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

Proceeding	91233165
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I. INTRODUCTION

This proceedings involves two hotel property owners and their uses of the following marks:

PARK HOTEL

vs.

PARK HOTELS & RESORTS

Park Hotel owns a group of luxury hotel properties on four continents. It has operated hotels under the PARK HOTEL name since 1961. For over four decades, Park Hotel has offered booking and reservation services to its customers in the United States. Three years ago, Hilton Worldwide Holdings Inc. spun off a portion of its business to create a hotel real estate investment trust and named that new entity Park Hotels & Resorts. Park Hotels & Resorts then filed a trademark application for the mark PARK HOTELS & RESORTS for investment services, including real estate investment trust services.

Park Hotel and Park Hotels & Resorts are essentially identical marks used for highly related services all within the hotel industry. Confusion is inevitable.

II. STATEMENT OF THE CASE

Opposer, Park Hotel Management Pte Ltd. (hereinafter "Opposer" or "Park Hotel"), filed a Notice of Opposition against the following mark:

Mark	Serial No.	Services
PARK HOTELS & RESORTS	87057391	Investment services, namely, asset acquisition, consultation, development and management services; Real estate investment trust services, in Class 36

Hereinafter, this application is referred to as the "Opposed Application".

Applicant, Park Hotels & Resorts, Inc. (hereinafter "Applicant"), filed this application on June 2, 2016, based on an intent to use the mark in connection with the services identified.

As grounds for the Opposition, Opposer asserts prior use of its mark PARK HOTEL in the United States in connection with hotel reservation and booking services, as well as travel services. In addition, Opposer filed two trademark applications on January 6, 2017 for the following marks:

Mark	Serial No.	Services
PARK HOTEL	87291807	business management; project business management and administration, business administration; marketing and promotion services; business project management; business acquisitions consultation; business advisory services; business secretarial services; business appraisals; business management and business administration of real estate, residential, industrial and commercial properties, offices, business centers, departmental stores, shopping centers, retail and wholesale outlets, temporary accommodation, hotels, motels, resorts, serviced apartments, buildings, houses, condominiums, apartments, flats, warehouses, factories and developments; advertising, promotional, publicity and marketing services; market analysis and research; advertising services; compilation of mailing lists; direct mail advertising; the bringing together for the benefit of others, of a variety of goods (excluding the transport thereof), enabling customers to conveniently view and purchase those goods in departmental stores, shopping centers, retail and wholesale outlets, hotel, food and beverage outlets, from a general merchandise catalogue by mail order or by means of telecommunications, or from a general merchandise global communications network website; demonstration of goods for promotional or advertising purposes; organisation, operation and supervision of incentive schemes, customer loyalty schemes and bonus schemes; sales promotion through customer loyalty programmes (for others); production, preparation, presentation and distribution of advertising, promotional, publicity and marketing materials; distribution of promotional souvenirs; retail store services featuring consumer goods of others, souvenir items, gift items, decorative magnets, books, apparel; Corporate event management services; Organization of exhibitions or trade fairs for commercial or advertising purposes; arranging and conducting exhibitions for advertising, commercial or trade purposes; arranging and conducting trade shows; organization of exhibition for commercial or advertising purposes; providing office facilities for business meetings; Logistics management in the field of business management and organization of facilities and resource; providing commercial information in the field of market research, consumer behavioural trends, supply chain information, pricing information, training information; business advisory and business consultancy services relating to franchising; outdoor publicity services; public relations; rental of advertising space; business research; sales promotion for others; dissemination of advertising matter; rental of billboards; organisation of housing and real estate displays and exhibitions for promotion or advertising purposes; Business merchandising display services; Shop window display arrangement services; shop window dressing; advertising; advisory, information and consultancy services relating to all the aforesaid services; all included in Class 35; all of the above services also provided on-line from a computer database or the Internet, in Class 35

Mark	Serial No.	Services
		<p>provision of temporary accommodation; rental of temporary accommodation; hotel services; restaurant, bar and catering services; cafe, cafeteria, coffee shop, hotel cocktail lounge services; preparation of food and drink, self-service and/or fast food restaurant services; club services for the provision of food and drink; wine bars; cocktail lounge services, snack bar services; Providing banquet and social function facilities for special occasions; luncheon club catering services; hotel and motel services; provision of conference facilities; child-care services; temporary accommodation reservation services; information services relating to hotel services; advisory and consultancy services relating to provision of temporary accommodation; advisory and consultancy services relating to hotel services; arranging, letting and rental of holiday accommodation; accommodation reservation services (holiday apartments) and accommodation reservations; Rental of rooms as temporary living accommodations; professional consultancy relating to hotel operation; consultancy relating to hotel services; provision of information, advisory and consultancy services relating to these services, in Class 43</p>
	87291829	<p>business management; project business management and administration, business administration; marketing and promotion services; business project management; business acquisitions consultation; business advisory services; business secretarial services; business appraisals; business management and business administration of real estate, residential, industrial and commercial properties, offices, business centers, departmental stores, shopping centers, retail and wholesale outlets, temporary accommodation, hotels, motels, resorts, serviced apartments, buildings, houses, condominiums, apartments, flats, warehouses, factories and developments; advertising, promotional, publicity and marketing services; market analysis and research; advertising services; compilation of mailing lists; direct mail advertising; the bringing together for the benefit of others, of a variety of goods (excluding the transport thereof), enabling customers to conveniently view and purchase those goods in departmental stores, shopping centers, retail and wholesale outlets, hotel, food and beverage outlets, from a general merchandise catalogue by mail order or by means of telecommunications, or from a general merchandise global communications network website; demonstration of goods for promotional or advertising purposes; organisation, operation and supervision of incentive schemes, customer loyalty schemes and bonus schemes; sales promotion through customer loyalty programmes (for others); production, preparation, presentation and distribution of advertising, promotional, publicity and marketing materials; distribution of promotional souvenirs; retail store services featuring consumer goods of others, souvenir items, gift items, decorative magnets, books, apparel; Corporate event management services; Organization of exhibitions or trade fairs for commercial or advertising purposes; arranging and conducting exhibitions for advertising, commercial or trade purposes; arranging and conducting trade shows; organization of exhibition for commercial or advertising purposes; providing office facilities for business meetings; Logistics management in the field of business management and organization of facilities and resource; providing commercial information in the field of market research, consumer behavioural trends, supply chain information, pricing information, training information; business advisory and business consultancy services relating to franchising; outdoor publicity services; public relations; rental of advertising space; business research; sales promotion for others; dissemination of advertising matter; rental of billboards; organisation of housing and real estate displays and exhibitions for promotion or advertising purposes; Business merchandising display services; Shop window display arrangement services; shop window dressing; advertising; advisory, information and consultancy services relating to all the aforesaid</p>

Mark	Serial No.	Services
		<p>services; all included in Class 35; all of the above services also provided on-line from a computer database or the Internet, in Class 35</p> <p>provision of temporary accommodation; rental of temporary accommodation; hotel services; restaurant, bar and catering services; cafe, cafeteria, coffee shop, hotel cocktail lounge services; preparation of food and drink, self-service and/or fast food restaurant services; club services for the provision of food and drink; wine bars; cocktail lounge services, snack bar services; Providing banquet and social function facilities for special occasions; luncheon club catering services; hotel and motel services; provision of conference facilities; child-care services; temporary accommodation reservation services; information services relating to hotel services; advisory and consultancy services relating to provision of temporary accommodation; advisory and consultancy services relating to hotel services; arranging, letting and rental of holiday accommodation; accommodation reservation services (holiday apartments) and accommodation reservations; Rental of rooms as temporary living accommodations; professional consultancy relating to hotel operation; consultancy relating to hotel services; provision of information, advisory and consultancy services relating to these services, in Class 43</p>

These two applications were based on intent to use and use in commerce. The services for which Opposer had use in commerce are: "Temporary accommodation reservation services; information services relating to hotel services; advisory and consultancy services relating to provision of temporary accommodation; advisory and consultancy services relating to hotel services; arranging, letting and rental of holiday accommodation; accommodation reservation services (holiday apartments) and accommodation reservations; room hire; professional consultancy relating to hotel operation; consultancy relating to hotel services; provision of information, advisory and consultancy services relating to these services". Opposer claimed a first use date and first use in commerce date of 1961 for these services.

Hereinafter, these applications and Opposer's prior rights in the mark PARK HOTEL are referred to as the "Park Hotel Marks".

Opposer further asserted in its Notice of Opposition that Applicant's use of its PARK HOTELS & RESORTS mark for the services listed in the Opposed Application would be likely to result in confusion, mistake or deception for purposes of Section 2(d) of the Trademark Act.

Applicant, in its Answer to the Notice of Opposition, denied Opposer's allegations.

III. THE RECORD BEFORE THE BOARD

The record in this case consists of the pleadings, and the testimony and evidence submitted by the parties.

A. Opposer's Testimony and Evidence

1. Declarations of Law Ching Hung

Opposer submitted two declarations executed by Mr. Law Ching Hung, one during Opposer's opening testimony period and the second during Opposer's rebuttal testimony period.

Since 2004, Mr. Law Ching Hung has worked in the hotel industry. Today, he is the Director of Park Hotel Management Pte Ltd., a position he has held since 2005. As Director of Park Hotel, he is the top executive in his company.

Park Hotel is one of Asia's leading hospitality groups. The first hotel property owned by Park Hotel opened in 1961 in Hong Kong. Since that opening, Park Hotel has continually offered hotel services.

Today, the Park Hotel portfolio consists of sixteen properties in eight countries and eleven cities. Park Hotel properties are located in Singapore, Jakarta, Shanghai, Seoul, Tokyo, Mumbai, London, Sydney, and Maldives, among other cities.

As Director of the Park Hotel portfolio, Mr. Hung has broad experience in the hotel industry. He is familiar with all aspects of hotel management and has been involved in the sale and purchase of hotel properties over the last decade. In addition, Mr. Hung is knowledgeable of the use of the mark PARK HOTEL in the United States.

For many years, Park Hotel has advertised its hotel services in the United States and offered booking services through its website to customers in the United States. In addition, Park Hotel has engaged the services of Carlson Wagonlit Travel for U.S. marketing of the Park Hotel properties. Park Hotel maintains relationship with travel agents in the United States whom book

rooms at Park Hotel properties for U.S. customers. Park Hotel agents attend travel agent events in the United States where these agents promote the Park Hotel properties and brand.

Mr. Hung's experience in managing and selling hotel properties also means that he is familiar with hotel real estate investment trusts. In particular, as the top executive of a company with hotel properties on four different continents and with over a decade of hotel management experience, Mr. Hung has experience with different hotel ownership structures, including real estate investment trusts.

2. Opposer's Notices of Reliance

a. Notices of Reliance on Third Party Registrations

Opposer's First Notice of Reliance consists of TARR printouts from the U.S. Patent and Trademark Office for use-based registrations that evidence that third parties have commonly adopted and registered marks for real estate, financial and investment services in Class 36 as well as reservation/booking services in Classes 39 and 43.

Opposer's Third Notice of Reliance consists of TARR printouts from the U.S. Patent and Trademark Office for use-based registrations that evidence that third parties have commonly adopted and registered the same marks for real estate investment trust services in Class 36 as well as hotel services in Classes 42 and 43.

b. Notice of Reliance on Internet Materials

Opposer's Second Notice of Reliance consists of internet materials that provide background and context for events described in Mr. Hung's first declaration. The printouts also describe Opposer's marketing relationship with Discover the World and list awards that Opposer has won for its hotel services.

Opposer's Fourth Notice of Reliance consists of internet materials discussing real estate investment trusts and investment in real estate investment trusts.

c. Notice of Reliance on Applicant's Interrogatory Response

Opposer submitted a Notice of Reliance on Applicant's Response to Opposer's Interrogatory No. 11.

B. Applicant's Testimony and Evidence

1. Declaration of Ian C. Weissman

Applicant submitted a declaration of Mr. Weissman which allegedly details the nature of real estate investment trusts and Applicant's business. Mr. Weissman also provided his opinion about the opposition proceedings.

2. Declaration of Sean M. Dell'Orto

Applicant submitted a declaration of Mr. Dell'Orto which allegedly details the Applicant's marks and Applicant's services. Mr. Dell'Orto also provided his opinion about the opposition proceedings.

3. Declaration of Katherine Bastian Phillips

Attached to Ms. Phillips' Declaration are copies of Opposer's Responses and Objections to Applicant's First Set of Interrogatories, First Set of Requests for Admissions, First Set of Requests for Production, Second Set of Interrogatories, and Second Set of Requests for Production.

4. Applicant's Notices of Reliance

a. Notice of Reliance on PARK-formative marks

Applicant's First Notice of Reliance consists of printouts from the U.S. Patent and Trademark Office allegedly for registrations and applications filed by third parties for PARK-formative marks for the same, similar or related services as those in the opposed application and as those offered by Opposer. The Notice of Reliance also includes printouts from the WIPO Global Brand Database.

In addition, this Notice of Reliance includes printouts from the U.S. Patent and Trademark Office allegedly to show that separate, unrelated entities have applied for and registered the same or similar mark for the same, similar or related services as those in the opposed application and those offered by Opposer.

b. Notice of Reliance on Newspapers and Internet Materials

Applicant's Second Notice of Reliance includes newspaper articles and Internet printouts allegedly to show that PARK-formative marks are commonly adopted and allegedly used in connection with the same, similar or related services to those services listed in Opposer's applications.

This Notice of Reliance also includes Internet printouts that allegedly show that the same, similar, or related services to those covered in the parties' applications are often offered under similar marks by separate, unrelated entities.

c. Notice of Reliance on Information about Opposer and Applicant

Applicant's Third Notice of Reliance is a collection of information:

- File wrappers for Applicant's and Opposer's applications that are opposed and asserted, respectively, in this proceeding;

- Internet printouts allegedly evidencing information about Applicant's channels of trade, marketing and customers; and
- Materials allegedly evidencing Opposer's channels of trade, marketing and customers.

IV. ARGUMENT

A. PARK HOTELS & RESORTS Is Confusingly Similar To PARK HOTEL

There is no question that Opposer has priority of use of the mark PARK HOTEL. For many years, Opposer has advertised and promoted its Park Hotel properties in the United States and offered booking services to U.S. customers directly or through travel agents. These activities predate any date upon which Applicant can rely. See Applicant's Third Notice of Reliance, Exhibit 131, page 66 of 190; Hung Dec.; Phillips Dec., Rsp. to Int. Nos. 5 and 6, Rsp. to Ad. Nos. 2, 18-19; Opposer's Second Notice of Reliance, printouts from *discovertheworld.com*.

The sole issue for the Board is whether Opposer's PARK HOTEL mark for booking and reservation services is confusingly similar to Applicant's PARK HOTELS & RESORTS mark for investment services, including real estate trust services.

The thirteen factor test used by the Trademark Trial and Appeal Board to determine likelihood of confusion as mandated by the Federal Circuit clearly weighs heavily in favor of Opposer. *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 U.S.P.Q. 563, 567 (C.C.P.A. 1973). It is recognized that not all of the *du Pont* factors may be relevant or of equal weight in a particular case. *See In re Dixie Rests., Inc.*, 105 F.3d 1405, 1406-1407, 41 U.S.P.Q.2d 1531, 1533 (Fed. Cir. 1997). Moreover, the fundamental inquiry in a likelihood of confusion determination is “the cumulative effect of the differences in the essential characteristics of the

goods and the differences in the marks.” *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 1103, 192 U.S.P.Q.2d 24, 29 (C.C.P.A. 1976).

Opposer addresses the relevant factors below.

B. The du Pont Factors Overwhelmingly Favor Park Hotel

1. PARK HOTELS and PARK HOTELS & RESORT Are Practically Identical

The similarity of two marks, for purposes of assessing likelihood of confusion, is determined by considering the marks’ appearance, sound and meaning. *See du Pont* at 1361, 567. When considering this factor, the Board has found that the relevant inquiry is not a side-by-side comparison "but rather whether the marks are sufficiently similar in terms of their overall commercial impression that confusion as to the source of the goods and/or services offered under the respective marks is likely to result." *Motion Picture Ass'n of Am. Inc. v. Respect Sportswear Inc.*, 83 U.S.P.Q.2d 1555, 1556 (T.T.A.B. 2007). The Board has also noted that if the services are offered to the general public, the "focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks." *Id.* (citations omitted). Furthermore, even if the marks at issue are not identical, "one feature of a mark may be more significant than another, and it is not improper to give more weight to this dominant feature in determining the commercial impression created by the mark." *Id.* (citations omitted).

All of these principles apply here.

The parties' marks are essentially identical: PARK HOTEL and PARK HOTELS & RESORTS. The addition of "& RESORTS" does not change the overall appearance, sound and commercial impression created by Applicant's mark. HOTEL and "HOTELS & RESORTS" are disclaimed in the parties' respective trademark applications. PARK is admittedly the strong part of both parties' marks.

There is simply no question that the parties' respective marks are essentially identical in sound, appearance and connotation.

2. The Parties' Services Are Highly Related

Both parties are in the hotel ownership business; the parties' services are highly related.

In a situation such as this, where the marks are practically identical, the Board provides the following guidance to determine the relatedness of goods/services:

In determining the similarity or dissimilarity of the goods, we note that the more similar the marks at issue, the less similar the goods or services need to be for the Board to find a likelihood of confusion. *In re Shell Oil Co.*, 26 USPQ2d Serial No. 77399654 at 1688-1689 (Fed. Cir. 1993); *In re Opus One Inc.*, 60 USPQ2d 1812 (T.T.A.B. 2001). When the marks are substantially identical, as they are here, it is only necessary that there be a viable relationship between the goods or services to support a finding of likelihood of confusion. *In re Concordia Int'l Forwarding Corp.*, 222 USPQ 355, 356 (T.T.A.B. 1983). In any event, the goods and/or services need not be identical or even competitive in order to support a finding of likelihood of confusion. Rather, it is enough that the goods and/or services are related in some manner or that some circumstances surrounding their marketing are such that they would be likely to be seen by the same persons under circumstances which could give rise, because of the marks used or intended to be used therewith, to a mistaken belief that they originate from or are in some way associated with the same producer or that there is an association between the producers of each of the parties' goods and/or services. *In re Melville Corp.*, 18 USPQ2d 1386 (T.T.A.B. 1991).

In re Iolo Tech., LLC, 95 U.S.P.Q.2d 1498, 1499 (T.T.A.B. 2010).

It is also important to remember that the issue is not whether the parties' services will be confused with one another; the issue is whether the public will be confused by their source. *See Safety-Kleen Corp. v. Dresser Indus. Inc.*, 518 F.2d 1399, 186 U.S.P.Q.2d 476, 480 (C.C.P.A. 1975).

As seen from the testimony evidence, Opposer operates a portfolio of hotels across a number of continents. Among the services Opposer offers in the United States are hotel reservation services or hotel booking services. In addition, Opposer has entered into agreements with travel agents located in the United States who are given preferential reservation/booking rates. Further, Opposer's U.S. representative attends travel agency trade shows to promote the Park Hotel portfolio. Hung Dec., ¶¶3, 7, 10 -12, Exs. 3, 6-10.

Importantly, Opposer has an interest in opening hotels in the United States. Its two pending trademark applications, nos. 87291807 and 87291829, list services in Classes 35 and 43, including "business management" and "hotel services". Opposer has a bona fide intent to use its PARK HOTEL Marks in connection with these services. Moreover, over the past four decades, Opposer has expanded its operations from one hotel in Hong Kong to sixteen hotels across four continents. This expansion coupled with Opposer's intent to use portion of its pending U.S. trademark applications clearly evidences Opposer's intent to expand its hotel offerings to include properties in the United States. See Hung Dec., ¶3.

The services listed in Opposed Application are "Investment services, namely, asset acquisition, consultation, development and management services; Real estate investment trust services". Applicant's testimony evidence clarifies the exact nature of its services:

We are a leading lodging real estate company with a diverse portfolio of market-leading hotels and resorts with significant underlying real estate value. Our portfolio consists of 67 premium-branded hotels and resorts with over 35,000 rooms located in prime United States ("U.S.") and international markets with high barriers to entry.

Weismann Dec., Ex. 2, p. PK_000008. In 2016, Applicant was spun off from Hilton Worldwide Holdings Inc. (hereafter "Hilton"), a hotel company. Applicant's business and growth strategies include maximizing hotel profitability and diversification. Id.

As the owner of a portfolio of hotels and resorts, Applicant is actively engaged in the management of its properties. Applicant directly manages four of its hotel properties. Opposer's Fifth Notice of Reliance. Through its management agreements with Hilton affiliates, Applicant maintains management over some aspects of hotel operations, including approval rights to enter into long-term and high value contracts, operating budget approval, certain capital expenditure approvals, and the right to hire certain management personnel. Id. at PK_000000011.

Applicant also is a franchisee of certain hotel properties that are defined as Select Hotels in Applicant's SEC filings. Under the terms of that franchise agreement, Applicant uses the hotels' brand names in the operation of the these hotels. Applicant describes the franchise agreement as:

The franchisor also may provide us with a variety of services and benefits, *including centralized reservation systems*, participation in customer loyalty programs, national advertising, marketing programs and publicity designed to increase brand awareness, as well as training of personnel. In return, we are required to operate franchised hotels consistent with the applicable brand standards. The franchise agreements specify operational, record-keeping, accounting, reporting and marketing standards and procedures with which we must comply, and will promote consistency across the brand by outlining standards for guest services, products, signage and furniture, fixtures and equipment, among other things. To monitor our compliance, the franchise agreements specify that we must make the hotel available for quality inspections by the franchisor. Currently, all of our franchise agreements are with Hilton.

...

Our franchise agreements require that we pay a royalty fee on gross rooms revenue at rates ranging from 5% to 6%, plus 3% of food and beverage revenue where applicable. We must also pay certain marketing, reservation, program and other customary fees. In addition, the franchisor will have the right to require that we renovate guest rooms and public facilities from time to time to comply with then-current brand standards.

Id. at PK_000000012 (emphasis added).

Moreover, Applicant and Opposer are competitors. In its Annual Report to the Security and Exchange Commission, Applicant admits that Opposer is a competitor:

Our principal competitors include *hotel operating companies*, ownership companies (including other lodging REITs) *and national and international hotel brands*. We face increased competition from providers of less expensive accommodations, such as select-service hotels or independently managed hotels, during periods of economic downturn when leisure and business travelers become more sensitive to room rates. We face competition for the acquisition of hotels from other REITs, private equity investors, institutional pension funds, sovereign wealth funds and numerous local, regional and national owners, including franchisors, in each of our markets.

Weismann Dec., Ex. 2, p. PK_000000019 (emphasis added).

Applicant submitted Internet materials to allegedly show that unrelated third parties offer hotel services and financial services under the same or similar mark. However, the overwhelming majority of the printouts are for companies that allegedly provide financial services in the nature of wealth management and the like, not real estate investment trust services. Some of the printouts fail to explain what services, if any, are actually offered or provided. See for example Exhibits 62, 63 and 87. Most importantly, only two of the exhibits in this Notice of Reliance are for a hotel real estate investment trust. Applicant's Second Notice of Reliance.

Exhibits 122 and 123 of Applicant's Second Notice of Reliance are for Starwood Property Trust and Starwood Capital Group, respectively. Starwood Capital Group is the owner of the federally registered mark STARWOOD for hotel services, hotel reservation services and real estate investment services. See Opposer's Third Notice of Reliance and TARR information for U.S. Trademark Registration Nos. 2181927 and 2891495. As explained in replacement Exhibit 122 to Applicant's Second Notice of Reliance, Starwood Property Trust is an affiliate of Starwood Capital Group. Today, Starwood Property Trust is the largest commercial mortgage

real estate investment trust in the United States and works in conjunction with Starwood Capital Group, the owner of the STARWOOD mark for hotel services and real estate investment trust services.

Accordingly, Applicant's Second Notice of Reliance actually evidences that there is one entity that offers hotel services and hotel real estate investment trust services and that entity is actually affiliated with the only other real estate trust investment services party of record. These parties are related Starwood entities which use the STARWOOD mark. This use, and the ownership of the STARWOOD mark for hotel services, booking services and real estate investment trust services, evidences that the parties' here offer highly related services.

In short, Applicant's testimony materials evidence that Applicant, like Opposer, owns and manages hotel properties. The investment management services and real estate investment trust services listed in the Opposed Application are simply more narrowly defined services within the umbrella of hotel ownership and management.¹ There is no question that the services Opposer currently offers in the United States - hotel booking and reservation services - and Applicant's real estate investment trust services are highly related. Applicant's Annual Report specifically notes that international hotel brands are competitors.

In the unlikely event the Board finds the parties' services are unrelated, the Board must find that Opposer's zone of natural expansion of its services includes offering real estate investment trust services similar to those listed in the Opposed Application.

¹ Tom Baltimore has been described as the new "hotel king" in his position as Applicant's CEO. Dell-Ortho Dec., Ex. 5, PK_00007109. Clearly, the public views Applicant as a hotel company.

To determine what business may be a natural expansion for one party, the Board employs a four-factor test:

Among the factors to be considered in determining whether an expansion, either actual or potential, is natural are: (1) whether the second area of business (that is, the subsequent user's area of business, into which the first user has or potentially may expand) is a distinct departure from the first area of business (of the prior user), thereby requiring a new technology or know-how, or whether it is merely an extension of the technology involved in the first area of business; (2) the nature and purpose of the goods or services in each area; (3) whether the channels of trade and classes of customers for the two areas of business are the same, so that the goodwill established by the prior user in its first area of business would carry over into the second area; and (4) whether other companies have expanded from one area to the other. *See: Central Soya Co., Inc. v. North American Plant Breeders*, 212 USPQ 37 (T.T.A.B. 1981), and *Porta-Tool, Inc. v. DND Corp.*, 196 USPQ 643 (T.T.A.B. 1977). Finally, the determination of whether an expansion is or would be natural must be made on the basis of the circumstances prevailing at the time when the subsequent user first began to do business under its mark, i.e., what was "natural" in the relevant trade at that time. *See: Viking Boat Co., Inc. v. Viking Camper Supply, Inc.*, 191 USPQ 297 (T.T.A.B. 1976).

Mason Eng'g and Design Corp. v. Mateson Chem. Corp., 225 U.S.P.Q. 956, 962 (T.T.A.B. 1985). Expanding to offer investment services in the form of a hotel real estate investment trust is within Applicant's natural zone of expansion.

First, offering hotel real estate investment trust services is not a distinct departure from Opposer's current services: offering hotel and booking services for its hotels. Opposer has made of record status information for third party use-based registrations to evidence that third parties have adopted and registered marks for real estate, financial and investment services in Class 36 as well as reservation/booking services in Classes 39 and 43. Opposer's First Notice of Reliance.

Second, the parties' services are intricately related: reserving rooms in a hotel ensures hotel profits which benefits investors/owners of hotel properties. In its SEC filing, Applicant

touts its access to its franchisor's centralized hotel reservation system. Further, Applicant admits that Internet reservation channels impact its business:

The growth of internet reservation channels could adversely affect our business and profitability.

A significant percentage of hotel rooms for individual guests are booked through internet travel intermediaries. Search engines and peer-to-peer inventory sources also provide online travel services that compete with our hotels. If bookings shift to higher cost distribution channels, including internet travel intermediaries and meeting procurement firms, it could materially impact our profits. Additionally, as intermediary bookings increase, these intermediaries may be able to obtain higher commissions, reduced room rates or other significant contract concessions from our brands and management companies. Moreover, hospitality intermediaries generally employ aggressive marketing strategies, including expending significant resources for online and television advertising campaigns to drive consumers to their websites. As a result, consumers may develop brand loyalties to the intermediaries' offered brands, websites and reservations systems rather than to the Hilton or other brands of hotels we own in the future. If this happens, our business and profitability may be adversely affected. Internet travel intermediaries also have recently been subject to regulatory scrutiny, particularly in Europe. The outcome of this regulatory activity may affect the ability of Hilton and other brand managers to compete for direct bookings through their own internet channels, which could have an adverse impact on occupancy at our hotels in Europe.

In addition, although internet travel intermediaries have traditionally competed to attract individual consumers or "transient" business rather than group and convention business, in recent years they have expanded their business to include marketing to large group and convention business. If that growth continues, it could both divert group and convention business away from our hotels and also increase our cost of sales for group and convention business. Consolidation of internet travel intermediaries, and the entry of major internet companies into the internet travel bookings business, also could divert bookings away from Hilton or other brand manager websites and increase our cost of sales.

As to the third factor listed in *Mason*, third parties actually offer hotel services and real estate investment trust services under the same mark. See Opposer's Third Notice of Reliance.

Last, Applicant was created as a spin-off company by a hotel company, Hilton. Opposer is a hotel company. Like Hilton, Opposer could create a hotel real estate investment trust into which Opposer transfers its hotel portfolio. The parties' services are related. Importantly, other hotel property owners offer hotel real estate investment trust services and hotel booking/accommodation services under one brand/mark, for example MGM and Starwood. See Opposer's Third Notice of Reliance.

Without a doubt, the parties' services are highly related.

3. The Parties' Channels of Trade and Purchasers Overlap

Both parties' offer their respective services to the general public and advertise these services through identical channels of trade.

As an initial point, there are no limitations on the channels of trade or purchasers in the Opposed Application. All normal channels of trade are therefore considered. See *Schieffelin & Co. v. Molson Cos. Ltd.*, 9 U.S.P.Q.2d 2069, 2073 (T.T.A.B. 1989) (“[M]oreover, since there are no restrictions with respect to channels of trade in either applicant’s application or opposer’s registrations, we must assume that the respective products travel in all normal channels of trade for those alcoholic beverages”); *Morton-Norwich Prods., Inc. v. N. Siperstein, Inc.*, 222 U.S.P.Q. 735, 736 (T.T.A.B. 1984) (“Since there is no limitation in applicant’s identification of goods, we must presume that applicant’s paints move in all channels of trade that would be normal for such goods, and that the goods would be purchased by all potential customers”);

The Internal Revenue Service provides information about what real estate investment trust are and who can invest in these vehicles:

Real estate investment trusts (“REITs”) allow *individuals* to invest in large-scale, income-producing real estate. A REIT is a company that owns and typically operates income-producing real estate or related assets. These may include office buildings, shopping malls, apartments, hotels, resorts, self-storage facilities, warehouses, and mortgages or loans. Unlike other real estate companies, a REIT does not develop real estate properties to resell them. Instead, a REIT buys and develops properties primarily to operate them as part of its own investment portfolio.

...

REITs provide a way for *individual investors* to earn a share of the income produced through commercial real estate ownership – without actually having to go out and buy commercial real estate.

Opposer's Fourth Notice of Reliance, printouts from *investor.gov* (emphasis added). There is no bar to members of the general public purchasing shares of Applicant's real estate investment trusts.

Applicant attempts in its testimony to limit its customers to "large, sophisticated, institutional investors". However, as seen above, real estate investment trusts are offered to the general public, and in fact, Applicant has individual investors who own shares of its stock. Weissman Dec. ¶12.

Similarly, Opposer offers its booking and reservation services to the general public. Opposer maintains its website for bookings and reservations, and anyone may access that site to book or reserve a hotel room.

Further, both parties advertise in magazines: Opposer in the form of advertisements and Applicant through articles. One magazine in which Opposer advertises is *Forbes* magazine. Although there is no evidence of record indicating that Applicant advertises in *Forbes* magazine, the evidence shows that Applicant advertises through articles in similar publications. These

publications include *Washington Business Journal*, *The Darden Report* and *Hotels Mag.* Weissman Dec. ¶15; Dell'Ortho Dec. ¶15, Ex. 7, PK_00007116-7129; Applicant's Third Notice of Reliance, Ex. 134-135.

Moreover, Applicant is likely to advertise in *Forbes* which is of course a well-regarded business magazine. See *Berry v. Valence Tech., Inc.*, 175 F.3d 699, 701 (9th Cir. 1999) ("... the March issue of *Forbes* magazine published an article about Valence entitled 'Story Stock.' Although press coverage of Valence had been quite positive up until then, the *Forbes* article was more skeptical. The headline of the article asked: 'What levitates technology companies on Wall Street? Look at the case of Valence Technology and the curious merry-go-round of insiders, underwriters and journalists that keeps its stock spinning.' The article claimed that while 'the folks at Valence can put on a good show' in demonstrating prototypes of their battery, the investment community remained largely ignorant to 'what is really energizing this stock.'"); *Lilly v. State Teachers Ret. Sys. of Ohio Pension Fund*, 608 F.2d 55, 59-60, n. 6, (2d Cir. 1979) ("Thus, in the *Forbes Magazine* article, referred to in footnote 10 below, results of a survey of industry practices were set forth in which only 11% Of the 84 REITs queried reported that they calculated the appropriate loss reserve on the basis of known losses. 41% Based the calculation of the appropriate loss reserves on a percentage of net income. 24% Were reported to have used a percentage of the investment portfolio"); *OBH, Inc. v. U.S.*, 397 F. Supp.2d 1148, 1152 (D. Neb. 2005) ("Mr. Powell believed, based on an article in *Forbes Magazine*, that Berkshire may have been reaping tax benefits by debt-financing its purchases of dividend-paying stocks.").

PARK HOTEL and PARK HOTEL & RESORTS are likely to be encountered by the same customers in the same channels of trade. The parties' channels of trade through which they advertise their services overlap as do their consumers.

This factor overwhelming favors Opposer.

4. Lack of Evidence of Third Party Use of PARK HOTEL

In an attempt to establish that there are other PARK HOTEL marks and that Opposer's mark is weak, Applicant submitted notices of reliance on USPTO printouts for third party applications and registrations, and for third-party web pages. Applicant's First and Second Notices of Reliance.

Turning to the USPTO records for the third party registrations and applications, Applicant's First Notice of Reliance includes printouts of registration certificates, application filing information, and office actions. There is no evidence that any of these records are currently live or dead. Many of the records are for non-use-based filings. Moreover, none of those records are for PARK HOTEL.

These registrations and applications do not evidence that any of these marks are in use let alone the extent of any use. The registrations and applications do not evidence how consumers view the Park Hotel Marks. *Lebanon Seaboard Corp. v. R&R Turf Supply Inc.*, 101 U.S.P.Q.2d 1826, 1832 (T.T.A.B. 2012) ("registrations are not proof of use of the marks shown therein.") *In re Albert Trostel & Sons Co.*, 29 U.S.P.Q.2d 1783, 1785 (T.T.A.B. 1993) ("third-party registrations are not evidence that the marks shown therein are in commercial use, or that the public is familiar with them"). Nor do the third-party registrations show that opposer's mark is weak").

As to the Internet materials attached to Applicant's Second Notice of Reliance, none of the Internet materials show alleged use of a mark as similar as PARK HOTELS & RESORTS is to PARK HOTEL. The marks here are simply almost identical.

These materials do not evidence that the Park Hotel Marks are weak.

5. Actual Confusion

There is no evidence of actual confusion of record.

The statutory test is likelihood of confusion, 15 U.S.C. §1052(d), not actual confusion.

As the Federal Court of Appeals has stated:

Before this court, the test is likelihood of confusion, not actual confusion. *Wella Corp. v. California Concept Corp.*, 558 F.2d 1019, 1023, 194 U.S.P.Q. 419, 423 (C.C.P.A. 1977); and *Application of Bissett-Berman Corp.*, 476 F.2d 640, 642, 177 U.S.P.Q. 528, 529-30 (C.C.P.A. 1973). It is unnecessary to show actual confusion in establishing likelihood of confusion. *Giant Food, Inc.*, 710 F.2d at 1571, 218 U.S.P.Q. at 396.

Weiss Assos. Inc. v. HRL Assos. Inc., 14 U.S.P.Q.2d 1840, 1842-1843 (Fed Cir. 1990).

Moreover, the absence of actual confusion cannot outweigh the other factors showing that confusion is likely.

This factor is neutral.

V. CONCLUSION

There is no dispute that the *du Pont* factors favor Opposer. The parties' marks are practically identical and the parties' services are highly related. Confusion is inevitable. The Board must deny registration to Applicant.

Respectfully submitted,

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Date: April 15, 2019

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **BRIEF OF OPPOSER** has been served via email on this 15th day of April 2019 to defendant's attorney of record:

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