owned subsidiary by Multronics, Inc. to continue the alarm business initiated by Multronics, Inc. under the mark “MULTRA-GUARD.” *Diebold*, 189 USPQ at 124. The Board found that the record showed that “officials of the parent and wholly owned subsidiary were the same and the person who functioned as the chief promoter of ‘MULTRA-GUARD’ alarm systems sales took the same position with Multra-Guard, Inc.,” and that “the wholly owned subsidiary’s place of business was close to that of the parent and it continued the business under the mark ‘MULTRA-GUARD’ previously conducted by Multronics, Inc.” *Id.* “In popular parlance, the Multra-Guard, Inc. business was a spin-off from Multronics, Inc.” *Id.* The Board was persuaded “that Multra-Guard, Inc. . . . was the successor in interest to Multronics, Inc. with regard to the business and goodwill under the mark ‘MULTRA-GUARD’ and that the use of that mark by Multronics, Inc. inured to the benefit of its former wholly owned subsidiary, Multra-Guard, Inc., the party who filed the application for registration of ‘MULTRA-GUARD.’” *Id.*

***Ballet Tech***

*Ballet Tech* was a “dispute between a landlord and its tenant regarding the ownership of the name of the Joyce Theater,” which was operated by the tenant. *Ballet Tech*, 89 USPQ2d at 1264. After reviewing a complicated record regarding the creation, common management, and activities of both parties, the Board found that “petitioner is the owner of the JOYCE marks and that respondent is using the JOYCE marks pursuant to an implied license.” *Id.* at 1271. The Board held that “ownership of a service mark may be acquired through controlled use by one’s related companies (or licensees) even in the absence of any use by the purported trademark owners.” *Id.* The Board summarized the facts that led it to the conclusion that the petitioner owned the mark, even though it was used by the respondent, as follows:

Petitioner bought the Elgin Theater and intended to operate it as the Elgin Theater unless a donor agreed to contribute a significant sum to finance the renovation of the theater. After LuEsther Mertz made substantial contributions for acquisition and renovation of the Elgin Theater, she agreed that the theater could be renamed the “Joyce Theater” in honor of her late daughter. After petitioner purchased the Elgin Theater, it established respondent to operate the theater. Petitioner controlled respondent from respondent’s creation until 1993 by virtue of the interlocking directors comprising Eliot Feld, Cora Cahan and Peter Felcher. In fact, respondent was designed so that petitioner would maintain effective control over it. Under these circumstances, we find that petitioner selected the JOYCE name and intended to control its use through an authorized licensee. We agree with Eliot Feld that it would be “ludicrous” to contend that petitioner did not own the JOYCE marks after petitioner purchased the Elgin Theater, did all the work raising the funds and renovating the theater, and took all of the risk involved in the undertaking. Moreover, petitioner’s claim of ownership is further supported by the decision that the theater would be

called the Joyce Theater forever because no matter who managed the theater for petitioner, the theater would always be called the Joyce Theater.

*Id.*

***Great Seats***

In *Great Seats*, the Board found that a registration of the mark GREAT SEATS INC. (stylized) was void because the underlying application had been filed by someone other than the owner of the mark.<sup>17</sup> In 1978, an individual named Matta became involved in the business of selling tickets for entertainment events and acquired the nickname “Great Seats” because of his ability to obtain desirable tickets for his customers. *Great Seats*, 84 USPQ2d at 1237. In 1990, he formed a corporation called Wholesale Tickets, Inc., which changed its name in 1994 to Premier Entertainment, Inc. (“PEI”), under which he continued to conduct his ticket brokerage business. He was its president and initially its sole shareholder. *Id.* In 1995, PEI began using the GREAT SEATS mark in advertising, and it continued use of the mark up to the time of trial in 2006. *Id.* at 1237-38.

In 1997, Matta formed a second corporation called Great Seats, Inc. (“GSI”). He was the president and secretary/treasurer of GSI, and he and his wife were the company’s only shareholders. *Id.* at 1238. GSI’s corporate counsel testified at trial that GSI was a “shell corporation” formed to reserve the Great Seats trade name and

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<sup>17</sup> The Board did so at final hearing, after denying the petitioner’s motion for summary judgment on the lack of ownership claim. *Great Seats*, 84 USPQ2d at 1237 n.4.

apparently to hold the GREAT SEATS mark if it was determined that the mark was a good marketing vehicle. *Id.*

Before and after the formation of GSI, all use of the GREAT SEATS mark in connection with ticket brokerage services and in advertising was made by PEI, not GSI. *Id.* “There [was] no evidence of any transfer of rights in the GREAT SEATS designation from [PEI] to [GSI] upon the latter’s formation, or at any time thereafter,” or “that [PEI’s] use of the mark was controlled by the new [GSI] corporation.” *Id.*

In April 1997, GSI filed an application signed by Matta to register GREAT SEATS, which matured into the registration that was at issue in the case. The claimed date of first use of the mark was prior to the formation of GSI, and the referenced use was by PEI, not GSI. *Id.* Matta testified at trial in 2006 that he was unaware, prior to the cancellation proceeding, of the formation of GSI, and that he signed the application filed by GSI under the belief that it was a continuation of the business that he had begun in his personal capacity years before. *Id.* at 1238-39.

In determining whether GSI owned the GREAT SEATS mark when the application to register it was filed, the Board began its analysis by noting that when GSI filed the application, it had never used the mark and all use had been by PEI. The Board stated that GSI appeared to make two arguments why it nevertheless owned the mark. The first was that “[PEI] and [GSI] were merely earlier and later manifestations of the same single continuing commercial enterprise, such that [PEI’s] use of the mark prior to and as of the filing date in fact constituted use by [GSI].” *Id.* at 1239. The second was that even if PEI and GSI were separate entities, they were

related companies under Section 5 of the Trademark Act, “with [PEI’s] use of the mark prior to the application filing date having been controlled by Mr. Matta, and having inured to the benefit of the applicant [GSI].” *Id.*

The Board rejected the first argument because PEI and GSI “were not merely earlier and later manifestations of the same, single commercial enterprise” because PEI “clearly did not cease to exist upon formation of [GSI], but rather continued in business and continued to use the mark.” *Id.* at 1240-41. Given the absence of “evidence of any transfer of rights and goodwill in the mark from [PEI] to [GSI] upon the latter’s formation,” the companies “constituted separate legal entities, and the application was filed by the wrong one.” *Id.* at 1241. The Board found that the facts were more similar to those in *Tzu Wei Chen Food* than to those in the cases where the Board had recognized the concept of a single commercial entity.<sup>18</sup>

With respect to the related company argument, the Board found that GSI had to show that as of the application filing date, GSI controlled the nature and quality of the services rendered by PEI, the corporation actually using the mark. *Id.* at 1242. The Board clarified that “the issue is not whether [PEI] was a related company of Mr. Matta, or whether an application filed by Mr. Matta based on use by [PEI] might have been a valid application,” but rather “whether [PEI] was a related company with respect to the applicant [GSI].” *Id.* at 1242-43. The Board acknowledged that Matta

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<sup>18</sup> The Board also analogized the case to *Daltronics, Inc. v. H.L. Dalis, Inc.*, 158 USPQ 475 (TTAB 1968), in which the Board had found, for priority purposes, that an opposer could not tack on the prior use of the subject mark by a separate corporation even though “the same individual was the president and sole stockholder of both corporations, and he treated both companies as his alter egos.” *Great Seats*, 84 USPQ2d at 1241.

was the president and controlling shareholder of both corporations, and that they shared the same premises, but held that “it is well settled that these points of commonality between the two corporations do not suffice to make the corporations related companies under Trademark Act Section 5.” *Id.* at 1243.

The Board found that there was no evidence “of any license or other arrangement between [PEI] and the applicant [GSI] by which the latter controlled the former’s use of the mark with respect to the nature and quality of the services rendered under the mark.” *Id.* “The mere fact that Mr. Matta may have controlled both corporations does not suffice to establish that the applicant [GSI], itself, controlled [PEI’s] use of the mark.” *Id.* The Board found that “any such control by Mr. Matta over [PEI’s] use of the mark was exercised by Mr. Matta either in his capacity as principal executive officer of [PEI] itself, or in his individual capacity as owner of both corporations,” and that there was “no evidence that Mr. Matta’s control over [PEI] was exercised in his capacity as an officer of the applicant [GSI].” *Id.* (citing *In re Ravine Marine, Inc.*, 217 USPQ 68 (TTAB 1983)). The Board concluded that the record was “devoid of evidence sufficient to establish that [GSI], itself, controlled [PEI’s] use of the mark with respect to the nature and quality of the services rendered under the mark.” *Id.*

### **3. Application of the Ownership Principles of the Cases to the Facts**

The cases discussed above show that under certain circumstances, ownership of a mark may pass from one entity to another without an assignment, and that one company may become the owner of a mark by controlling its use by a related company. They do not support Applicant’s claimed ownership of the HOLLYWOOD HOTEL

mark, however, because the record does not show that Applicant became the owner of the mark in any of the ways discussed in the *Tzu Wei Chen Food, Am. Mfg. Co.*, *Diebold* and *Ballet Tech* cases, or was a related company to Zarco Hotels under the test for relatedness between separate corporate entities set forth in *Great Seats*.

Unlike in *Tzu Wei Chen Food*, there is no evidence that Applicant's "terms of incorporation" provided that it would own the HOLLYWOOD HOTEL mark. Unlike in *Am. Mfg. Co.* and under the respondent's first theory in *Great Seats*, Applicant did not become the owner of the mark as the survivor of a merger with Zarco Hotels, which continued to exist, and to operate the Hollywood Hotel, after Applicant's formation. Unlike in *Diebold*, there is no evidence that Applicant was a wholly owned subsidiary of Zarco Hotels, a "spin-off" of that company created to continue to conduct Zarco Hotels' business. Finally, like the petitioner in *Ballet Tech*, Zarco Hotels selected the name for the hotel on the Hollywood Hotel property and owned and developed that hotel, but unlike in *Ballet Tech.*, Zarco Hotels operated it as well. The Board's analysis in *Ballet Tech* that the founder, developer, and owner of the property on which the theater was located, not the entity that was formed to operate it, owned the mark for the theater, applies with even greater force here because Applicant never operated the Hollywood Hotel and, as discussed in more detail below, there is no evidence that Applicant was formed for that purpose.

The facts here closely resemble those in *Great Seats*. As in that case, when the application at issue here was filed, there were two separate companies in existence, one individual was an officer and the controlling shareholder of both, and both had a

common address. As the Board noted in *Great Seats*, however, “it is well settled that these points of commonality between the two corporations do not suffice to make the corporations related companies under Trademark Act Section 5.” *Great Seats*, 84 USPQ2d at 1243. Under the related company standard set forth in *Great Seats*, Applicant must show that when the application was filed, Applicant, not Mr. Zarrinnam personally, controlled the nature and quality of the services rendered by Zarco Hotels, the corporation actually using the HOLLYWOOD HOTEL mark. *Id.* at 1242.

Applicant argues that it was formed for that very purpose, “to and control the use of the HOLLYWOOD HOTEL mark,” 104 TTABVue 55, but Mr. Zarrinnam never testified that this was the company’s *raison d’être*, despite having had two opportunities to do so, including one following the denial of Opposer’s summary judgment motion on ownership. He simply described Applicant as a “real estate holding company” like Zarco Hotels, and the Zarco Hotels, LLC and Chateau Celeste, LLC companies that he also mentioned in his testimony. Zarrinnam Disc. Tr. 15:3-15. His testimony and other record evidence establish that Applicant: (i) purchased the real property at 1175 North Vermont Avenue shortly after its formation, Zarrinnam Tr. 186:24-187:12; (ii) is the once and future operator of the Chateau Celeste hotel located on that property, Zarrinnam Disc. Tr. 19:20-25; 20:6-14; 21:22-22:4; 25-21:11; Zarrinnam Tr. 187:2-15, 25-190:7; (iii) represented to the California Secretary of State in 2005 that its address was 1175 North Vermont Avenue, where the Chateau Celeste hotel was and will be located, and that its business was “Vacant



Land,” suggesting that it was the developer of the referenced property, Zarrinnam Tr. 85:24-88:17; Ex. 15; and (iv) registered the CHATEAU CELESTE mark for hotel services, and a variety of other services including “providing social meeting, banquet and social function facilities” and “provision of conference, exhibition and meeting facilities.” 89 TTABVUE 114, 129-131. Applicant even changed its name from Zarco Property to Chateau Celeste, Inc. to correspond to the name of the hotel on its property. Zarrinnam Disc. Tr. 52:21-25; Zarrinnam Tr. 87:23-88:12; Ex. 15.

Mr. Zarrinnam’s description of Applicant’s formation and subsequent activities is very similar to his description of Zarco Hotels’ formation and subsequent activities. He testified that both companies are real estate holding companies that purchased specific real property shortly after their formation, and operated a hotel on that property. Zarrinnam Disc. Tr. 15:19-20; 29:1-7; Zarrinnam Tr. 16:19-22; 18:4-5; 28:21-24; 186:18-23. On this record, we cannot find that Applicant was formed to “own and control the use of the HOLLYWOOD HOTEL mark,” 104 TTABVUE 55, because the record shows that Applicant was instead formed to own real property, not intellectual property. We thus turn to Applicant’s additional arguments.

In *Great Seats*, the Board noted that the record was devoid of “evidence of any license or other arrangement between [PEI] and the applicant [GSI] by which the latter controlled the former’s use of the mark with respect to the nature and quality of the services rendered under the mark.” *Great Seats*, 84 USPQ2d at 1243. Applicant purports to fill that evidentiary gap with proof that Applicant controls Zarco Hotels’ use of the mark under an oral license “through the services [Mr. Zarrinnam] provides

on its behalf and as its only employee, officer and shareholder,” 104 TTABVUE 53, but his testimony does not establish the existence of such a license.

As an initial matter, we note that at his discovery deposition, Mr. Zarrinnam testified that Applicant had an oral license **from** Zarco Hotels, not the other way around. Zarrinnam Disc. Tr. 15:25-16:13. Although he reversed the parties’ roles in his trial testimony, he struggled to define the license’s terms, or to show how it existed separate and apart from his personal control of both companies.

He testified, for example, that “I give permission to the other company [Zarco Hotels] to use [the mark],” Zarrinnam Tr. 198:10-11; that “I get paid” for use of the mark, Zarrinnam Tr. 199:5-6; that the license fee is “tied with the money that I receive,” Zarrinnam Tr. 199:8-200:2; that there is no identified payment to Applicant, but “I am being paid by Zarco Hotels, Incorporated, to manage the hotel,” Zarrinnam Tr. 200:8-15; that Applicant provides management services to Zarco Hotels “kind of under my umbrella - - me, personally, providing those services on behalf of Chateau Celeste, Inc. to Zarco Hotels, Incorporated;” Zarrinnam Tr. 200:17-21; that “the permission is from me, as President and CEO of Chateau Celeste, Inc., to Zarco Hotels, Incorporated, as its President and CEO, Zarrinnam Tr. 201:22-24; that “I renew [the license] annually with Zarco Hotels, Inc.” by “saying so. By thinking about it, I renew it,” Zarrinnam Tr. 202:2-9; that “I can terminate it at any time” and “I don’t have to give a reason,” Zarrinnam Tr. 203:2-5; and that possible termination by Zarco Hotels involves “a thought process. I just have to think about it and say, ‘I don’t want to’ [continue use].” Zarrinnam Tr. 203:6-11.

He claimed to set and monitor the terms of the purported license, and to control the use of the mark by Zarco Hotels, in his capacity as an officer of Applicant, but “on this record, we find that any such control by Mr. [Zarrinnam] over [Zarco Hotel’s] use of the mark was exercised by Mr. [Zarrinnam] either in his capacity as principal executive officer of [Zarco Hotels] itself, or in his individual capacity as owner of both corporations.” *Great Seats*, 84 USPQ2d at 1243. The Board’s comments regarding a similar claim made by the applicant in *Raven Marine, supra*, and quoted by the Board in *Great Seats*, apply squarely to Mr. Zarrinnam’s self-serving testimony here regarding the purported license:

Applicant’s proofs, in the Board’s view, are no more than an assertion that this principal stockholder/executive superintends the use of the [HOLLYWOOD HOTEL] mark[ ] by [Zarco Hotels] as principal executive officer of [Zarco Hotels] (which would be in the normal course of duty for such a functionary) or in his personal capacity as owner of both corporations rather than as an officer of and through [Applicant]. At the very least, such proofs are highly ambiguous as to the control and supervision actually exercised by [Applicant], the corporate owner of the mark[ ].

*Great Seats*, 84 USPQ2d at 1243 n.8 (quoting *Raven Marine*, 217 USPQ at 70 (affirming refusal to register mark because applicant was not its owner under a related company theory)). “The mere fact that Mr. [Zarrinnam] may have controlled both corporations does not suffice to establish that [Applicant], itself, controlled [Zarco Hotels’] use of the mark.” *Great Seats*, 84 USPQ2d at 1243. Mr. Zarrinnam may have treated both Zarco Hotels and Applicant “as his alter egos, but we cannot conclude on the record before us that the use of [HOLLYWOOD HOTEL] by [Zarco Hotels] inured to the benefit of” Applicant. *Daltronics*, 158 USPQ at 479 n.2.

Finally, Applicant relies on its 2004 registration of HOLLYWOOD HOTEL, THE HOTEL OF HOLLYWOOD, arguing that it “is conclusive proof that [Applicant] was and still is owner of that registered mark,” and that “it makes complete sense that that when the application for the HOLLYWOOD HOTEL mark was filed on March 30, 2011, it was already established and understood that the owner of both [marks] was [Applicant], the entity that filed the application that is the subject of this opposition.” 104 TTABVUE 54. The record indicates, for the reasons discussed above, that Applicant was and is not the owner of the “long-form” mark either, but, in any event, it does not aid Applicant that under its registration of HOLLYWOOD HOTEL, THE HOTEL OF HOLLYWOOD, its right to use that mark has become incontestable, 98 TTABVUE, and its ownership of that mark is thus conclusively presumed. *See* 15 U.S.C. § 1115(b). The presumptions attaching to Applicant’s registration of HOLLYWOOD HOTEL, THE HOTEL OF HOLLYWOOD under Section 15(b) of the Trademark Act do “not carry over from registration of the older mark to a new application for registration of another mark that happens to be similar (or even nearly identical).” *In re Cordua Rests., Inc.*, 823 F.3d 594, 118 USPQ2d 1632, 1635 (Fed. Cir. 2016). We must separately determine whether Applicant owned the applied-for mark when it filed the opposed application because that is a statutory requirement for registration of that mark, and we have found that it did not.

The record shows that Zarco Hotels began use of the HOLLYWOOD HOTEL mark in 1994 and owned it by virtue of that use; that Zarco Hotels has always held itself out to, and been identified by, the public as the owner and operator of the hotel

offering services under that mark; that Zarco Hotels never assigned the mark to Applicant; and that Applicant never acquired its ownership as a related company or otherwise. When the opposed application was filed, Zarco Hotels and Applicant “constituted separate legal entities, and the application was filed by the wrong one.” *Great Seats*, 84 USPQ2d at 1241.

Applicant was not the owner of the HOLLYWOOD HOTEL mark when it filed the application to register it in March 2011, as required under Section 1(a) of the Trademark Act. “Neither the Board nor the courts can waive this statutory requirement,” *Tzu Wei Chen Food*, 7 USPQ2d at 1336, even if “the business surrounding the HOLLYWOOD HOTEL property and establishment is a closely held, family business,” and there is no “dispute or disagreement between Jeff Zarrinnam, Chateau Celeste, Inc. or Zarco Hotels Incorporated as to who controls or owns the HOLLYWOOD HOTEL mark.” 104 TTABVUE 55. Applicant’s application was void ab initio, and we sustain the opposition on this ground. Because we have found the application to have been void ab initio, we do not reach Opposer’s likelihood of confusion claim.

**Decision:** The opposition is sustained on the ground that Applicant was not the owner of the HOLLYWOOD HOTEL mark when the opposed application was filed.