Paper No. 43
Bottorff

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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Philthy McNasty's Sports Tap & Grill, Inc.
v.
Filthy McNasty

Cancellation No. 25,538

James W. Creenan of Wayman, Irvin & McCauley for Philthy McNasty's Sports Tap & Grill, Inc.

Louis J. Bovasso of Oppenheimer Wolff & Donnelly LLP for Filthy McNasty.

Before Cissel, Bottorff and Drost, Administrative Trademark Judges.

Opinion by Bottorff, Administrative Trademark Judge:

In this cancellation proceeding, petitioner seeks cancellation of respondent's registration of the mark FILTHY McNASTY'S, for "cabaret services,"[1] on the ground of abandonment.

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[1] Registration No. 1,166,829, issued August 25, 1981 based on registrant's allegation of use in commerce since September 1971. The mark is registered in typed form, and the registration includes a statement that "'Filthy McNasty' is the name of a

Specifically, in its petition to cancel filed on September 25, 1996, petitioner alleged that it is a Canadian corporation located in Oakville, Ontario, Canada; that it has filed intent-to-use applications to register the marks PHILTHY MCNASTY'S and PHILTHY MCNASTY'S SPORTS TAP & GRAND SLAM GRILL, both for "restaurant and sports bar services,"[2] that respondent's registration has been cited against both applications as a bar to registration under Trademark Act Section 2(d), and that "Petitioner has conducted a diligent search, and has discovered that Registrant is no longer conducting any business using the mark. Petitioner has not been able to locate any usage of the mark and believes it to have been abandoned."

Respondent filed an answer to the petition to cancel by which it denied the allegations thereof which are essential to petitioner's claim for relief.

The evidence of record in this case consists of the pleadings, the file of respondent's involved registration, the April 30, 2001 testimony deposition of respondent conducted by petitioner, and exhibits thereto; the June 21, 2001 testimony deposition of respondent conducted by respondent, and exhibits thereto; and respondent's notice of

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living individual whose consent is of record." §8 affidavit (10 year) accepted; §9 renewal (10 year) granted.

[2] Respectively, application Serial Nos. 75/002,202 and 75/002,212, both filed October 6, 1995.

reliance on certain third-party registrations.[3] The case has been fully briefed. Petitioner initially requested an oral hearing, but subsequently withdrew that request, and no oral hearing was held.

The following facts are established by the record. Respondent, whose name was legally changed to Filthy McNasty in 1974, is a musician and entertainer and something of a celebrity in the Los Angeles, California nightclub scene. In 1969, he opened a nightclub on the Sunset Strip in Hollywood, California called "Filthy McNasty's" (the Hollywood club). In 1976, he opened a second nightclub on Victory Boulevard in North Hollywood, California, also called "Filthy McNasty's" (the North Hollywood club).[4] He owned and operated the Hollywood club until 1981, when he closed it in order to focus his time and energy on the North Hollywood club. He owned and operated the North Hollywood club until late 1997.

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[3] In brief, these registrations cover the following marks and services: ALL-STAR GAME for entertainment services in the nature of baseball games; KENTUCKY DERBY for services relating to horse racing; STANLEY CUP for annual series of professional ice hockey championship contests; SUPER BOWL for entertainment services in the nature of football exhibitions; and WORLD SERIES for entertainment services in the nature of baseball games. These registrations were offered by respondent in support of his contention that use of a service mark in connection with a once-a-year event can be valid service mark use. See discussion *infra*.

[4] It appears from Mr. McNasty's second testimony deposition that he also owned and operated another, earlier nightclub in North Hollywood from 1967 to 1970. However, it is not apparent from

At both "Filthy McNasty's" locations, respondent offered his patrons full service food and beverage menus, live music and dancing (mostly rock'n'roll), and other forms of live entertainment "floor shows." Over the years, such floor shows included dance contests, comedy acts, female boxing and mud wrestling competitions, "beach parties," costume contests, "dating games," and other types of live entertainment. Respondent served as the "master of ceremonies" for these nightly entertainments, and also performed as a musician. He also performed the usual duties of a restaurant/nightclub operator, such as overseeing the food and beverage operations (including food and drink specials keyed to the theme of the evening's entertainment), and booking and advertising the bands and other live entertainment featured at the clubs, etc.

The evidence shows that respondent's "Filthy McNasty's" nightclubs, and respondent himself, were quite popular and well-known throughout the 1970's, 1980's and 1990's, both among celebrities in the rock'n'roll and entertainment industries who either attended or performed at the clubs, and among the general club-going public in the Los Angeles area and beyond.

At some point during the 1990's, respondent also began using "F.M. Station Live" to refer to his North Hollywood

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the record that this earlier nightclub was called "Filthy

club. "F.M." was a reference to Mr. McNasty's initials. This second name was used intermittently rather than in a formalized manner as the name of the club, and it usually was used in conjunction with the "Filthy McNasty's" name and mark. The "Filthy McNasty's" name was used in connection with respondent's clubs throughout their existence.

Respondent closed his North Hollywood location in late 1997 (having already closed the Hollywood location in 1981, as noted above), and has not operated another nightclub since that time. It is unclear from the record exactly why respondent closed this last location. In his April 30, 2001 deposition, he stated that the club had lost its lease when the landlord of the North Hollywood location died. In his June 21, 2001 deposition, he stated that he sold the business to another entity, which then converted the space into a restaurant called "Salon Corona." There appears to have been some sort of an escrow process involved in the closing of respondent's club and the opening of Salon Corona in late 1997 and early 1998, which suggests that a sale of the business in fact was involved. In any event, respondent closed the North Hollywood "Filthy McNasty's" nightclub at some point in late 1997, and that location subsequently

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McNasty's."

reopened under new ownership as Salon Corona sometime in early 1998.[5]

[5] Petitioner argues that respondent's testimony is vague and contradictory with respect to the circumstances surrounding the closing of the North Hollywood club in late 1997 or early 1998, to the detriment of respondent's overall credibility as a witness. Petitioner also argues that respondent failed to provide petitioner with documentation pertaining to the closing of the nightclub in 1997, in violation both of respondent's obligation under the rules to supplement its discovery responses and of its "informal agreement to provide such documents subject to the issuance of a protective order," and that petitioner therefore is entitled to an "adverse inference" that such documents, if they had been produced, would undermine respondent's "conclusory assertions concerning dates and facts relevant to his abandonment of the mark." We disagree.

First, although respondent's testimony concerning the circumstances of the closing of the North Hollywood club in 1997 is somewhat unclear, we do not view it as necessarily being contradictory. His sale of the business, as described in his June 21, 2001 deposition, is not necessarily inconsistent with his statement in his April 21, 2001 deposition that he closed the North Hollywood location because he had lost his lease on the location when the landlord died. Second, there is no basis in the record of the procedural history of this case to support petitioner's contentions regarding respondent's obligation to provide documents to petitioner concerning the circumstances surrounding the closing of the North Hollywood nightclub in late 1997. The terms, and even the existence, of such "informal agreements" are not apparent from the record, nor can we determine that respondent failed to adequately supplement its discovery responses to provide such documents. There is no evidence that any of petitioner's discovery requests covered these documents or this information; petitioner certainly never filed a motion to compel discovery or sought other relief from the Board with respect thereto. If respondent's production of these documents was contingent upon such a protective order, as is stated by petitioner, that contingency does not appear to have been fulfilled because no protective order has ever been filed or entered in this case.

In any event, as discussed below, our abandonment analysis in this case is based on the assumption, most favorable to petitioner, that respondent ceased operation of the North Hollywood nightclub under the Filthy McNasty's name in late 1997. Therefore, any uncertainty in the record as to the nature or extent of respondent's use of the mark or continued involvement with the new restaurant during the escrow transition period in early 1998 is immaterial to our decision.

Since the closing of the North Hollywood location in 1997, respondent has not opened or operated another "Filthy McNasty's" nightclub, nor has he licensed anyone else to do so. Respondent testified that he has explored opening a new "Filthy McNasty's" nightclub and is not opposed to doing so, but only if the conditions are right. "Hey, for the right place, right amount of money, right situation, sure, I would love to, but it has to be the right thing…I didn't want to jump into just anything." (6/21/02 depo. at 61-62.) He declined several offers and opportunities to open a new club during 1998.

On October 30, 1999, respondent presented an Oktoberfest and Halloween costume party event at Salon Corona, the site of his old club. The party featured live bands (including a German beer garden-type band), best-costume contests, and food and drink specials appropriate to the theme of the evening. Respondent booked the entertainment, prepared advertising for the event, conceived the food and drink menu, and was the master of ceremonies for the evening's entertainment, as well as a featured musical performer. An advertisement for the event appeared in the September 27, 1999 issue of Music Connection Magazine, a national trade magazine to which musicians and others in the music industry subscribe, but which also is available to and read by members of the general public who

are interested in musicians and in the music industry. The advertisement prominently featured the "Filthy McNasty's" logo respondent had used in connection with his nightclubs. This advertisement also was reprinted in the form of flyers which were distributed and displayed at Salon Corona prior to the date of the event.

On December 30, 2000, respondent presented another event, a "Reunion Party," at Salon Corona, the site of his old club. The event featured live bands, as well as full food and beverage service. Once again, respondent organized all aspects of the event, served as the master of ceremonies for the evening's entertainment, and also was a featured musical performer. An advertisement which prominently displayed the "Filthy McNasty's" logo appeared in Music Connection magazine and was also reprinted as flyers which were distributed prior to the event. Appearing on the building's billboard-sized marquee was the legend "F.M. REUNION PARTY 2000. WELCOME BACK. FILTHY MCNASTY'S ALL STAR BAND."

Respondent was unable to say how many people attended the 1999 Oktoberfest Party or the 2000 Reunion Party, because the events were open to the public and it was Salon Corona, not he, that was responsible for allowing entrance to the premises. He testified that the 1999 Oktoberfest party was "jammed," and that, as discussed below, the owners

of Salon Corona were sufficiently satisfied with the attendance at the 2000 Reunion Party that they have agreed to it's becoming an annual event. He also testified, however, that both events were promoted as benefits for a charity aiding the homeless, but that after paying for the food and beverages and paying all of the bands, there was no money left over for donation to the charity.

In his June 21, 2001 deposition, respondent testified that, due to the success of the 2000 Reunion Party, he and the owners of Salon Corona have agreed to make respondent's reunion party an annual event at Salon Corona. He testified that the 2001 event was scheduled to occur on December 19, 2001, and would have the same general format as the 2000 party. There is nothing in the record to indicate that the event did not occur on that date. Respondent also testified that he and the owners of Salon Corona have agreed that, beginning in 2002, respondent would present a monthly production of "The Filthy McNasty Club" at Salon Corona, at which respondent will perform, and for which respondent will select the menu and select and book the live entertainment. There is nothing in the record which suggests that these monthly productions have not occurred.

Additionally, the Board takes judicial notice[6] that Webster's Third New International Dictionary of the English Language (Unabridged) (1993), at 309, defines "cabaret," in relevant part, as follows: "*n.* … **3 :** a restaurant serving liquor and providing entertainment, usu. singing or dancing **4 :** the floor show at a cabaret." The Board also takes judicial notice that The Random House Dictionary of the English Language (Unabridged) (Second Edition 1983), at 289, defines "cabaret," in relevant part, as follows:

> *n.* **1.** a restaurant providing food, drink, music, a dance floor, and often a floor show. **2.** a café that serves food and drink and offers entertainment often of an improvisatory, satirical, and topical nature. **3.** a floor show consisting of such entertainment: *The cover charge includes dinner and a cabaret.* **4.** a form of theatrical entertainment, consisting mainly of political satire in the form of skits, songs, and improvisations: *an actress whose credits include cabaret, TV, and dinner theater.*

Trademark Act Section 14(3) provides for cancellation of a registration at any time if the registered mark has been abandoned by the registrant. Trademark Act Section 45 provides, in relevant part, as follows:

> *Abandonment of mark*. A mark shall be deemed to be "abandoned" when …

[6] The Board may take judicial notice of dictionary definitions. *See, e.g., University of Notre Dame du Lac v. J. C. Gourmet Food Imports Co.,* 213 USPQ 594 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983); see also TBMP §712.01.

> Its use has been discontinued with intent not to resume such use. Intent not to resume use may be inferred from circumstances. Nonuse for three consecutive years shall be prima facie evidence of abandonment. "Use" of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

The cancellation petitioner bears the burden of proving abandonment, and must do so by a preponderance of the evidence. *Cerveceria Centroamericana, SA v. Cerveceria India, Inc.,* 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989). The petitioner may prove its case either by directly establishing that respondent has discontinued use of the mark with no intent to resume use, or by establishing the statutory prima facie case of abandonment which arises from evidence of respondent's nonuse of the mark for three consecutive years. If petitioner establishes the statutory prima facie case of abandonment, the burden of production (but not the ultimate burden of proof or risk of nonpersuasion) shifts to the respondent to come forward with evidence rebutting that prima facie case, either by disproving the underlying fact from which the presumption arises, i.e., three consecutive years of nonuse, or the presumed fact itself, i.e., no intent to resume use. *Id*.

In this case, petitioner argues that respondent ceased use of the FILTHY McNASTY'S mark in late 1997 when he closed the North Hollywood nightclub bearing that name, that

respondent has not made bona fide use of the mark in the ordinary course of trade in the more than three years following the closing of the nightclub, that petitioner therefore has established a prima facie case of abandonment, and that respondent has failed to rebut that prima facie case.

More specifically, petitioner argues that the mark FILTHY McNASTY'S is in the possessive case, and that it necessarily connotes the name of a business establishment; use by respondent of his legal name "Filthy McNasty" to identify himself individually as a performer does not qualify as use of the registered mark FILTHY McNASTY'S in connection with cabaret services. Petitioner argues that, in this case, "bona fide use" of the mark "in the ordinary course of trade," as required by the statute, must be defined as use of the type made by respondent in the 1970's, 1980's and 1990's, i.e., respondent's "historical use" of the mark as the name of an ongoing nightclub establishment providing nightly entertainment services "in the Hollywood, California nightclub scene." According to petitioner, because opposer has not owned or operated an ongoing nightclub establishment named "Filthy McNasty's" since he closed his North Hollywood club in late 1997, nor licensed use of the mark to another for use as the name of such a nightclub establishment, he has not made bona fide use of

the mark in the ordinary course of trade since late 1997, a period of over three consecutive years.

Based on this premise as to what constitutes bona fide use of the mark in this case, i.e., use in "the ordinary course of trade in the Hollywood, California nightclub scene," petitioner also argues that respondent's post-1997 annual or otherwise "one-time" events, such as the 1999 Oktoberfest Party and the 2000 Reunion Party (which, according to petitioner, were not well-attended or financially successful), are so qualitatively and quantitatively different from respondent's "historical use" of the mark in connection with an ongoing night club providing daily musical entertainment that they cannot qualify as bona fide use of the mark in respondent's ordinary course of trade.

Petitioner thus contends that it has established its prima facie case of abandonment by proving respondent's nonuse of the mark by respondent for three consecutive years, and argues that the evidence pertaining to respondent's post-1997 activities does not rebut that prima facie case. According to petitioner, respondent's post-1997 activities are not evidence of bona fide use of the mark in the ordinary course of trade, nor evidence of excusable nonuse, nor evidence of any intent by respondent to resume use of the mark as the name of a nightclub in the reasonably

foreseeable future. Petitioner argues that respondent's post-1997 activities instead are merely respondent's attempts to reserve a right in his mark:

> The Act also provides that commercial use does not include activities "made merely to reserve a right in a mark." This statutory provision further admonishes Respondent's use of the Mark. Conspicuously, Respondent engaged in minimal and apparently cost-effective activities during the pendency of this cancellation proceeding. Had respondent used the mark in the ordinary course of trade, he would have opened another location, agreed to adorn the Mark on another club, or made other substantial efforts to remain a factor in Hollywood, California's nightlife. Petitioner views Respondent's post-Victory Boulevard closing as a transparent bid to create a perception of use where none exists.

(Petitioner's brief at 20.)

Respondent, in turn, argues that because the record does not show any direct abandonment of the mark by respondent, i.e., that respondent has affirmatively discontinued use with intent not to resume use, petitioner must establish that it is entitled to the statutory presumption of abandonment which would arise from respondent's nonuse of the mark for three consecutive years. Respondent contends that he has never ceased use of the mark in connection with cabaret services for three consecutive years, and that petitioner therefore has failed to establish a prima facie case of abandonment and its entitlement to relief in this proceeding.

Specifically, respondent argues that the services recited in his registration are cabaret services, not nightclub services. Therefore, respondent argues, petitioner is incorrect in arguing that the only possible bona fide use of respondent's mark is as the name of a nightclub establishment, and in arguing that respondent has abandoned the mark by failing to open a new nightclub establishment.

Respondent further argues that he in fact rendered cabaret services under the registered mark at the 1999 Oktoberfest and 2000 Reunion Party events held at Salon Corona, and that he will continue to render cabaret services under the mark at subsequent annual Reunion party events (beginning with the December 19, 2001 event). He argues that his use of the mark in connection with these annual events is valid service mark use, just as the use of such marks as World Series, Kentucky Derby, and Stanley Cup, *et al.*, in connection with once-a-year events[7] constitutes valid service mark use of those marks. He disputes petitioner's contention that the 1999 and 2000 events were not well-attended, but argues that, in any case, neither the levels of attendance at these events, nor their financial success or lack thereof, is material to the question of

[7] See *supra* at footnote 3.

whether these events constitute use of his mark in connection with cabaret services.

Finally, respondent argues that he will continue to use the mark in connection with cabaret services at his monthly appearances at Salon Corona (beginning in 2002), and that, indeed, respondent makes use of the registered mark whenever he uses his name in connection with his performances.

After careful consideration of all of the evidence in the record and of the parties' arguments, we find that petitioner has failed to carry its burden of proving abandonment. Specifically, we find that there is no evidence of direct abandonment by respondent, i.e., that respondent affirmatively has discontinued use of his mark with no intent to resume use. We further find that petitioner is not entitled to the statutory presumption of abandonment, because petitioner has failed to prove that respondent has ever ceased use of his mark in connection with "cabaret services" for three consecutive years.[8]

[8] We note initially that, when the petition to cancel was filed in September 1996, respondent's North Hollywood club was open and doing business under the registered FILTHY McNASTY'S mark. Thus, the primary factual premise underlying petitioner's abandonment claim, i.e., respondent's closing of the North Hollywood club in late 1997, did not occur until over a year after the filing of the petition to cancel. Indeed, it would have been impossible for petitioner to assert or rely upon the statutory presumption of abandonment (based on three consecutive years of nonuse) until late 2000, at the earliest. It thus appears that this case could have been resolved early on, had respondent filed a motion for summary judgment. However, no such motion was filed, and we accordingly have decided this case based on the record of the facts established as of the time of trial.

Respondent closed his North Hollywood FILTHY McNASTY'S nightclub in late 1997. He apparently did not use the FILTHY McNASTY'S mark during 1998 and most of 1999. However, respondent used the mark in October 1999 in connection with the Oktoberfest party and again in December 2000 in connection with the Reunion party. Both of these events took place at Salon Corona, the site of his old club. These facts are not in dispute. What is disputed is the legal effect of these 1999 and 2000 uses of the mark. Petitioner argues that respondent's October 1999 and December 2000 uses of the mark were not bona fide uses of the mark in the ordinary course of trade, and that they therefore do not constitute "use" of the mark during the relevant statutory three-year period for determining abandonment (i.e., the three-year period following the closing of the North Hollywood club in late 1997). We disagree.

Petitioner cites no authority for the proposition which is central to its argument, i.e., that the only type of use of the mark which would qualify as "bona fide use of the mark in the ordinary course of trade" is respondent's "historical use" of the mark as the name of a nightclub establishment. The issue to be decided in this case is not whether respondent has ceased to use the mark in the same manner that he has ordinarily or historically used it, i.e.,

as the name of a nightclub establishment, but rather whether respondent has ceased using his mark for three consecutive years in connection with the services recited in the registration, i.e., "cabaret services."

The dictionary evidence discussed above establishes that "cabaret services" comprise not only the operation of a nightclub establishment, but also, and separately, the floor show entertainment services rendered at such a nightclub establishment. There simply is no evidence in the record which establishes that "cabaret services" necessarily entail ownership and/or operation of a nightclub establishment, or that a performer providing a "cabaret" show is not providing "cabaret services" unless that person also owns and operates the nightclub or other venue at which the show is being presented.

As the party bearing the burden of proof, it was incumbent on petitioner to establish what is the ordinary course of trade in the cabaret services field, not merely to establish what was respondent's former ordinary course of business. The fact that respondent formerly owned a nightclub establishment at which he rendered his cabaret performances does not establish that ownership and operation of a nightclub is a necessary feature of the ordinary course of trade in the cabaret services field, nor does it

establish that respondent ceased using the mark for "cabaret services" when he closed his nightclub.

Likewise, there is no evidence as to what is the ordinary course of trade in the cabaret services field with respect to the frequency with which cabaret performers appear. That is, there is no evidence establishing that the ordinary course of trade for such "cabaret services" necessarily entails nightly performances such as those rendered by respondent in 1997 and before, or that it necessarily precludes once-a-year performances such as those provided by respondent in 1999 and 2000. Although respondent previously had offered his cabaret show performances on a nightly basis, we cannot conclude that such a schedule is a necessary feature of the ordinary course of trade in the "cabaret services" field, nor that respondent ceased providing "cabaret services" when he ceased providing nightly performances.[9]

In summary, it is not dispositive that respondent's cabaret services in 1999 and 2000 differed in nature or scope from the cabaret services he had offered in 1997 and before. The evidence of record establishes that respondent in fact advertised and rendered "cabaret services" under his

[9] By the same token, applicant's evidence regarding federal registrations covering other once-a-year events such as the World Series or the Kentucky Derby is not relevant to this case, because none of the services recited in those registrations includes "cabaret services."

FILTHY McNASTY'S mark at his 1999 Oktoberfest party and at his 2000 Reunion party, that respondent therefore never ceased use of the mark in connection with "cabaret services" for three consecutive years, and that petitioner therefore has failed to make out a case of abandonment. We have carefully considered all of petitioner's arguments to the contrary, including any arguments not specifically discussed in this opinion, but find them to be unpersuasive of a different result.

Decision: The petition to cancel is dismissed.