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Paper No. 51
HRW

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Marco Polo Hotels Management, Ltd.

v.

Gemini, Inc., d/b/a Lady Luck Casino

Cancellation No. 24,018

Virginia R. Richard of Winston & Strawn for
Marco Polo Hotels Management, Ltd.

Donald C. Casey for Gemini, Inc., d/b/a Lady Luck Casino.

Before Hairston, Wendel and Bucher, Administrative Trademark
Judges.

Opinion by Wendel, Administrative Trademark Judge:

Marco Polo Hotels Management, Ltd. has filed a petition
to cancel Registration No. 1,726,344 for the mark MARCO
POLO'S for "casino services" in Class 41 and "restaurant,
bar and hotel services" in Class 42.¹

In the petition to cancel, as originally filed,
petitioner alleges as grounds for cancellation that, since

¹ Registration No. 1,726,344, issued October 20, 1992, Section 8
affidavit accepted.

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at least early 1980, it has operated hotels and restaurants under the name and mark MARCO POLO in Hong Kong and Singapore; that its mark has been extensively featured in advertising and promotional materials circulated throughout the United States and its mark has a valuable reputation in the United States; that upon information and belief, respondent has not used the mark MARCO POLO'S for a period of two consecutive years prior to the filing of the petition and has discontinued use with the intent not to resume use; that the registration should also be cancelled on the ground that it was fraudulently procured in that the application falsely stated a first use date prior to any date of actual use; and that the continued registration of respondent's mark will interfere with petitioner's ability to obtain registration of its mark.

Respondent, in its answer, denied most of the allegations of the petition, although admitting that its mark MARCO POLO'S had not been used for a period of two years prior to the institution of the cancellation proceeding in the Lady Luck Casino and Hotel in Las Vegas, Nevada.

Petitioner later filed an amended petition, setting forth an additional ground for cancellation. By this additional claim, petitioner seeks partial cancellation of the registration with respect to hotel, casino and bar

services on the ground of nonuse as of the date of the filing of the application for registration of the mark, as well as nonuse up to the date of filing of the petition for cancellation. Respondent denied all the salient allegations of the amended petition.

The Record

The record consists of the pleadings, the registration file, and the materials made of record by means of petitioner's notice of reliance.² Only petitioner has filed a brief. An oral hearing was not requested.

Prior History of the Case

The case has been the subject of motions for summary judgment at two different points in the prosecution, each of which has been dispositive of certain grounds set forth in the petition for cancellation.

The first cross-motions for summary judgment consisted of petitioner's and respondent's motions directed to the ground of abandonment and respondent's cross-motion directed both to petitioner's standing and to the ground of fraudulent procurement of the registration.

The Board, in its decision issued March 27, 1998, granted summary judgment to petitioner on the issue of

² Respondent also filed a notice of reliance during its testimony period. Petitioner filed a motion to strike the two exhibits attached to the notice, on the ground that they did not comply with the procedural requirements of Trademark Rule 2.122(e). The

standing, holding that petitioner had established that it was a competitor of respondent and as such had standing to bring this action. The Board granted summary judgment to respondent on the fraud claim, thus eliminating this ground from trial.

Turning to the issue of abandonment, the Board denied the motions of each party for judgment on this ground. The Board did find that it was "undisputed fact" that "there was no use of the registered mark in connection with the claimed services from the Fall of 1993 until December of 1995."³ (Decision, p. 10). The Board went on, however, to examine the evidence which respondent had put forth in connection with the motion to determine "whether the activities respondent has engaged in are sufficient to raise a genuine issue that its non-use was excusable, thereby, rebutting the presumption of abandonment." (Decision, p.11). The Board found that:

[w]hen we read the evidence of record in the light most favorable to respondent, we cannot find that petitioner is entitled to judgment. In particular, there remain genuine issues of material fact concerning (1) the character of respondent's activities in attempting to relocate the restaurant in Iowa; and (2) whether respondent's actions during the period of non-use are those that a reasonable businessman would take

motion was granted and the exhibits stricken. Accordingly, respondent is without any evidence of record.

³ The Board pointed out that when this cancellation proceeding was instituted in May 1995, the statutory period of nonuse for abandonment purposes was two years. The increase in the period to three years did not come into effect until January 1, 1996 and the Board stated that this would not be retroactively applied.

pursuant to a plan to use the mark, which might be sufficient to excuse respondent's non-use, thereby avoiding a finding of abandonment.

On the other hand, when we read the evidence in the light most favorable to petitioner, those same genuine issues remain as to abandonment, such that, at trial, we might find respondent's activities insufficient to establish its intent to resume use of the MARCO POLO mark in connection with the services identified in the registration.

(Decision, p.11-12.)

Petitioner, after amending the petition as had been suggested by the Board in its decision, then moved for summary judgment on the ground that respondent had never used the mark in connection with casino, hotel and bar services and thus petitioner was entitled to partial cancellation of the registration as to these services.

The Board, in its decision of March 30, 1999, granted summary judgment in petitioner's favor as to the claim that respondent had never used the involved mark in connection with casino and hotel services and accordingly granted the petition for partial cancellation of the registration insofar as these services were concerned. The Board found that a genuine issue of fact remained as to whether respondent had ever used the mark in connection with bar services, and denied summary judgment as to these services.

As stated by the Board, the issues going forward to trial were abandonment of the mark for restaurant and bar services and use of the mark ever in connection with bar services.

Decision

By the law in effect at the time of petitioner's filing of the petition to cancel, petitioner could establish a prima facie case of abandonment with proof of nonuse of the mark for two consecutive years. See 15 USC § 1127.⁴ Such a prima facie case eliminates petitioner's burden of establishing the intent element of abandonment as an initial part of the case and creates a rebuttable presumption that respondent abandoned its mark without intent to resume use. See *Rivard v. Linville*, 133 F.3d 1446, 45 USPQ2d 1374, 1376 (Fed. Cir. 1998); *Imperial Tobacco Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1393 (Fed. Cir. 1990). The presumption shifts the burden to respondent to produce evidence that it either used the mark during the statutory period or intended to resume use. See *Rivard v. Linville*, 45 USPQ2d at 1376; *Cerveceria Centroamericana S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021, 13 USPQ 1307, 312 (Fed. Cir. 1989). The burden of proof remains, however, with petitioner to prove abandonment by a preponderance of the evidence. See *Cerveceria Centroamericana S.A. v. Cerveceria India, Inc.*, *supra*.

Petitioner has established that respondent made no use of the mark MARCO POLO'S in connection with any of the

⁴ As previously noted, by amendment effective January 1, 1996, the minimum period of nonuse was extended to three consecutive

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claimed services from the fall of 1993 until December of 1995. The Board held this to be "undisputed fact" in its decision on the first motions for summary judgment. Respondent admitted the same in its answer to the original petition to cancel. In addition, petitioner points to respondent's response to Interrogatory No. 4 as confirmation of this nonuse of the mark for restaurant services for a period of more than two years. The response reads in relevant part:

MARCO POLO'S restaurant opened June 19, 1989 and was Located off the casino floor at the Lady Luck Casino/Hotel in Las Vegas, Nevada. This restaurant closed in the fall of 1993.

...

On or about the last week of December, 1995, a MARCO POLO'S restaurant opened at the lady Luck Biloxi property.

(Petitioner's Notice of Reliance, Exhibit 8).

Respondent has made no proffer of evidence of use of the mark at any other location for restaurant services or for any of the other services recited in the registration during this two year period.

At this point, the burden of going forward shifts to respondent to provide evidence with respect to its intent to resume use. This intent to resume use has been equated with a showing of special circumstances which excuse the nonuse. In other words, respondent has the burden of establishing

years to establish a prima facie case of abandonment. 108 Stat.

excusable nonuse. If respondent's nonuse is excusable, respondent will have overcome the presumption that its nonuse was coupled with an intent not to resume use; if the activities are insufficient to excuse nonuse, the presumption is not overcome. See *Imperial Tobacco Ltd.*, 14 USPQ2d at 1395.

Respondent has made no admissible evidence of record during its testimony period. Thus, respondent has failed to carry its burden of going forward with evidence which might establish that its nonuse during this period was excusable. Respondent has failed to rebut the presumption of abandonment.⁵

Accordingly, we find that petitioner has established by a preponderance of the evidence that respondent has abandoned use of the mark MARCO POLO'S for all the recited services, including restaurant and bar services. On this basis, the registration will be cancelled in full. In view thereof, we need not consider petitioner's further ground for partial cancellation, namely, nonuse of the mark for bar services.

4809, 4981-82 (1994).

⁵ We would add that even if the materials submitted in connection with respondent's notice of reliance had not been stricken, the result would be the same. Moreover, any evidence which respondent might have attempted to introduce of new and later use of the mark is irrelevant. Once a trademark has been abandoned, the registration may be cancelled even if use is later resumed. See *Cerveceria Centroamericana S.A.*, 13 USPQ2d at 1313, n.7.

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Decision: The petition for cancellation is granted on the ground of nonuse for casino and hotel services, and on the ground of abandonment for casino, hotel, restaurant and bar services.