

ESTTA Tracking number: **ESTTA913936**

Filing date: **08/06/2018**

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

Proceeding	92068803
Party	Defendant HotelsAB, LLC
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Submission	Answer
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Date	08/06/2018
Attachments	HotelsAB LLC Answer and Affirmative Defenses.pdf(185511 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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QT Hotels and Resorts Pty Limited,)	
)	
)	Cancellation No. 92068803
Petitioner,)	
)	Registration No. 5,459,279
v.)	
)	Mark: HOTEL QT
HotelsAB, LLC,)	
)	
)	
Registrant.)	

ANSWER AND AFFIRMATIVE DEFENSES TO PETITION FOR CANCELLATION

HotelsAB, LLC, (“Respondent”), a Delaware limited liability company having a place of business at 158 Mercer St., 10th Floor, New York, NY 10012, answers the petition for cancellation of QT Hotels and Resorts Pty Limited and submits its affirmative defenses as follows:

FACTS

A. **Petitioner and Petitioner’s QT Marks**

1. Petitioner is the owner of the popular and growing brand of luxury lifestyle boutique hotels that trade under the name “QT.” Petitioner has marketed and provided award-winning hotel, resort and spa services under the marks QT and the QT logo (together, the “QT Marks”) in Australia since at least as early as 2011.

ANSWER: Respondent denies these allegations to the extent they are intended to relate in any way to the United States. Respondent lacks knowledge or information sufficient to form a belief about the truth of the allegation(s) in this Paragraph to the extent they are intended

to relate to Australia or New Zealand, the only jurisdictions where Petitioner alleges it has a hotel, and therefore denies the same.

2. The Petitioner and its related companies currently own and manage nine QT-branded hotels across Australia and New Zealand. These are listed below together with the respective year of opening in parenthesis:

- "QT Gold Coast" in Queensland, Australia (2011);
- "QT Port Douglas" in Queensland, Australia (2012);
- "QT Sydney" in Sydney, New South Wales, Australia (2012);
- "QT Falls Creek" in Victoria, Australia (2013);
- "QT Canberra" in the Australian Capital Territory (2014);
- "QT Bondi" in Sydney, New South Wales Australia (2015);
- "QT Melbourne" in Melbourne, Victoria (2016);
- "QT Museum Wellington" in New Zealand (2017); and
- "QT Queenstown" in New Zealand (2017).

Two further hotels are due for opening as follows (the planned opening date is in parenthesis):

- "QT Perth" in Western Australia (August 2018); and
- "QT Parramatta" in Sydney (2020).

ANSWER: Respondent lacks knowledge or information sufficient to form a belief about the truth of the allegation(s) in this Paragraph, and therefore denies the same.

3. Since at least as early as 2012, Petitioner has used the QT Marks in the United States in connection with hotel reservation services and has engaged in extensive marketing and promotional efforts in the United States to promote its Australia locations. Petitioner has begun efforts to expand its hotel services internationally including exploring potential opportunities to open QT-branded hotels in the United States, the United Kingdom and Asia.

ANSWER: Respondent denies these allegations to the extent they are intended to relate in any way to use, marketing or promotional efforts in the United States. Respondent lacks knowledge or information sufficient to form a belief about the truth of the remaining allegation(s) in this Paragraph, and therefore denies the same.

4. Through extensive promotion and use, and the quality and success of Petitioner's business and offerings under the QT Marks, the QT Marks have come to represent enormous goodwill of Petitioner, including in the United States.

ANSWER: Denied.

5. Since at least as early as 2012, the QT Marks in the United States became uniquely identified with Petitioner and came to identify the goods and services of Petitioner exclusively.

ANSWER: Denied. Without limitation, Respondent notes that Paragraph 2 of the Petition indicates that Petitioner opened its first property, in Queensland, Australia, sometime during 2011.

6. On July 21, 2015, Petitioner filed U.S. trademark Application Serial No. 86/699,336 ("Petitioner's Application") for the mark QT (stylized) in connection with "Hotel and resort hotel services; resort lodging services; health resort services, namely, providing food and lodging that specialize in promoting patrons' general health and well-being; providing booking and reservation services for hotels and temporary accommodations; restaurant, cafe and bar services; catering services; booking and reservation services for providing food and drink including restaurants, cafes and bars; providing facilities for exhibitions, conferences, and meeting rooms; providing general purpose facilities for seminars and social functions; booking and reservation services of general purposes facilities for exhibitions, seminars and conferences,

functions and meeting rooms; providing information in relation to all of the foregoing” in International Class 43, pursuant to Section 44(e) of the Lanham Act, 15 U.S.C. 1126(e).

ANSWER: Admitted.

7. On October 31, 2015, the United States Patent and Trademark Office (“USPTO”) issued an Office Action against Petitioner’s Application, citing as a potential bar to registration Application Serial No. 86/285,442 for the mark HOTEL QT ow[n]ed [sic] by Registrant (“Registrant’s Application”), and on November 10, 2015, suspended Petitioner’s Application pending maturation of Registrant’s application to registration.

ANSWER: Admitted.

B. Registrant and Its Registration

8. Upon information and belief, from 2005 to 2008 Registrant owned a New York City hotel named HOTEL QT. In 2008, Registrant’s (sole) hotel property was purchased by another party who promptly changed the name of the hotel to ROOM MATE.

ANSWER: Respondent admits that Registrant first used its HOTEL QT mark and its QT Logo in connection with a popular hotel property located in the vicinity of Times Square in Manhattan and that Registrant’s use was well-prior to Petitioner’s alleged use of the asserted marks. Respondent further admits that the hotel property at that location was later re-named ROOM MATE.

9. According to the records of the USPTO, Registrant owned several filings for QT-formative marks submitted between 2004 and 2009, each of which is abandoned or cancelled.

ANSWER: Respondent admits that it has owned several filings, and trademark rights acquired through use, for QT-formative marks. Respondent further admits that Respondent’s predecessor-in-interest owned U.S. Trademark Registration Number 3,342,189 with a filing date of November 1, 2004, a registration date of November 20, 2007 and reciting “Hotel, restaurant,

bar, cafe, and cocktail lounge services, catering, providing banquet and social function facilities for special occasions” in International Class 43 and “Personal services, namely, barber shop, beauty care and salon services, and beauty and health spa services, namely, cosmetic and body care services” in International Class 44. Respondent also admits that this filing was assigned to Respondent on October 6, 2009 and that it was valid and subsisting on the Principal Register until the USPTO cancelled this registration, because the USPTO did not receive a Section 8 affidavit. Respondent denies the remaining allegations and conclusions in this Paragraph.

10. On May 19, 2014, after approximately six years of non-use of the HOTEL QT mark and well after Petitioner began using its QT Marks in the United States in connection with hotel reservation services, Registrant filed Registrant’s Application to register the mark HOTEL QT (the “Registered Mark”) in connection with a range of services in Classes 41, 43 and 44 based on an alleged bona fide intent to use the mark, pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. 1051(b).

ANSWER: Admitted that Respondent filed Application Trademark Serial Number 86/285,442 on May 19, 2014, reciting services in Classes 41, 43 and 44 pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. 1051(b). Respondent denies the remaining allegations and conclusions in this Paragraph.

11. On March 3, 2015, the USPTO issued a Notice of Allowance for Registrant’s Application.

ANSWER: Admitted.

12. On March 2, 2018, on nearly the last possible day and after taking out the maximum number of extensions, Registrant finally filed a Statement of Use (the “Statement of Use”) in connection with Registrant’s Application. The Statement of Use narrowed the services

listed in Registrant's Application to "hotels; hotel reservation services; the provision of information relating to the foregoing services online from a computer database, the internet, telecommunications or via any other media, also known as providing information and advice on hotels" in International Class 43 (collectively, "Registrant's Services"). In connection with the Statement of Use, Registrant submitted a specimen (the "Specimen") consisting of two pages. The first page purports to be a reservation receipt for a hotel stay at Registrant's purported hotel for a date in May 2018. The second page is a screen capture of the splash page at www.hotelqt.com.

ANSWER: Respondent admits that it filed its Statement of Use within the period permitted by statute. Respondent admits that many of the services recited in the application were not subject to the Statement of Use and Respondent deleted them, so that they would not issue with the registration. Respondent admits that the remaining services, which Respondent included with its Statement of Use, are listed in the registration. Respondent admits that it submitted two specimens of use with the Statement of Use. Respondent denies the remaining allegations, inferences, and conclusions in this Paragraph.

13. The Statement of Use reads in pertinent part:
 - a. "The mark is in use in commerce on or in connection with [Registrant's Services]."
 - b. "The mark was first used by [Registrant], or [Registrant's] related company, licensee, or predecessor in interest at least as early as 06/15/2007, and first used in commerce at least as early as 06/15/2007, and is now in use in such commerce."
 - c. The Specimen "show[s] the mark as used in commerce" and consists of a "web page depicting the mark as used in commerce in connection with the recited services; [a]

reservation confirmation depicting the mark as used in commerce in connection with the recited services.”

d. “To the best of the signatory’s knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, the allegations and other factual contentions made above have evidentiary support. The signatory being warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. § 1001, and that such willful false statements and the like may jeopardize the validity of the application or submission or any registration resulting therefrom, declares that all statements made of his/her own knowledge are true and all statements made on information and belief are believed to be true.”

ANSWER: Respondent admits that Paragraph 13 appears to be an accurate transcription of certain portions of the Statement of Use.

14. The signatory of the Statement of Use was Andre Balazs, identified as Chairman of Registrant.

ANSWER: Admitted.

15. On March 29, 2018, the USPTO issued a Notice of Acceptance of the Statement of Use.

ANSWER: Admitted.

16. On May 1, 2018, Registrant’s Application matured to registration, namely Registration No. 5,459,279 for HOTEL QT.

ANSWER: Admitted.

COUNT 1: FRAUD

17. Petitioner repeats and realleges the allegations set forth in the paragraphs above as if fully stated herein.

ANSWER: Respondent repeats its answers to Paragraphs 1 through 16 as if fully set forth here.

18. Upon information and belief, and upon Petitioner's investigation, Registrant made false, material statements of fact in connection with the Statement of Use, which enabled the Application to mature into the Registration.

ANSWER: Denied.

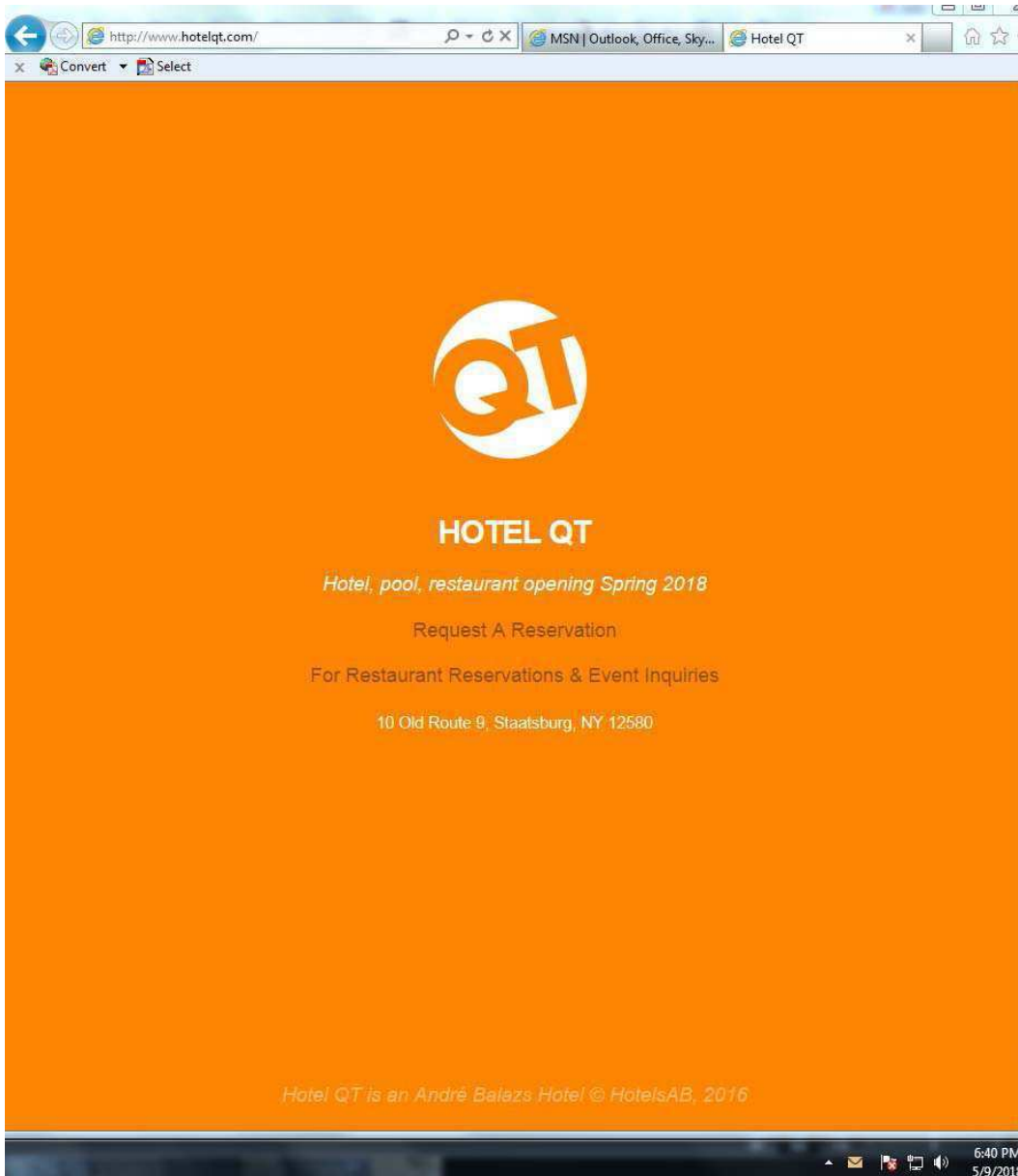
19. Specifically, in the Statement of Use, Registrant declared under penalty of perjury that it was using the Registered Mark "in commerce on or in connection with" Registrant's Services; that the Registered Mark was then "in use in such commerce," and that the specimen "show[s] the mark as used in commerce in connection with" one or more of the recited services.

ANSWER: Respondent denies any allegation(s) that the statements in the Statement of Use were false.

20. Upon information and belief, and upon Petitioner's investigation of Registrant and its business, at the time Registrant filed the Statement of Use, Registrant was not using the Registered Mark in U.S. commerce on or in connection with any of the services recited in Registrant's Application and at least part of the submitted Specimen was fake. Specifically, at the time Registrant filed the Statement of Use, no hotel was open, no hotel reservation services were being offered, and no information and advice on hotels was being provided.

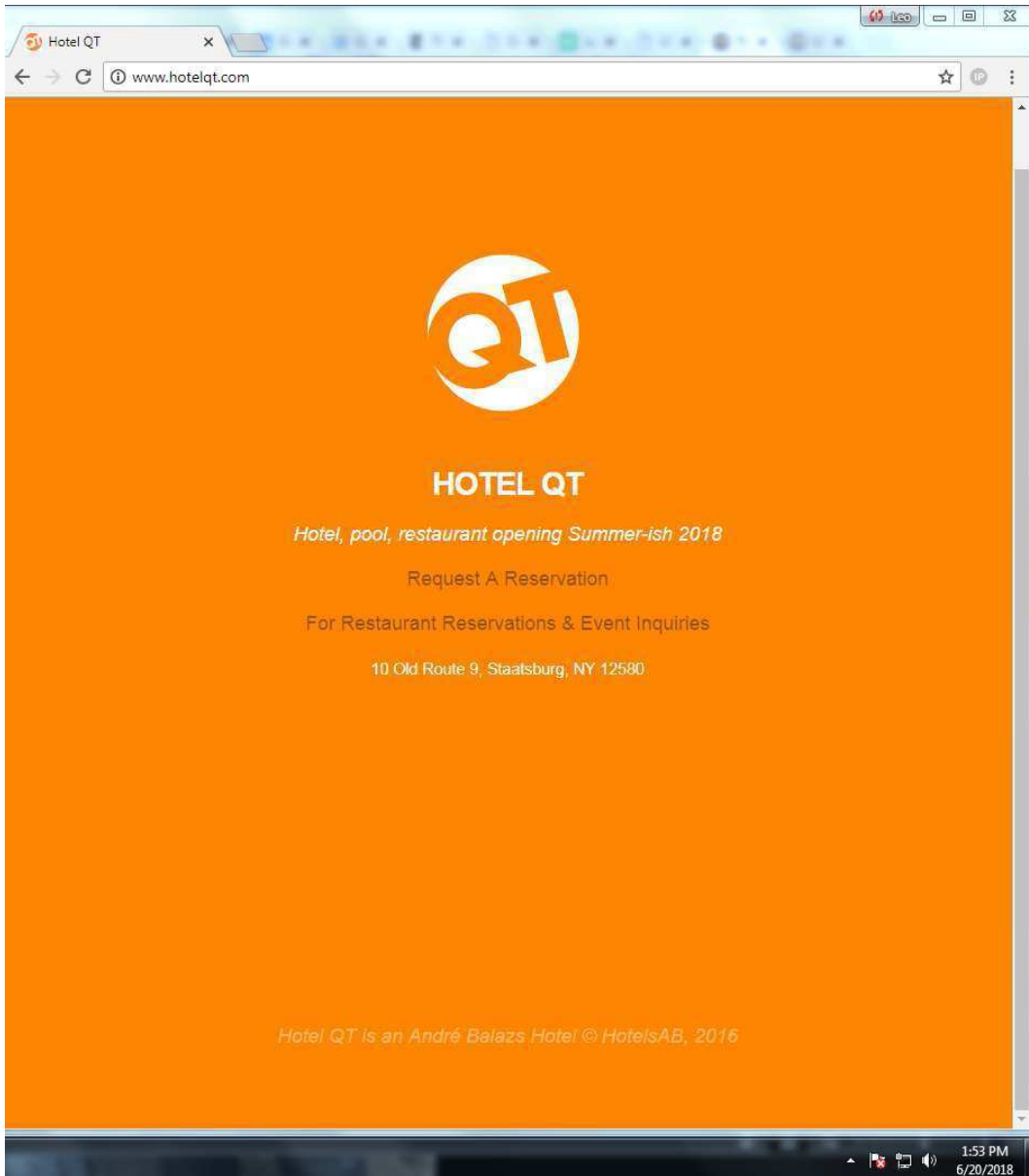
ANSWER: Denied.

21. Upon information and belief, at the time Registrant filed its Statement of Use, Registrant's website at www.hotelqt.com resolved to a splash page indicating only that a hotel, pool and restaurant will open at an unidentified time in the spring of 2018, as shown below:



ANSWER: Respondent admits that the screenshot at Paragraph 21 appears to be an accurate representation of the web page at www.hotelqt.com. Respondent denies the remaining allegations of Paragraph 21.

22. Registrant’s splash page has since been modified to indicate that a hotel, pool and restaurant will open at an unidentified time in “Summer-ish” of 2018, as shown below:



ANSWER: Respondent admits that the screenshot at Paragraph 22 appears to be an accurate representation of the web page at www.hotelqt.com. Respondent denies the remaining allegations of Paragraph 22.

23. Further, although the splash pages have purported to offer hotel reservation services, restaurant reservation services and Event Inquiries, the page's hyperlinks merely generate a blank email from the user to info@hotelqt.com.

ANSWER: Respondent admits, without limitation, that it uses the registered mark in connection with the registered services at the www.hotelqt.com website. Respondent denies the remaining allegations of Paragraph 23.

24. Moreover, given that the hotel appears not to have been open in May of 2018, the Specimen purporting to show a reservation at the unopened hotel for a stay to have occurred in May 2018 appears to be fake in that it does not represent confirmation of a real reservation.

ANSWER: Denied.

25. Consequently, upon information and belief, and upon the results of Petitioner's investigation, Registrant's statements in the Statement of Use that Registration was using the Registered Mark in U.S. commerce on or in connection with Registrant's Services and that the Specimen showed use of the Registered Mark were false.

ANSWER: Denied.

26. Upon information and belief, Registrant knew at the time of filing its Statement of Use that it had not used the Registered Mark in U.S. commerce on or in connection with any of Registrant's Services and that a portion of the submitted Specimen was fake.

ANSWER: Denied.

27. Upon information and belief, Registrant intended the USPTO to rely on the statements made in its Statement of Use regarding use of the Registered Mark in U.S. commerce on or in connection with Registrant's Services and regarding the bona fides of the Specimen, and for the USPTO to approve the Registered Mark for registration in the United States in reliance on these statements.

ANSWER: Denied.

28. Registrant's false statements to the USPTO in connection with Registrant's Application were material. If Registrant had not falsely represented to the USPTO that it had used the Registered Mark in U.S. commerce for Registrant's Services and that the Specimen showed actual use of the Registered Mark in commerce, the USPTO would not have approved the Registered Mark for registration for Registrant's Services. There being no further extension requests available under the Notice of Allowance, the application for the Registered Mark would have lapsed.

ANSWER: Denied.

29. Therefore, upon information and belief, and upon the results of Petitioner's investigation, Registrant knowingly, willfully, in bad faith and with an intent to obtain a registration to which Registrant would not otherwise have been entitled made false, material misrepresentations of fact in connection with Registrant's Application with the intent to defraud the USPTO.

ANSWER: Denied.

30. Based on the aforementioned acts, Registrant committed fraud in connection with the Statement of Use, and the Registration therefore should never have issued.

ANSWER: Denied.

31. By reason of the foregoing, Petitioner will be damaged by the continued registration of the Registered Mark to Registrant.

ANSWER: Denied.

COUNT 2: VOID AB INITIO FOR NON-USE

32. Petitioner repeats and realleges the allegations set forth in the paragraphs above as if fully stated herein.

ANSWER: Respondent repeats its answers to the Paragraphs above as if fully set forth herein.

33. Because the Registered Mark was not in use in commerce on or prior to the filing date of the Statement of Use on or in connection Registrant's Services, the Registration should never have been issued, and therefore the Registration was void *ab initio*.

ANSWER: Denied.

34. By reason of the foregoing, Petitioner will be injured by the continued registration to Registrant of the Registered Mark.

ANSWER: Denied.

COUNT 3: PRIORITY AND LIKELIHOOD OF CONFUSION

35. Petitioner repeats and realleges the allegations set forth in the paragraphs above as if fully stated herein.

ANSWER: Respondent repeats its answers to the Paragraphs above as if fully set forth herein.

36. Upon information and belief, Petitioner's first use of the QT Marks in the United States occurred earlier than any date on which Registrant can rely for the Registered Mark.

ANSWER: Denied.

37. The Registered Mark incorporates Petitioner's QT word mark in whole, merely including the generic term HOTEL as a prefix and as a result is similar to the QT Marks.

ANSWER: Respondent denies that its mark incorporates Petitioner's Mark. Respondent admits that Petitioner has improperly copied Respondent's HOTEL QT brand.

38. The services identified in the Registration are identical and/or closely related to the services offered by Petitioner under the QT Marks.

ANSWER: Respondent admits that certain services identified in the Registration and in Petitioner's pending application 86/699,336 are identical and/or closely related. Respondent denies all remaining allegations in Paragraph 38.

39. As a consequence of the similarity of the parties' marks and the relatedness of the parties' services, along with other relevant factors, any use by Registrant of the Registered Mark for the services identified in the Registration is likely to create the erroneous impression that Registrant's services originate with, are sponsored or approved by, or are otherwise connected with Petitioner or Petitioner's services. Any use of the Registered Mark by Registrant is, therefore, likely to cause confusion, cause mistake or to deceive the public, in violation of Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d).

ANSWER: Respondent denies that Petitioner owns any trademark rights that are valid or enforceable against Respondent and therefore denies the allegations in Paragraph 39. Respondent further denies that it infringed any alleged rights of Petitioner or caused Petitioner any damage.

40. Continued registration to Registrant of the Registered Mark would be inconsistent with Petitioner's prior exclusive rights in Petitioner's QT Marks, and would threaten to destroy Petitioner's investment and goodwill in the QT Marks.

ANSWER: Respondent denies that Petitioner owns any trademark rights that are valid or enforceable against Respondent and therefore denies the allegations in Paragraph 40. Respondent further denies that it infringed any rights of Petitioner or caused Petitioner any damage.

41. By reason of the foregoing, Petitioner will be damaged by the continued registration of the Registered Mark to Registrant.

ANSWER: Denied.

To the extent Petitioner has made any allegations in its petition to cancel not contained in the numbered paragraphs of its petition, Respondent denies all such allegations.

Affirmative Defenses

Subject to the responses above, Respondent alleges and asserts the following defenses in response to the allegations set forth in the Petition, undertaking the burden of proof only as those defenses deemed affirmative defenses by law, regardless of how such defenses are denominated herein. In addition to the affirmative defenses described below, Petitioner specifically reserves the right to allege additional affirmative defenses under Rule 8(c) of the Federal Rules of Civil Procedure, the Lanham Act, and any other defenses at law or in equity, that may now exist or may in the future be available based on discovery or further factual investigation in this case.

1. The petition to cancel should be dismissed in whole or in part because it has failed to state one or more claims upon which relief can be granted.
2. Petitioner will not suffer any loss or damage of any kind as a result of Respondent's continued registration of the subject mark.
3. Petitioner's claims are precluded because Petitioner is engaging in misuse of its alleged trademark rights.
4. Petitioner's claims are barred by the equitable doctrines of unclean hands, bad faith, waiver, mistake, or estoppel.
5. Petitioner has unclean hands and is acting in bad faith. Respondent's Chairman, Mr. André Balazs coined the use of the mark QT in connection with hotel services and Respondent commenced use of the mark in one of the most densely populated and most visited locations in the world, New York City's Times Square. Long after Respondent's

and Mr. Balazs' creation and first use of the QT brand for hotel services, Petitioner adopted it without authorization, and began using it in Australia, for the same services and with a similar theme. Petitioner, improperly and through specious filings and allegations, now seeks to hijack the HOTEL QT brand in the United States. Petitioner admits, through the allegations in the petition to cancel, that Respondent was first to use the mark HOTEL QT in connection with identical and related services in the United States.

6. Without limitation, Petitioner's claims are precluded by its unclean hands because Petitioner is seeking to assert exclusive rights in the "QT Marks" against Respondent, which it knows, or should know, is improper under the circumstances of this dispute.
7. Petitioner's claims are precluded by unclean hands because it is aware that Respondent commenced use of the HOTEL QT mark prior to filing its Statement of Use, yet Petitioner has alleged fraud. Without limitation, email form reservation services are used by boutique hotels, as Petitioner should know.
8. Petitioner has unclean hands because its pending application, filed pursuant to Section 44(e) of the Lanham Act, 15 U.S.C. 1126(e), recites goods and services for which Petitioner had or has no *bona fide* intent to provide under the applied for mark in the United States.
9. Petitioner has unclean hands and is acting in bad faith because it is relying upon a pending application which is void *ab initio* and invalid for various reasons, including reasons stemming from the sworn July 21, 2015 declaration of Ben Avnall stating in pertinent part that:

The signatory believes that . . . if the applicant filed an application under 15 U.S.C. § 1051(b), § 1126(d), and/or § 1126(e), the applicant is entitled to use the mark in commerce; the applicant has a bona fide intention, and is entitled, to use the mark in commerce on or in connection with the goods/services in the application.

The signatory believes that to the best of the signatory's knowledge and belief, no other persons, except, if applicable, concurrent users, have the right to use the mark in commerce, either in the identical form or in such near resemblance as to be likely, when used on or in connection with the goods/services of such other persons, to cause confusion or mistake, or to deceive.

The signatory being warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. § 1001, and that such willful false statements and the like may jeopardize the validity of the application or any registration resulting therefrom, declares that all statements made of his/her own knowledge are true and all statements made on information and belief are believed to be true.

WHEREFORE, Respondent prays that the petition for cancellation be dismissed with prejudice.

Respectfully submitted,

Date: August 6, 2018

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Answer and Affirmative Defenses to Petition for Cancellation was served on August 6, 2018 on Attorney for Petitioner via electronic mail as follows:

Mr. Leo Kittay

lkittay@fzlz.com, lpopp-rosenberg@fzlz.com, ttabfiling@fzlz.com, mortiz@fzlz.com

/Christopher M. Dolan/