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Filing date: **03/29/2011**

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

Proceeding	92053537
Party	Defendant American Casino and Entertainment Properties, LLC
Correspondence Address	MICHAEL J. McCUE LEWIS AND ROCA LLP 3993 HOWARD HUGHES PARKWAY, SUITE 600 LAS VEGAS, NV 89169 UNITED STATES mmccue@lrlaw.com; trademarks-lasvegas@lrlaw.com
Submission	Response to Board Order/Inquiry
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Signature	/Jonathan W. Fountain/
Date	03/29/2011
Attachments	acep.pdf ( 23 pages )(768394 bytes )

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

Modern Housing, LLC,

Petitioner,

v.

American Casino and Entertainment  
Properties, LLC

Respondent.

Cancellation No. 92053537

Mark: ACE PLAY

Registration No. 3,824,189

**RESPONDENT'S REPOSE TO THE BOARD'S SHOW CAUSE ORDER**

Respondent American Casino and Entertainment Properties, LLC ("Respondent") responds to the Board's March 10, 2011 Notice of Default and order to show cause why a default should not be entered, as follows.<sup>1</sup>

**Preliminary Statement**

On March 10, 2011, the Board served Respondent's counsel with a Notice of Default. (See Docket No. 5.) In the notice, the Board correctly points out that, although Respondent attempted to file a motion to suspend this proceeding pending the outcome of the parties' civil action, no actual motion was submitted to the Board. The notice also correctly points out that as of March 7, 2011, Respondent had not filed an Answer or other response to the Petition for Cancellation. The notice granted Respondent thirty (30) days to respond and demonstrate why the Board should not enter a default judgment against Respondent.

As set forth more fully below, the Board should not enter a default judgment against Respondent because good cause exists for setting aside the default. The failure to file and serve

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<sup>1</sup> This response is supported by the accompanying Declaration of Tammy Bunch (attached hereto as Exhibit A), by the papers and pleadings on file, and by any oral argument the Board may allow.

a timely Answer or other response to the Petition for Cancellation was not Respondent's fault. It was solely the fault of Respondent's counsel, who failed to calendar the proper response date. This was because the person responsible for that task had resigned and, in the ensuing reassignment of duties that followed, the failure to calendar the response date was not discovered until March 8, 2011, the day after a response was due in this proceeding. Similarly, the failure of Respondent's counsel to file a motion to suspend this proceeding was based upon a miscommunication between Respondent's counsel and the paralegal assigned to the file. These were honest mistakes and were by no means the result of any willful or gross negligence chargeable to Respondent.

Petitioner has not been prejudiced by Respondent's failure to timely answer or otherwise respond to the Petition for Cancellation because the parties are currently engaged in a civil action that will be dispositive of the issues before the Board in this proceeding. Moreover, Respondent has a meritorious defense. There is no likelihood of confusion between Respondent's use of ACEPLAY in connection with a casino player rewards program and Petitioner's use of ACE because, even though Petitioner uses ACE in connection with hotel services, it does not use ACE in connection with a casino players rewards program. Nor is there any likelihood of dilution because Petitioner's mark is far from famous. Granting a default judgment against Respondent under these circumstances would elevate legal technicality over the strong public policy favoring the resolution of disputes on their merits. In sum, because the failure to respond was not Respondent's fault, because Petitioner has not been prejudiced, because Respondent has a meritorious defense, good cause exists to set aside the default.

Accordingly, Respondent respectfully requests that the Board set aside the default and grant Respondent leave to file the accompanying Answer and Motion to Suspend Cancellation

Proceedings, attached hereto as Exhibits B and C, respectively.

### **Legal Standard**

The standard which has consistently been applied by the Board in order to permit the late filing of an answer is that set forth in FRCP 55(c), i.e., that of good cause. *See Fred Hayman Beverly Hills Inc. v. Jacques Bernier Inc.*, 21 U.S.P.Q.2d 1556 (T.T.A.B. 1992). Good cause for discharging a default is generally found if: (1) the delay in filing is not the result of willful conduct or gross neglect; (2) the delay will not result in substantial prejudice to the opposing party; and (3) the defendant has a meritorious defense. *Id.*

### **Argument**

Good cause exists for setting aside the default.

#### **I. Respondent's Failure to Timely File and Serve an Answer Was Not Willful or the Result of Gross Neglect.**

Respondent's failure to timely respond to the Petition for Cancellation was based upon the calendaring error of Respondent's counsel, and was not willful or the result of gross neglect. More specifically, prior to January 28, 2011, a paralegal employed by Respondent's counsel was responsible for monitoring the status of and docketing all deadlines in this matter and in several other Board matters being handled by Respondent's counsel. (*See* Bunch Decl. ¶ 4.) On January 28, 2011, that paralegal resigned from Respondent's counsel's employ. (*Id.* ¶ 5.) On February 1, 2011, Respondent sent an email to Tammy Bunch, a paralegal at Lewis and Roca LLP, Respondent's counsel in this case. (*Id.* ¶ 6.) A copy of a notice Respondent had received from the Board indicating that a petition to cancel had been filed was attached to the email. (*Id.* ¶ 7 & Ex. A.) The notice is dated January 24, 2011. (*Id.* ¶ 8.) Based on the January 24 date of the notice -- a date that preceded the resignation of the paralegal whose responsibility it was to calendar such matters -- Ms. Bunch assumed that a response date had already been calendared.

(*Id.* ¶ 9.) Ms. Bunch did not check to see if a response date had, in-fact, been calendared. (*Id.* ¶ 10.) On March 8, 2011, Ms. Bunch discovered that a response to the petition to cancel was due the day before, on March 7, 2011. (*Id.* ¶ 10.) She conferred with Respondent's counsel who stated that a motion to suspend these proceedings should be filed due to the filing of a civil action between the parties concerning the mark at issue in this case. (*Id.* ¶ 11.) Ms. Bunch, however, misunderstood the comment made by Respondent's counsel. (*Id.* ¶ 12.) She filed a copy of the complaint in the civil action via ESTTA. (*Id.*) She did not understand that an attorney was supposed to prepare, review, sign, and approve a motion to suspend the civil action. (*Id.*)

Respondent's failure to timely file and serve an answer or other response to the Petition for Cancellation was not Respondent's fault. It was an honest mistake that was occasioned by a transition in personnel and a realignment of responsibilities within Respondent's counsel's law firm. It was not the result of willfulness or gross neglect. The Board has concluded as much in similar cases. For example, in *H.J. Heinz Co. v. The Taco Maker, Inc.*, No. 113583, 2001 TTAB LEXIS 271 (Mar. 26, 2001) (non-precedential), the Board held that a docketing mix-up that resulted in a party failing to file a timely answer was not the result of willful conduct or gross negligence. Similarly, in *Djeredjian v. Kashi Co.*, 21 U.S.P.Q.2d 1613 (1991), the Board held that the respondent's failure to respond to a notice of default where the respondent was engaged in simultaneous actions in multiple courts and mistakenly believed that only one cancellation proceeding was pending, was not willful but rather resulted from mistake and inadvertence. *See also Davis v. Musler*, 713 F.2d 907 (2d Cir. 1983) (where the court could not determine whether the defendants' failure to file an answer was willful or whether defendants mistakenly assumed that the complaint was related to supplementary proceedings in an ongoing suit, the court found

the defendants' explanation that they did not realize they had been named defendants in a second action plausible); *McVicker v. Donnelly*, 95 F.R.D. 353 (E.D. Pa. 1982) (holding that confusion resulting from the time proximity and subject matter similarity of two proceedings demonstrated that defendant's failure to file an answer was excusable neglect).

## **II. Respondent's Delay Has Not Prejudiced Petitioner.**

On February 9, 2011, Respondent filed a lawsuit against Petitioner, Modern Housing, LLC in the United States District Court for the District of Nevada, Civil Action No. 2:11-CV-00222 regarding the ACEPLAY and ACESTAY marks (the "Civil Action"). A true and accurate copy of the complaint was filed in these proceedings on March 8, 2011. (*See* Docket No. 4.) In the Civil Action, Respondent is seeking a declaratory judgment that: (1) Petitioner's ACR mark is not famous; (2) Petitioner's ACE mark is entitled to a narrow scope of protection; (3) Respondent's ACEPLAY mark does not infringe, dilute, or otherwise violate Petitioner's rights in the ACE mark; and (4) that Respondent's ACESTAY mark does not infringe, dilute, or otherwise violate Petitioner's rights in the ACE mark. If Respondent prevails on the merits of its declaratory judgment claim in the Civil Action, the judgment of the United States District Court will be dispositive in this proceeding. Because the Civil Action concerns the very same issues that are before the Board in this proceeding, and because the Civil Action will be dispositive of this proceeding, Respondent's failure to timely file an answer has had no prejudicial effect on Petitioner at all. Moreover, even if the parties were not engaged in litigating the Civil Action, any prejudice would be limited to a few weeks delay and could easily be rectified by resetting the discovery and testimony periods in this proceeding. *See, e.g., H.J. Heinz Co. v. The Taco Maker, Inc.*, No. 113583, 2001 TTAB LEXIS 271 (Mar. 26, 2001) (non-precedential).

### III. Respondent Has a Meritorious Defense.

In *Regata Sport, Ltd. v. Telux-Pioneer, Inc.*, 20 U.S.P.Q.2d 1154 (1991), No. 18142, 1991 T.T.A.B. LEXIS 23, at \*6 (Apr. 4, 1991), the Board considered Respondent's motion to set aside a default. The Board held that "Respondent's argument that its watches and petitioner's wearing apparel are not related and that there will be no likelihood of confusion was sufficient to show the existence of a meritorious defense." *Id.*

A meritorious defense exists in this case as well. As set forth in the Civil Action's Complaint, Respondent is the owner and operator of the Stratosphere and other hotel-casinos in Las Vegas, Nevada. (See Docket No. 4, Complaint ¶¶ 6-7.) Respondent uses its ACEPLAY mark in connection with a casino player rewards program and uses its ACESTAY mark in connection with a hotel guest rewards program. (See *id.* ¶ 11.) In contrast, Petitioner uses the ACE mark generally in connection with hotels located in Washington, Oregon, California, and New York. (See *id.* ¶ 15.) Upon information and belief, Petitioner does not use its ACE mark in connection with casino player rewards programs. Nor does Petitioner use its ACE mark in connection with its own hotel guest rewards program. (See *id.* ¶ 16.) Rather, Petitioner uses the A-LIST mark for that. (See *id.*) Thus, there is no likelihood of confusion. In addition, although Petitioner claims that its ACE mark is famous and that Respondent's use of its ACEPLAY and ACESTAY marks is likely to dilute the ACE mark, Respondent has alleged that the ACE mark is neither famous nor likely to dilute the ACE mark. (See *id.* ¶ 23.)

Accordingly, because there is no likelihood of confusion between Petitioner's use of the ACE mark and Respondent's use of its ACEPLAY and ACESTAY marks, Respondent most certainly has a meritorious defense.

**IV. Entering a Judgment by Default Would Run Contrary to the Strong Public Policy Favoring the Resolution of Disputes on their Merits and Not on Legal Technicalities.**

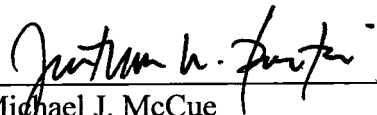
In analyzing the good cause factors, the Board considers the strong public policy favoring the determination of cases on their merits. *CTRL Systems Inc. v. Ultraphonics of N. America Inc.*, 52 U.S.P.Q.2d 1300, 1301 (T.T.A.B. 1999). Considering that public policy here, entering a default judgment in this action would exalt form over substance and would prevent the Board from reaching the merits of the parties' dispute. The Board should not punish Respondent for the honest mistake of its counsel.

**Conclusion**

Accordingly, for the foregoing reasons, Respondent respectfully requests that the Board set aside the default and grant Respondent leave to file the accompanying Answer and Motion to Suspend Cancellation Proceedings, attached hereto as Exhibits B and C, respectively.

DATED: this 29th day of March, 2011

Respectfully submitted,

By:   
Michael J. McCue  
Jonathan W. Fountain

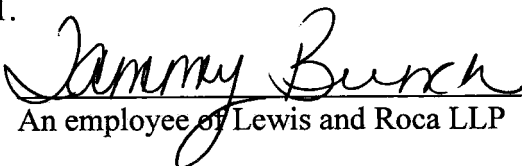
LEWIS AND ROCA LLP  
3993 Howard Hughes Parkway, Ste. 600  
Las Vegas, Nevada 89169  
(702) 949-8200 (telephone)  
(702) 949-8367 (facsimile)

Attorneys for Respondent  
American Casino and Entertainment  
Properties, LLC



**CERTIFICATE OF TRANSMISSION**

I hereby certify that this correspondence is being transmitted electronically with the United States Patent and Trademark Office, Trademark Trial and Appeal Board through ESTTA at <http://estta.uspto.gov> on: March 29, 2011.

  
An employee of Lewis and Roca LLP

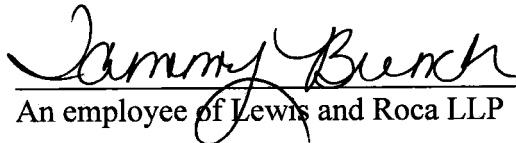
**CERTIFICATE OF SERVICE**

I hereby certify that a true and complete copy of the foregoing Respondent's Response to Show Cause Order has been served on Jonathan Reichman and Anthony Giaccio, attorneys for Petitioner, by mailing said copy on March 29, 2011 via First Class United States Mail, postage prepaid, to:

Jonathan D. Reichman  
Kenyon & Kenyon LLP  
One Broadway  
New York, NY 10004

and

Anthony Giaccio  
Kenyon & Kenyon LLP  
One Broadway  
New York, NY 10004

  
An employee of Lewis and Roca LLP

# Exhibit A

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

Modern Housing, LLC,

Petitioner,

v.

American Casino and Entertainment  
Properties, LLC

Respondent.

Cancellation No. 92053537

Mark: ACE PLAY

Registration No. 3,824,189

**DECLARATION OF TAMMY BUNCH**

I, Tammy Bunch, state the following:

1. I have been employed by Lewis and Roca LLP since January 2007 as an Intellectual Property Paralegal.

2. As a result of my employment with Lewis and Roca LLP, I have first-hand knowledge of the cancellation proceedings against our client American Casino and Entertainment Properties, LLC ("ACE"), and am otherwise competent to testify.

3. I make this declaration in support of Respondent's Response to the Board's Show Cause Order, dated March 10, 2011 (Docket No. 5).

4. Prior to January 28, 2011, a paralegal other than myself was responsible for monitoring the status of and docketing all deadlines in this matter.

5. On January 28, 2011, the paralegal responsible for monitoring the status of and docketing all deadlines in this matter resigned.

6. On February 1, 2011, our client, American Casino and Entertainment Properties, LLC, forwarded to me via email a notice from the Board indicating that a petition to cancel had

been filed. A true and accurate copy of the notice is attached hereto as Exhibit 1. The notice is dated January 24, 2011.

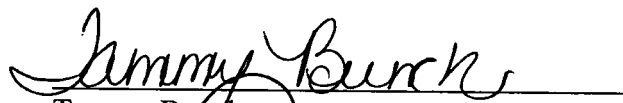
7. Given the January 24 date of the notice, I assumed that a date for responding to the petition to cancel had already been calendared by the paralegal whose job it was to calendar such matters. Therefore, I did not check to see if a response date had, in-fact, been calendared.

8. On March 8, 2011, I discovered that a response to the petition to cancel was due on March 7, 2011. I conferred with Michael J. McCue, ACE's lead counsel, who stated that a motion to suspend the cancellation needed to be filed because of a recently filed civil action between the parties.

9. Misunderstanding his direction, I submitted a copy of the complaint in the civil action through ESTTA. I did not understand that an attorney was supposed to prepare, review, sign, and approve for filing, a motion to suspend the civil action.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: March 29, 2011

  
Tammy Bunch  
Paralegal, Intellectual Property Department  
Lewis and Roca LLP

# **EXHIBIT 1**

# **EXHIBIT 1**

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

Mailed: January 24, 2011

Cancellation No. 92053537  
Registration No. 3824189

AMERICAN CASINO AND ENTERTAINMENT PROPERTIES LLC  
2000 LAS VEGAS BOULEVARD SOUTH  
LAS VEGAS, NV 89104  
UNITED STATES

Modern Housing, LLC

v.

American Casino and Entertainment  
Properties, LLC

JONATHAN D REICHMAN  
KENYON & KENYON  
ONE BROADWAY  
NEW YORK, NY 10004  
UNITED STATES

**Nicole M. Thier, Paralegal Specialist:**

A petition to cancel the above-identified registration has been filed. A service copy of the petition for cancellation was forwarded to registrant (defendant) by the petitioner (plaintiff). An electronic version of the petition for cancellation is viewable in the electronic file for this proceeding via the Board's TTABVUE system:  
<http://ttabvue.uspto.gov/ttabvue/>.

Proceedings will be conducted in accordance with the Trademark Rules of Practice, set forth in Title 37, part 2, of the Code of Federal Regulations ("Trademark Rules"). These rules may be viewed at the USPTO's trademarks page: <http://www.uspto.gov/trademarks/index.jsp>. The Board's main webpage (<http://www.uspto.gov/trademarks/process/appeal/index.jsp>) includes information on amendments to the Trademark Rules applicable to Board proceedings, on Alternative Dispute Resolution (ADR), Frequently Asked Questions about Board proceedings, and a web link to the Board's manual of procedure (the TBMP).

Plaintiff must notify the Board when service has been ineffective, within 10 days of the date of receipt of a returned service copy or the date on which plaintiff learns that service has been ineffective. Plaintiff has no subsequent duty to investigate the defendant's whereabouts, but if plaintiff by its own voluntary investigation or

through any other means discovers a newer correspondence address for the defendant, then such address must be provided to the Board. Likewise, if by voluntary investigation or other means the plaintiff discovers information indicating that a different party may have an interest in defending the case, such information must be provided to the Board. The Board will then effect service, by publication in the Official Gazette if necessary. See Trademark Rule 2.118. In circumstances involving ineffective service or return of defendant's copy of the Board's institution order, the Board may issue an order noting the proper defendant and address to be used for serving that party.

Defendant's ANSWER IS DUE FORTY DAYS after the mailing date of this order. (See Patent and Trademark Rule 1.7 for expiration of this or any deadline falling on a Saturday, Sunday or federal holiday.) Other deadlines the parties must docket or calendar are either set forth below (if you are reading a mailed paper copy of this order) or are included in the electronic copy of this institution order viewable in the Board's TTABVue system at the following web address: <http://ttabvue.uspto.gov/ttabvue/>.

Defendant's answer and any other filing made by any party must include proof of service. See Trademark Rule 2.119. If they agree to, the parties may utilize electronic means, e.g., e-mail or fax, during the proceeding for forwarding of service copies. See Trademark Rule 2.119(b)(6).

The parties also are referred in particular to Trademark Rule 2.126, which pertains to the form of submissions. Paper submissions, including but not limited to exhibits and transcripts of depositions, not filed in accordance with Trademark Rule 2.126 may not be given consideration or entered into the case file.

Time to Answer	3/5/2011
Deadline for Discovery Conference	4/4/2011
Discovery Opens	4/4/2011
Initial Disclosures Due	5/4/2011
Expert Disclosures Due	9/1/2011
Discovery Closes	10/1/2011
Plaintiff's Pretrial Disclosures	11/15/2011
Plaintiff's 30-day Trial Period Ends	12/30/2011
Defendant's Pretrial Disclosures	1/14/2012
Defendant's 30-day Trial Period Ends	2/28/2012
Plaintiff's Rebuttal Disclosures	3/14/2012
Plaintiff's 15-day Rebuttal Period Ends	4/13/2012

As noted in the schedule of dates for this case, the parties are required to have a conference to discuss: (1) the nature of and basis for their respective claims and defenses, (2) the possibility of settling the case or at least narrowing the scope of claims or defenses, and (3) arrangements relating to disclosures, discovery and introduction of evidence at trial, should the parties not agree to settle the case. See Trademark Rule 2.120(a)(2). Discussion of the first two of these three subjects should include a discussion of whether the parties wish

to seek mediation, arbitration or some other means for resolving their dispute. Discussion of the third subject should include a discussion of whether the Board's Accelerated Case Resolution (ACR) process may be a more efficient and economical means of trying the involved claims and defenses. Information on the ACR process is available at the Board's main webpage. Finally, if the parties choose to proceed with the disclosure, discovery and trial procedures that govern this case and which are set out in the Trademark Rules and Federal Rules of Civil Procedure, then they must discuss whether to alter or amend any such procedures, and whether to alter or amend the Standard Protective Order (further discussed below). Discussion of alterations or amendments of otherwise prescribed procedures can include discussion of limitations on disclosures or discovery, willingness to enter into stipulations of fact, and willingness to enter into stipulations regarding more efficient options for introducing at trial information or material obtained through disclosures or discovery.

The parties are required to conference in person, by telephone, or by any other means on which they may agree. A Board interlocutory attorney or administrative trademark judge will participate in the conference, upon request of any party, provided that such participation is requested no later than ten (10) days prior to the deadline for the conference. See Trademark Rule 2.120(a)(2). The request for Board participation must be made through the Electronic System for Trademark Trials and Appeals (ESTTA) or by telephone call to the interlocutory attorney assigned to the case, whose name can be found by referencing the TTABVue record for this case at <http://ttabvue.uspto.gov/ttabvue/>. The parties should contact the assigned interlocutory attorney or file a request for Board participation through ESTTA only after the parties have agreed on possible dates and times for their conference. Subsequent participation of a Board attorney or judge in the conference will be by telephone and the parties shall place the call at the agreed date and time, in the absence of other arrangements made with the assigned interlocutory attorney.

The Board's Standard Protective Order is applicable to this case, but the parties may agree to supplement that standard order or substitute a protective agreement of their choosing, subject to approval by the Board. The standard order is available for viewing at: <http://www.uspto.gov/trademarks/process/appeal/guidelines/stdagmnl.jsp>. Any party without access to the web may request a hard copy of the standard order from the Board. The standard order does not automatically protect a party's confidential information and its provisions must be utilized as needed by the parties. See Trademark Rule 2.116(g).

Information about the discovery phase of the Board proceeding is available in chapter 400 of the TBMP. By virtue of amendments to the Trademark Rules effective November 1, 2007, the initial disclosures and expert disclosures scheduled during the discovery phase are required only in cases commenced on or after that date. The TBMP has not yet been amended to include information on these disclosures and the parties are referred to the August 1, 2007 Notice of Final Rulemaking (72 Fed. Reg. 42242) posted on the Board's webpage. The deadlines for pretrial disclosures included in the trial phase of the schedule for this case also resulted from the referenced amendments to the Trademark Rules, and also are discussed in the Notice of Final Rulemaking.

The parties must note that the Board allows them to utilize telephone conferences to discuss or resolve a wide range of interlocutory matters



that may arise during this case. In addition, the assigned interlocutory attorney has discretion to require the parties to participate in a telephone conference to resolve matters of concern to the Board. See TBMP § 502.06(a) (2d ed. rev. 2004).

The TBMP includes information on the introduction of evidence during the trial phase of the case, including by notice of reliance and by taking of testimony from witnesses. See TBMP §§ 703 and 704. Any notice of reliance must be filed during the filing party's assigned testimony period, with a copy served on all other parties. Any testimony of a witness must be both noticed and taken during the party's testimony period. A party that has taken testimony must serve on any adverse party a copy of the transcript of such testimony, together with copies of any exhibits introduced during the testimony, within thirty (30) days after the completion of the testimony deposition. See Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing after briefing is not required but will be scheduled upon request of any party, as provided by Trademark Rule 2.129.

If the parties to this proceeding are (or during the pendency of this proceeding become) parties in another Board proceeding or a civil action involving related marks or other issues of law or fact which overlap with this case, they shall notify the Board immediately, so that the Board can consider whether consolidation or suspension of proceedings is appropriate.

**ESTTA NOTE:** For faster handling of all papers the parties need to file with the Board, the Board strongly encourages use of electronic filing through the Electronic System for Trademark Trials and Appeals (ESTTA). Various electronic filing forms, some of which may be used as is, and others which may require attachments, are available at <http://esita.uspto.gov>.

# Exhibit B

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

Modern Housing, LLC,

Petitioner,

v.

American Casino and Entertainment  
Properties, LLC

Respondent.

Cancellation No. 92053537

Mark: ACE PLAY

Registration No. 3,824,189

**ANSWER**

Respondent American Casino and Entertainment Properties, LLC, through counsel, answers the Petition for Cancellation as follows:

1. Respondent admits the allegations in Paragraph 1 of the Petition for Cancellation.
2. Respondent admits the allegations in Paragraph 2 of the Petition for Cancellation.
3. Respondent admits the allegations in Paragraph 3 of the Petition for Cancellation.
4. Respondent admits the allegations in Paragraph 4 of the Petition for Cancellation.
5. Respondent is without sufficient knowledge or information to admit or deny the allegations in Paragraph 5 of the Petition for Cancellation and, therefore, denies the same.
6. Respondent is without sufficient knowledge or information to admit or deny the allegations in Paragraph 6 of the Petition for Cancellation and, therefore, denies the same.
7. Respondent admits that on December 3, 2002, the USPTO issued registration No. 2,656,435 for the ACE mark. Respondent admits that December 3, 2002 is earlier in time than July 27, 2010. Respondent denies the remaining allegations contained in Paragraph 7 of the Petition for Cancellation.
8. Respondent is without sufficient knowledge or information to admit or deny the

allegations in Paragraph 8 of the Petition for Cancellation and, therefore, denies the same.

9. Respondent is without sufficient knowledge or information to admit or deny the allegations in Paragraph 9 of the Petition for Cancellation and, therefore, denies the same.

10. Respondent is without sufficient knowledge or information to admit or deny the allegations in Paragraph 10 of the Petition for Cancellation and, therefore, denies the same.

11. Respondent is without sufficient knowledge or information to admit or deny the allegations in Paragraph 11 of the Petition for Cancellation and, therefore, denies the same.

12. Respondent denies the allegations in Paragraph 12 of the Petition for Cancellation.

13. Respondent is without sufficient knowledge or information to admit or deny the allegations in Paragraph 13 of the Petition for Cancellation and, therefore, denies the same.

#### **CLAIM I**

#### **Likelihood of Confusion (15 U.S.C. § 1052(d))**

14. Respondent denies the allegations in Paragraph 14 of the Petition for Cancellation.

15. Respondent denies the allegations in Paragraph 15 of the Petition for Cancellation.

16. Respondent denies the allegations in Paragraph 16 of the Petition for Cancellation.

17. Respondent denies the allegations in Paragraph 17 of the Petition for Cancellation.

18. Respondent denies the allegations in Paragraph 18 of the Petition for Cancellation.

**CLAIM II**  
**Dilution (15 U.S.C. § 1052(d))**

19. Respondent denies the allegations in Paragraph 19 of the Petition for Cancellation.

20. Respondent denies the allegations in Paragraph 20 of the Petition for Cancellation.

21. Respondent denies the allegations in Paragraph 21 of the Petition for Cancellation.

23. Respondent denies the allegations in Paragraph 22 of the Petition for Cancellation.

Respondent denies that Petitioner is entitled to any relief. Respondent denies all allegations not expressly admitted herein.

DATED: this 29th day of March, 2011

Respectfully submitted,

By: \_\_\_\_\_  
Michael J. McCue  
Jonathan W. Fountain  
LEWIS AND ROCA LLP  
3993 Howard Hughes Parkway, Ste. 600  
Las Vegas, Nevada 89169  
(702) 949-8200 (telephone)  
(702) 949-8367 (facsimile)

Attorneys for Respondent  
American Casino and  
Entertainment Properties, LLC

# Exhibit C

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

Modern Housing, LLC,

Petitioner,

v.

American Casino and Entertainment  
Properties, LLC

Respondent.

Cancellation No. 92053537

Mark: ACE PLAY

Registration No. 3,824,189

**MOTION TO SUSPEND CANCELLATION PROCEEDINGS**

Pursuant to 37 C.F.R. § 2.117, Respondent American Casino and Entertainment Properties, LLC (“Respondent”) respectfully moves the Board for suspension of this cancellation proceeding pending the outcome of a potentially dispositive civil action now pending in the United States District Court for the District of Nevada.

The Board may suspend a proceeding if the parties are engaged in a civil action which may have a bearing on the proceeding. 37 C.F.R. § 2.117. On February 9, 2011, Respondent filed a lawsuit against Petitioner, Modern Housing, LLC in the United States District Court for the District of Nevada, Civil Action No. 2:11-CV-00222 regarding the ACEPLAY and ACESTAY marks (the “Civil Action”). A true and accurate copy of the complaint was filed in these proceedings on March 8, 2011. (*See* Docket No. 4.) In the Civil Action, Respondent is seeking a declaratory judgment that: (1) Petitioner’s ACR mark is not famous; (2) Petitioner’s ACE mark is entitled to a narrow scope of protection; (3) Respondent’s ACEPLAY mark does not infringe, dilute, or otherwise violate Petitioner’s rights in the ACE mark; and (4) that Respondent’s ACESTAY mark does not infringe, dilute, or otherwise violate Petitioner’s rights

in the ACE mark. If Respondent prevails on the merits of its declaratory judgment claim in the Civil Action, the judgment of the United States District Court will be dispositive in this proceeding.

Accordingly, Respondent respectfully requests that the Board suspend this cancellation proceeding pending the termination of the Civil Action.

DATED: this 29th day of March, 2011

Respectfully submitted,

By: \_\_\_\_\_

Michael J. McCue

Jonathan W. Fountain

LEWIS AND ROCA LLP

3993 Howard Hughes Parkway, Ste. 600

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