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SHAKOPEE MDEWANKANTON SIOUX COMMUNITY

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

SHAKOPEE MDEWAKANTON SIOUX
COMMUNITY,
a Federally Recognized Indian Tribe

Plaintiff,

vs.

FBCV, LLC, a Nevada Limited Liability
Company; KEN TEMPLETON, Trustee of
the Templeton Gaming Trust, a Nevada Trust;
TEMPLETON GAMING CORPORATION, a
Nevada Corporation; and TEMPLETON
DEVELOPMENT CORPORATION, a
Nevada Corporation

Defendants.

Case No. 2:10-cv-00010 (JCM-RJJ)

**MEMORANDUM IN SUPPORT OF
SMSC'S MOTION FOR SUMMARY
JUDGMENT OF TRADEMARK
INFRINGEMENT AND TO DISMISS
COUNTERCLAIM**

**PUBLIC REDACTED
VERSION**

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INTRODUCTION

Since 1992, Plaintiff Shakopee Mdewakanton Sioux Community (“SMSC”) has operated Mystic Lake Casino, one of the largest tribal casinos in the world. SMSC owns the federally registered service mark MYSTIC, along with more than two dozen federal registrations for a family of MYSTIC marks, for use in connection with casino and related entertainment services.

In 2007, Defendants FBCV LLC, Templeton Gaming Corp, Templeton Gaming Trust and trustee Ken Templeton (collectively “FBCV”) acquired a casino in Henderson Nevada which then operated as “Charlie Holder’s.” At the time, FBCV was fully aware of Mystic Lake Casino and of SMSC’s rights in the MYSTIC family of marks. Nevertheless, FBCV changed the name of its casino to “Mystic Lodge Casino.”

Since then, FBCV has expanded its use of “Mystic” by adopting a dozen “Mystic” marks—including using “Mystic” by itself—in connection with casino services. In 2008, FBCV announced plans to expand Mystic Lodge by adding a five-story “Mystic Lodge Hotel” and corresponding entertainment and business facilities. That same year, FBCV obtained licenses and executed a contract to purchase a second casino in Las Vegas, which was to be branded “The Mystic” or “Mystic Rose Casino.”

In short, FBCV believes that it is entitled to unfettered use of SMSC’s MYSTIC mark for casino services. SMSC has spent nearly two decades and [REDACTED] building a world-wide client base and invaluable goodwill in its MYSTIC-branded services. Pursuant to Fed. R. Civ. P. 56 and 12(b)(6), and to 15 U.S.C. § 1116(a), SMSC respectfully asks this Court to grant summary judgment on SMSC’s claim for trademark

1 infringement, dismiss FBCV's counterclaim, and enjoin FBCV from using MYSTIC for
2 casino services.

3 **UNDISPUTED FACTS**

4 **I. SMSC'S MYSTIC® CASINO AND ENTERTAINMENT SERVICES AND MYSTIC FAMILY OF MARKS**

5 **A. MYSTIC Casino and Entertainment Services.**

6
7 SMSC opened Mystic Lake Casino in 1992. (Supplemental Declaration of Bryan
8 Prettyman ¶ 1.) The gaming complex is located just south of Minneapolis and
9 approximately 16 miles from the Minneapolis-St. Paul International Airport. (Id.) In the
10 nearly twenty years that SMSC has operated Mystic Lake, the venue has come to be
11 regarded as among "the premier entertainment destination[s] in the Midwest." (Id.;
12 Declaration of Timothy J. Cruz Ex. A.) Mystic Lake Casino is open around the clock and
13 features more than 80 blackjack tables, 4,000 gaming machines, and a bingo hall.
14 (Prettyman Supp. Decl. ¶ 2.)

15
16 Mystic Lake attracts customers from across the nation and around the world. (Id.
17 ¶ 3.) SMSC's "Club Mystic" player database, a membership club of individuals who
18 have played in Mystic Lake Casino, has more than 800,000 members from all 50 states
19 and numerous foreign countries. (Id.) [REDACTED]

20
21 [REDACTED] (Id.) [REDACTED]
22 [REDACTED] (Id.)

23
24 Mystic Lake Casino also features a hotel with nearly 600 luxury guest rooms, a
25 "Mystic Showroom" entertainment venue, restaurants including the "Mystic Deli," and a
26 nationally recognized golf course called "Meadows at Mystic Lake." (Id. ¶¶ 4, 7; see
27

1
2 also Cruz Decl. Ex. B.) Mystic's buffet has been described as "the best east of Las
3 Vegas." (Cruz Decl. Ex. C.)

4 National performing acts are a mainstay at the Mystic Showroom. (See id. Ex.
5 D.) Shows during 2010 included, for example, Lynyrd Skynyrd, Frankie Vallie and the
6 Four Seasons, Ringo Starr, Willie Nelson, Jay Leno, and Jeff Foxworthy. (Prettyman
7 Supp. Decl. ¶ 5; Cruz Decl. Ex. E.) The popular CBS show "Last Comic Standing" was
8 featured at the Mystic Showroom in November, 2010. (Prettyman Supp. Decl. ¶ 5.) The
9 high-profile performances at Mystic Lake are reviewed in media publications across the
10 nation. (Cruz Decl. Ex. F.)

11
12 During the last six years, customers from all 50 states have purchased tickets for
13 entertainment at the Mystic Showroom. (Prettyman Supp. Decl. ¶ 6; Cruz Decl. Ex. G.)
14 Approximately [REDACTED] transactions were from customers located in Nevada. (See
15 Cruz Decl. Ex. H.)

16
17 The Mystic Showroom has garnered nationwide industry recognition. In 2009,
18 Mystic Lake was among the "Top 100 Worldwide Theater Venues" based upon volume
19 of ticket sales, featured alongside venues such as the Colosseum at Caesars Palace. (Id.
20 Ex. I; Prettyman Supp. Decl. ¶ 6.) In both 2009 and 2010, Mystic Lake Casino was one
21 of only five casinos in the United States to be nominated for the Academy of Country
22 Music Awards (CMA) "Casino of the Year Award." (Cruz Decl. Ex. J; Prettyman Supp.
23 Decl. ¶ 6.) Nominees were announced at the annual CMA Awards show, broadcast live
24 from the MGM Grand Garden Arena in Las Vegas. (Prettyman Supp. Decl. ¶ 6.)
25
26
27
28

B. SMSC's Rights in the MYSTIC® Family of Marks

MYSTIC is SMSC's touchstone brand for its casino and entertainment services. (Cruz Decl. Ex. K (Deposition of Bryan Prettyman.) at 96-97.)¹ SMSC often uses MYSTIC in block-style letters, without any design element or stylized font. (Cruz Decl. Ex. M.)

SMSC owns federal trademark registrations for more than a dozen "Mystic" marks. (See Cruz Decl. Ex. FF.)² Many of SMSC's registrations are "incontestable," meaning that SMSC has "exclusive rights" in the marks. (See Cruz Decl. Ex. N.)

C. Promotion of the Mystic Marks

SMSC has invested heavily in promoting its "Mystic" marks. During each of the past five years, SMSC's annual marketing budget [REDACTED] (Prettyman Supp. Decl. ¶ 10; Cruz Decl. Ex. O.) [REDACTED] budget is spent in traditional channels including television, radio, print, direct mail, and the Internet. (Prettyman Dep. at 57; 125.) SMSC's marketing and promotional activities are directed to gaming customers nationwide, including advertising that is directed specifically to Club Mystic members in Nevada. (Prettyman Dep. 151.)

SMSC's nationwide promotion of the MYSTIC marks includes its website, www.mysticlake.com, which displays many of the MYSTIC marks, frequently in plain

¹ (See also Cruz Decl. Ex. L.)

² MYSTIC, MYSTIC GAMING, MYSTIC BINGO, MYSTIC MONEY, MYSTICASH, CLUB MYSTIC, MYSTIC BLACKJACK, MYSTIC SLOTS, MYSTIC ENTERTAINMENT, MYSTIC FAVORITES, MYSTIC PROMOTIONS, MYSTIC SHOWROOM, MYSTIC LAKE, MYSTIC LAKE CASINO HOTEL, MYSTIC DELI, MYSTIC DINING, and MYSTIC LAKE CHEF'S CLUB.

1 formats. (Prettyman Supp. Decl. ¶ 11.) From the website, customers can get a wide
2 variety of information about Mystic Lake's casino and entertainment services, as well as
3 make hotel and restaurant reservations and purchase tickets for the Mystic Showroom.
4 Club Mystic members can also log in to obtain rewards and other membership benefits.
5
6 (Id.)

7 SMSC actively maintains social network profiles on Facebook and Twitter (Id.;
8 Cruz Decl. Ex. P.) Mystic Lake Casino further maintains a retail store in the Mall of
9 America, in Bloomington, Minnesota, that provides services including free shuttle bus
10 rides to and from the casino. (Prettyman Dep. 131; Cruz Decl. Ex. Q.)

12 SMSC's marketing has received high-profile accolades. In 2009, SMSC received
13 a Diamond Romero Award³ in the "large" casino category for its "reinvention of bingo as
14 value entertainment" at Mystic Lake Casino. ((Prettyman Supp. Decl. ¶ 11; Cruz Decl.
15 Ex. R.) In 2010, SMSC won a Silver Romero Award in the "large" casino category for
16 Internet promotion on the mysticlake.com website. (Id.)

18 The success of SMSC's premiere service offerings and promotional efforts is
19 undisputable. Mystic Lake Casino is the largest casino in the Midwest and one of the
20 largest tribal casinos in the world, due in significant part to its national client base.
21 (Prettyman Supp. Decl. ¶ 12.)

26 ³ The Romero Awards recognize excellence in casino marketing. (See Cruz Decl. Ex. R.)
27 Recipients include casinos from across the United States and Canada. (Id.)

II. FBCV'S UNAUTHORIZED USE OF SMSC'S MYSTIC MARKS

Ken Templeton is the principal of Templeton Development Corporation. (Cruz Decl. Ex. S (Deposition of Ken Templeton) at 7.) He is involved in the ownership of hundreds of companies. (Id.) Templeton also owns a portfolio of investments in casinos, including tribal gaming casinos and overseas slot route companies. (Id. at 10, 13.)

In 2007, Templeton Gaming Corporation acquired "Charlie Holder's" casino in Henderson, Nevada. (Cruz Decl. Ex. T (Deposition of Carolyn Ann Haney) at 20-23.) Following the acquisition, Templeton decided to re-brand the casino. (See Cruz Decl. Ex. V (FBCV's answer to SMSC's Interrogatory No. 1.) He and Ted Marzorati, the Vice President of Templeton Gaming, considered dozens of names as part of the process. (Cruz Decl. Ex. U (Deposition of Ted H. Marzorati) at 101-102; Templeton Dep. at 44.) They ultimately chose "Mystic Lodge Casino." (Templeton Dep. at 45.)

Before going forward with the name Mystic Lodge Casino, FBCV knew that SMSC held federal registrations for the mark "Mystic" and other marks that included "Mystic." (Id.; Marzorati Dep. at 115.) Indeed, FBCV's trademark counsel, after performing initial due diligence, informed FBCV of Mystic Lake Casino and of SMSC's federal registrations. (Cruz Decl. Ex. W.) Counsel also warned FBCV that SMSC is "vigilant" about protecting its rights in the MYSTIC mark and asked FBCV to provide alternative business names. (Id. Ex. X.) FBCV did not provide any of its dozens of alternatives, and instead opened Mystic Lodge Casino on August 1, 2007. (Haney Dep. at 23.)

FBCV has used at least the following "Mystic" marks to identify its casino and entertainment services, including "Mystic" by itself:

MYSTIC (Marzorati Dep. at 136; Cruz Decl. Ex. Y.)
 MYSTIC CAFÉ (Cruz Decl. Ex. Z.)
 MYSTIC HOT SEAT (Id. Ex. Y.)
 MYSTIC REWARDS (Id.)
 MYSTIC FREE PLAY (Id.)
 MYSTIC WHEEL (Haney Dep. 132; Cruz Decl. Ex. Y.)
 MYSTIC LOUNGE (Haney Dep. at 137; Cruz Decl. Ex. Y.)
 MYSTIC MOONLIGHT GIVEAWAY (Cruz Decl. Ex. Y.)
 MYSTIC MOONLIGHT SPECIALS (Id.)
 MYSTIC CADILLAC MARGARITA (Id.)
 MYSTIC HAPPY HOUR HITS (Haney Dep. at 130.)
 MYSTIC MAGIC (Cruz Decl. Ex. Y.)
 MYSTIC CHEESEBURGER (Id.)
 MYSTIC 2 EGG BREAKFAST (Id.)

(collectively the “Subject Marks”).

In 2008, FBCV announced plans for a major expansion of Mystic Lodge.
 (Marzorati Dep. at 66; Cruz Decl. Ex. AA.) The expansion includes “adding another
 restaurant and 36,000 square feet of gaming complete with a race and sports book, and
 double the slot machines and table games,” along with a “64,000 square foot lodge, with
 a pool and conference, fitness and business centers.” (Cruz Decl. Ex. BB.)

In early 2009, FBCV contracted to purchase a second casino, located in Las
 Vegas, and obtained a license for the casino operation. (Cruz Decl. Ex. CC (Deposition
 of Kevin D. Close) at 78-79.) The casino was to be branded either “The Mystic” or
 “Mystic Rose.” (Templeton Dep. at 36; Close Dep. at 77; Cruz Decl. Ex. DD.) The
 plans for this new Mystic casino included a playing floor with slots and table games and
 an event center and hotel that would feature boxing contests and other live entertainment.
 (Cruz Decl. Ex. DD.)

Just like SMSC, FBCV promotes Mystic Lodge Casino via an Internet website
 www.mysticlodge.com. (Haney Dep. at 95, 101.) Like SMSC, FBCV promotes its
 casino with active profiles on Twitter, and Facebook.

III. SMSC'S CEASE AND DESIST EFFORTS

In early 2009, SMSC learned of FBCV's unauthorized use of "Mystic" for casino services and promptly sent correspondence requesting that FBCV immediately cease and desist. (Cruz Decl. Ex. EE.) FBCV refused to comply with SMSC's request. (Id.) SMSC made several further attempts to resolve its dispute with FBCV. (Id.) FBCV ignored and ultimately defied these attempts. In December 2009, after it had become clear that diplomacy was fruitless, SMSC filed this action.

ARGUMENT

IV. STANDARD OF REVIEW

Summary judgment is appropriate when, viewing the facts in the light most favorable to the nonmoving party, there is no genuine issue of material fact that would preclude judgment as a matter of law. Didiana v. Harrah's Entm't., Inc., No. 2:08-CV-1314, 2010 WL 3951062, 1 (D. Nev. Oct. 6, 2010)(citing Bagdadi v. Nazar, 84 F.3d 1194, 1197 (9th Cir.1996)).⁴ This Court—and other district courts in the Ninth Circuit—have routinely granted summary judgment to plaintiffs in trademark infringement actions where the material facts are undisputed. E.g., R&R Partners, Inc. v. Tovar, 447 F.Supp.2d 1141, 1146 – 1147 (D. Nev. 2006)(summary judgment that defendant's use of

⁴ The Court may analyze SMSC's motion under Rule 12(b)(6) to dismiss Defendants' declaratory judgment counterclaim using the summary judgment standard. Jacobson v. AEC Capital Corp., 50 F.3d 1493, 1496 (9th Cir. 1995)("If matters outside the pleadings are submitted, the motion to dismiss under Federal Rule of Civil Procedure 12(b)(6) is treated as one for summary judgment under Federal Rule of Civil Procedure 56.")

1 “What Happens in Vegas Stays in Vegas” infringed plaintiffs mark “What Happens Here
2 Stays Here” (Hicks, J.)).⁵

3
4 To prevail in a trademark infringement action, a plaintiff must “establish that the
5 defendant is using a mark that is (i) confusingly similar (ii) to a valid and protectable
6 mark of the plaintiff.” Caesars World, Inc. v. Milanian, 247 F.Supp.2d 1171, 1194 (D.
7 Nev. 2003) (citing Brookfield Comm’n, Inc. v. West Coast Ent. Corp., 174 F.3d 1036,
8 1046 (9th Cir. 1999)). As to the second prong, there can be no dispute that SMSC owns
9 valid rights in the MYSTIC family of marks. SMSC owns more than 30 federal
10 registrations for various Mystic marks. (See Cruz Decl. Ex. FF.) 26 of the registrations
11 are “incontestable” under 15 U.S.C. § 1065⁶, including for the mark MYSTIC for
12

13
14 ⁵ See also Experience Hendrix, L.L.C. v. Hendrixlicensing.com, Ltd., No. C09-2852,
15 2010 WL 2104239, at *12 (W.D. Wash. May 19, 2010)(summary judgment of
16 infringement and permanent injunction against defendants’ use of marks including
17 “Hendrix Electric” and “Hendrix Electric Vodka” where plaintiff owned federally
18 registered rights in HENDRIX family of marks); Conversive, Inc. v. Conversagent, Inc.,
19 433 F. Supp. 2d 1079, 1093 (C.D. Cal. 2006)(summary judgment that defendant’s
20 CONVERSAGENT mark for software services infringed plaintiff’s CONVERSANT
21 mark for similar services); Newsguy, Inc. v. Yomtobian, No. C 04-00811, 2004 WL
22 2944051, at *4 (N.D. Cal. Dec. 20, 2004)(summary judgment that defendants use of
23 “Newsguys” mark infringed plaintiff’s NEWSGUY mark; Nissan Motor Co. v. Nissan
24 Computer Corp., 378 F.3d 1002, 1019 (9th Cir. 2004)(affirming summary judgment that
25 defendant’s operation of nissan.com website for automobile advertisements infringed
26 plaintiff’s rights in the NISSAN mark for automobiles); Kyjen Co., Inc. v. Vo-Toys,
27 Inc., 223 F. Supp. 2d 1065, 1071 (C.D. Cal. 2002)(summary judgment that defendant’s
28 use of “bungee” in connection with the sale of toys infringed plaintiff’s rights in
BUNGEE mark for toys—permanent injunction entered); E. & J. Gallo Winery v.
Consortio del Gallo Nero, 782 F. Supp. 457, 471 (N.D. Cal. 1991)(summary judgment
that defendant’s use of “Gallo Nero” for wine infringed plaintiff’s rights in GALLO mark
for wine).

⁶ The incontestability provisions of the Lanham Act were designed to provide a means
for a trademark holder to quiet title in the ownership of his mark. Reno Air Racing
Ass’n., Inc. v. McCord, 452 F.3d 1126, 1134 (9th Cir. 2006). Thus, an incontestable

1 “entertainment services, namely providing casino facilities.” (See id. Ex. N.) SMSC’s
 2 registrations claim a first use date of May 12, 1992—well before the August 1, 2007 date
 3 on which FBCV commenced use of the Subject Marks. Thus, the only issue for the Court
 4 to decide is whether consumer confusion is likely.
 5

6 The test for likelihood of confusion is whether a reasonably prudent consumer is
 7 likely to be confused as to the origin of the service bearing one of the marks. Tovar, 447
 8 F.Supp.2d at 1151; Surfvivor Media, Inc. v. Survivor Prods., 406 F.3d 625, 629-630 (9th
 9 Cir. 2005). Ninth Circuit courts examine eight non-exclusive factors when determining
 10 whether consumer confusion is likely. AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-
 11 49 (9th Cir.1979). As described in Section III below, application of those eight factors
 12 here overwhelmingly calls for summary judgment in favor of SMSC.
 13

14 **V. COURTS HAVE FREQUENTLY ENJOINED JUNIOR USES OF A**
 15 **CASINO MARK, EVEN WHERE THOSE USES ARE**
 16 **GEOGRAPHICALLY DISTANT**

17 This case is not novel. Several courts have considered whether the owner of a
 18 mark for casino services is entitled to enjoin a junior user who commences use of the
 19 same or a similar mark, even where the user is a local business selling different services
 20 in a distant location. The conclusion uniformly has been to enjoin the junior user.

21 In Caesar’s World, Inc., v. Caesar’s Palace, a Nevada casino sought to enjoin a
 22 New Jersey hair stylist from using the business name “Caesar’s Palace Coiffures.” 490
 23

24 _____
 25 (continued from previous page)

26 trademark registration is “conclusive evidence of the validity of the registered mark and
 27 of the registration of the mark, of the registrant’s ownership of the mark, and of the
 28 registrant’s exclusive right to use the registered mark in commerce.” 15 U.S.C. § 1115.

1
2 F.Supp. 818, 821 (D. N.J. 1980). The court described the defendant's operation as
3 follows:

4 Caesar's Palace Coiffures is a small beauty shop in South Orange, New
5 Jersey. Caesar Crimi [the owner] is a licensed beautician who works in the
6 shop himself. Over the years he has done very little advertising. The shop
7 is listed in the local phone directory as Caesar's Palace. Mr. Crimi has not
engaged in other business besides hairstyling. His customers are
predominantly women from South Orange.

8 Id. at 821-822. The defendant had "never received telephone calls or letters intended for
9 the plaintiff throughout the ten years defendant [was] in business." Id. at 827.

10 The court observed that "a person is not likely to walk into a beauty shop in South
11 Orange, New Jersey, and think they are in a resort hotel in Las Vegas, Nevada; however
12 it is possible that the person may think that there is a connection between the two . . . This
13 possibility supports a finding of likelihood of confusion . . ." Id. at 825. While the
14 defendant "drew customers from a limited geographic area," the defendant's business
15 was located in a state where the plaintiff had demonstrated a customer base. Id. at 827.
16 Thus, the geographic distance between parties did "not preclude a finding of
17 infringement" based upon a likelihood of confusion. Id. The defendant had "assumed
18 the risk that it might be infringing upon the name or service marks of others when [it]
19 willingly adopted the plaintiff's trade name . . .". Id. The court enjoined the defendant's
20 use. Id. at 829.

21
22 Similarly, in Aztar Corp. v. NY Ent. LLC, the owner of the mark TROPICANA
23 for casino services sought to enjoin the defendant's operation of a cruise ship named the
24 "M/V Tropicana," which among other things offered off-shore gambling. 15 F.Supp.2d
25 252 (E.D.N.Y. 1998). The plaintiff operated casinos in Las Vegas and Atlantic City. Id.
26 at 254. The defendant argued that there could be no likelihood of confusion because the
27
28

1 plaintiff operated traditional casinos, whereas the defendant operated a cruise line out of
2 the Port of Miami, and none of the ship's restaurants or casinos operated under the trade
3 name Tropicana. Id. at 255.

4
5 The court rejected that argument, granting summary judgment for the plaintiff and
6 enjoining the defendant from further use of the mark. The court held that there was a
7 likelihood of confusion based on a number of factors, including the strength of the
8 plaintiff's mark, the similarity between the two marks, and the proximity of the products.
9 Id. at 261.

10
11 In a third case, the owners of Caesars Palace filed suit to enjoin the operator of a
12 tavern located in Omaha, Nebraska from using the business name "Caesar's Palace
13 Lounge." Caesars World, Inc. v. Caesar's Palace, Inc., CV71-0-178, 1973 U.S. Dist.
14 LEXIS 13516 (D. Neb. May 23, 1973). The defendant argued that there was no
15 likelihood of consumer confusion because "no one could be confused into believing that
16 he or she was attending Caesars Palace in Las Vegas, Nevada, when he or she entered
17 Caesar's Palace Lounge in Omaha, Nebraska." Id. at *8.

18
19 The court acknowledged that it was "extremely unlikely that anyone walking into
20 Caesar's Palace Lounge would be confused into believing that he or she was entering
21 Caesars Palace." That was not, however, the test to be applied. Id. The plaintiff was
22 entitled to an injunction because there was "a likelihood of confusion in that consumers
23 may [have been] led to believe that the defendant's operations [we]re in some way
24 connected with the plaintiff's entity offering nightclub and entertainment services in Las
25 Vegas, Nevada." Id. at *8-*9.

1
2 Simply put, courts have consistently recognized that the market for casino
3 services is national, and enforced trademark rights against junior users irrespective of
4 geographic proximity. Likewise here, FBCV's willing use of "Mystic" for casino
5 services creates a likelihood of confusion that consumers may be led to believe that the
6 FBCV's operations are connected to the Mystic Lake Casino. See Prairie Island Cmty. v.
7 Treasure Island Corp., 2008 WL 2385969 (TTAB May 15, 2008)(finding that Las Vegas
8 casino's use of "Treasure Island" mark in which a tribal casino in Minnesota had prior
9 rights was likely to cause confusion).

11 VI. THE SLEEKCRAFT FACTORS OVERWHELMINGLY FAVOR SMSC

12 As described below, and based upon the undisputed facts, at least six of the eight
13 Sleekcraft factors heavily weigh in SMSC's favor, and the remaining two are at the very
14 least neutral. Accordingly, a finding of likelihood of confusion is warranted here as a
15 matter of law.

17 1. *MYSTIC is a Strong Mark*

18 The strength of a mark refers to its "distinctiveness" or tendency to identify the
19 goods sold under the mark as emanating from a particular source. E.g., Milanian, 247
20 F.Supp.2d at 1198-99. Here courts consider two factors—inherent distinctiveness, and
21 distinctiveness in the marketplace. Id. Marks are classified in one of five categories of
22 increasing distinctiveness: (1) generic, (2) descriptive, (3) suggestive, (4) arbitrary, or (5)
23 fanciful. Id. (citing Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery, 150 F.3d
24 1042, 1047 (9th Cir.1998)). Arbitrary, fanciful or suggestive marks are inherently
25 distinctive and do not require proof of secondary meaning in order to be protected. Id.

1
2 “Arbitrary and fanciful marks are strong marks, and are afforded greater
3 protection.” Milanian, 247 F.Supp.2d at 1199. A fanciful mark is a “coined” term that is
4 invented or selected for the sole purpose of functioning as a trademark. Id. An arbitrary
5 mark is a word “commonly used in the English language, but when used with the goods
6 or services in issue, neither suggest[s] nor describe[s] any ingredient, quality or
7 characteristic of those goods or services.” Id.

8
9 Reasonable minds cannot disagree that the mark MYSTIC is arbitrary for casino
10 services. Mystic is a common word, but does not suggest or describe any characteristic
11 of casino entertainment.⁷ This Court has reached the same conclusion where a common,
12 but not descriptive, word is used for casino services. Milanian, 247 F.Supp.2d at 1199.
13 (EMPIRE Family of marks is fanciful because the word EMPIRE bears no relationship to
14 hotel, casino, gaming, and entertainment services). As with “Empire,” the word “Mystic”
15 used in connection with hotel, casino, gaming, and entertainment services bears no
16 relationship to those services and therefore is a strong mark.

17
18 Courts also have looked to longevity of use, advertising, and sales in analyzing
19 the strength of the mark. E.g., Century 21 Real Estate Corp. v. Sandlin, 846 F.2d 1175,
20 1179 (9th Cir. 1988)(finding a mark strong when used in connection with several million
21 dollars in advertising and sales); Lahoti v. Vericheck, Inc., 708 F.Supp.2d 1150, 1162
22 (W.D.Wash. 2010)(finding a mark strong based on plaintiff’s extensive and longstanding
23

24
25 ⁷ Indeed, a federal court analyzing the mark MISTIC for nonalcoholic beverages held that
26 “the MISTIC mark is very strong. It is not descriptive, but is at least suggestive
27 (mist/water/liquid) and arguably completely fanciful or arbitrary.” Best Flavors, Inc. v.
28 Mystic River Brewing Co., 886 F.Supp. 908, 916-917 (D. Me. 1995).

1 use and promotion of the mark); Sandlin, 846 F.2d at 1179 (strong mark where plaintiff
2 showed several million dollars in advertising and that the mark was used in connection
3 with sales in excess of one billion dollars).
4

5 SMSC has used the MYSTIC marks for nearly two decades (Prettyman Supp.
6 Decl. ¶ 1) and has annual advertising expenditures [REDACTED] in promoting
7 the marks. (Prettyman Dep. at 57; 125.) Moreover, SMSC sales of services under the
8 MYSTIC Family of marks have, over the last four years, [REDACTED]
9 [REDACTED] (See Prettyman Decl. ¶¶ 1-4.)
10

11 This factor favors SMSC.

12 2. *The Subject Marks Are Similar to MYSTIC*

13 When analyzing the similarity of marks, a court must examine the marks in their
14 entirety as they appear in the marketplace along with the relevant appearance, sound and
15 meaning.⁸ Milanian, 247 F.Supp.2d at 1197 -1198 (citing Dreamwerks Prod. Group, Inc.
16 v. SKG Studio, 142 F.3d 1127, 1129 (9th Cir.1998)). “[T]he ‘combination of features as
17 a whole rather than a difference in some of the details ... must determine whether the
18 competing [service] is likely to cause confusion in the minds of the public.” Id. (internal
19 citation omitted).
20

21 Here, the record overwhelmingly demonstrates—and FBCV does not attempt to
22 dispute—that FBCV has repeatedly used the mark “Mystic” alone in advertising to
23

24
25 ⁸ Where the plaintiff has registered a mark in plain typeface, “protection of the mark in
26 question is not limited to any logo, but to the words themselves.” Aztar, 15 F.Supp.2d at
27 258 n.6 (citing Sports Authority, Inc. v. Prime Hospitality Corp., 89 F.3d 955, 961 (2d
28 Cir. 1996)).

1 identify its casino. (Haney Dep. 109; Cruz Decl. Ex. GG.) Thus, no reasonable juror
2 could conclude that FBCV has not used a mark that is similar to SMSC's MYSTIC mark.

3
4 Even beyond FBCV's use of Mystic alone, however, this factor still weighs
5 heavily in SMSC's favor based upon FBCV's use of the Subject Marks. See, e.g.,
6 Blumenfeld Dev. Corp. v. Carnival Cruise Lines, Inc., 669 F.Supp. 1297, 1320 (E.D. Pa.
7 1987)(“Carnival Club” mark was similar because “Carnival” was dominant and “Club”
8 was a *de minimus* addition.) FBCV does not dispute that “Mystic” is the dominant
9 element of the Mystic Lodge Casino name. (Templeton Dep. at 41.) Like “club,” the
10 word “lodge” is a *de minimis* addition to the mark.

11
12 Finally, as this Court has held, “absolute identity between the marks . . . is not
13 necessary for a finding of consumer confusion.” Milanian, 247 F.Supp.2d at 1197.
14 Confusing similarity of marks may also be established under the “Family of Marks”
15 doctrine. Id. When the trademark owner uses a number of marks with a common feature
16 or “surname” that is distinctive enough to be recognized by the consuming public,
17 consumers will associate derivative marks with the trademark owner. Id. (citing J & J
18 Snack Foods Corp. v. McDonald's Corp., 932 F.2d 1460, 1462 (Fed.Cir.1991); Milanian,
19 247 F.Supp.2d at 1197-98 (defendant's marks THE EMPIRE and THE ROMAN
20 EMPIRE are similar to the plaintiff's family of EMPIRE marks).

21
22 Here, not only is there an outright facial similarity between SMSC's marks and
23 the Subject Marks, but also “Mystic” is the obvious dominant component of each and
24 every mark:

SMSC	FBCV
MYSTIC MYSTIC GAMING	MYSTIC MYSTIC HOT SEAT

MYSTIC BINGO	MYSTIC REWARDS
MYSTIC MONEY	MYSTIC FREE PLAY
MYSTICASH	MYSTIC WHEEL
MYSTIC LAKE CHEF'S CLUB	MYSTIC LOUNGE;
CLUB MYSTIC	MYSTIC MOONLIGHT GIVEAWAY
MYSTIC BLACKJACK	MYSTIC MOONLIGHT SPECIALS
MYSTIC SLOTS	MYSTIC CADILLAC MARGARITA
MYSTIC ENTERTAINMENT	MYSTIC HAPPY HOUR HITS
MYSTIC FAVORITES	MYSTIC MAGIC;
MYSTIC PROMOTIONS	MYSTIC CAFÉ;
MYSTIC SHOWROOM	MYSTIC CHEESEBURGER;
MYSTIC LAKE	MYSTIC 2 EGG BREAKFAST
MYSTIC LAKE CASINO HOTEL	
MYSTIC DELI	
MYSTIC DINING	

This factor favors SMSC.

3. *FBCV Knowingly Adopted the Infringing MYSTIC Mark*

“A newcomer who has the ‘entire material universe’ or, stated in other terms, ‘a whole dictionary full of words, an encyclopedia full of proper names, or a world atlas full of place names,’ from which it could have chosen its name and mark, has the duty to avoid the use of a mark similar to an established one.” Sandlin, 846 F.2d at 1182; Fleischmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 158 (9th Cir.1963). A plaintiff need not prove wrongful intent to show trademark infringement. Brookfield, 174 F.3d at 1059. However, “where it is shown that the alleged infringer knowingly adopted the infringing mark, courts will presume that it can achieve its purpose in deceiving the public.” Milanian, 247 F.Supp.2d at 1200 (citing Sleekcraft, 599 F.2d at 354).

Among the most striking of the undisputed facts in this case is FBCV’s brazen approach to using “Mystic” for casino services. Before commencing use of the mark, Ken Templeton directed Ted Marzorati to procure an opinion letter from trademark counsel. (Templeton Dep. 45.) In Mr. Marzorati’s first correspondence with counsel, he

1 indicates that Templeton Gaming acquired a casino named Charlie Holder's, and that
2 Templeton had selected a new name for the casino. (Cruz Decl. Ex. HH.) Mr. Marzorati
3 asked for a nation-wide investigation and for advice on how to protect the new name.
4 (Id.) The proposed names included: "The Mystic Lodge Casino," "Mystic Lodge
5 Casino," "Mystic Lodge," and "Mystic Lodge Hotel & Casino." (Id.)
6

7 After performing an initial trademark search, counsel's advice was candid:

8 Ted,

9 As a trademark attorney we usually spend weeks . . . doing searches and
10 due diligence before we render any sort of opinion. However, I'm going
11 to point out a very notable problem before we get too deep. There is an
12 Indian tribal casino called the Mystic Lake, and they have over a dozen
13 federal trademarks registered with "Mystic" as the main feature of the
14 mark. Their use and their federal registrations pose a significant problem.
15 Moreover, they are the "only" apparent registrant of "mystic" for gaming
16 services. If there were many unrelated "Mystic somethings" then we
17 could argue that another "Mystic" mark (e.g. Mystic Lodge) would not
18 infringe any single prior party. But it looks in less than an hour of
19 preliminary review, this looks to be a problem. There is only one party
20 using "mystic" for casino services that I can see in the "quickie" search
21 that I did and this probably gives that party a strong trademark. If you
22 have other marks to search, keep them coming . . .

23 (Cruz Decl. Ex. II.) (emphasis added).

24 FBCV did not keep them coming. Rather than provide its counsel with one of the
25 more than 70 other alternative names, FBCV's officers chose to proceed with use of
26 Mystic. After numerous telephone conversations (the content of which neither Mr.
27 Marzorati nor his counsel could allegedly recall), FBCV's counsel performed yet more
28 research. (See Marzorati Dep. at 120-121; Cruz Decl. JJ. (Robinson Dep. at 131).) A
later exhaustive search by FBCV's counsel did not reveal a single other casino in the
United States that used a Mystic mark. (Robinson Dep. at 142-143.)

1 FBCV's counsel informed FBCV that the analysis was going to be "tough,"
2 because SMSC had been "vigilant about all mystic uses." (Cruz Decl. KK.) After FBCV
3 pressed forward with its request for an opinion, counsel hesitantly responded that he
4 would "try to say that maybe you can use it as a local brand for a local casino." (Id. Ex.
5 LL.)
6

7 Ultimately, counsel provided an opinion letter. (Cruz Decl. Ex. MM.) The first
8 paragraph of the letter identifies a risk of litigation with SMSC. (Id.) The letter
9 concludes: "I believe that the trademark is not likely registrable, but might be used in a
10 way that does not infringe any of the marks shown in the search results." (Id.) The
11 opinion letter did not authorize FBCV to use the Mystic mark. (Robinson Dep. at 40.)
12 Rather, the analysis was intended to apprise FBCV of the "risks" associated with
13 commencing use of the mark. (Id. at 40-41.)
14

15 Where a defendant asserts an "advice of counsel" defense, courts will examine the
16 basis for the opinion and whether the defendant followed its counsel's advice in
17 determining whether the defendant acted with wrongful intent. E.g., John H. Harland Co.
18 v. Clarke Checks, Inc., 711 F.2d 966, 978, (11th Cir. 1983)(holding that advice of
19 counsel does not negate inference of intent to adopt a mark confusingly similar to
20 plaintiff's); Carnival, 669 F.Supp. at 1310 (opinion of trademark counsel that "Carnival
21 Club" would not infringe "Carnival" did not negate bad faith intent.)
22

23 Upon receipt of the opinion letter, FBCV scheduled a meeting with counsel to
24 seek additional clarification about the advice contained in the letter. (Marzorati Dep. at
25 127-131; Robinson Dep. at 159-161.) During the meeting, counsel identified SMSC's
26 MYSTIC Family of marks as a "hot list" and warned FBCV to never use any of the
27
28

1 marks. (Cruz Decl. Ex. NN.) Counsel also warned FBCV that it should always use the
2 word “lodge” as a component of its mark, that it should not market in channels visible to
3 consumers in SMSC’s geographic area, and that it should “stay below the radar.” (Id.)

4 But FBCV freely and knowingly ignored this legal advice. Within a year, FBCV
5 commenced use of the mark MYSTIC *by itself*, along with more than a dozen other
6 Mystic uses—none of which included the word “lodge.” (Cruz Decl. Ex. Y, Z.) FBCV
7 started using Mystic on its Internet website, as well as in its profiles on Twitter,
8 MySpace, and Facebook, thereby advertising in the same channels as SMSC and in a
9 medium broadcast across the world—hardly “below the radar.”

10 Finally, even after receiving advice from counsel that was replete with warnings
11 and qualifications regarding the Mystic Lodge Casino, FBCV proceeded—without
12 informing or seeking advice from counsel (Robinson Dep. at 170)—with plans to open a
13 casino and entertainment venue in Las Vegas under either the mark “The Mystic” or
14 “Mystic Rose.” (Cruz Decl. Ex. DD.)⁹ Simply put, FBCV has demonstrated a
15 deliberate, callous disregard for SMSC’s trademark rights, contrary even to the advice of
16 its own counsel.

17 This factor favors SMSC.

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25 ⁹ Whether FBCV has yet carried through with these plans is irrelevant. See, e.g.,
26 Blumenfeld, 669 F.Supp. 1297 (enjoining prospective use of mark). The plans show
27 FBCV’s knowing willingness to use the Mystic marks in yet other business operations
28 and in a manner far exceeding the advice of its own counsel.

4. *FBCV's Casino Services Compete with SMSC's Casino Services*

The Lanham Act “affords nationwide protection to registered marks, regardless of the areas in which the registrant actually uses the mark.” Dawn Donut Co. v. Hart's Food Stores, Inc., 267 F.2d 358, 362 (2d Cir. 1959). “The more related the services, the greater the danger that the public will incorrectly assume that there is a connection between the producers, despite the fact that no relationship exists.” Milanian, 247 F.Supp.2d at 1198 (citing Sleekcraft, 599 F.2d at 350). Here, the parties both sell casino and related services and compete for the same customers.

Likewise, courts have universally observed that casino operations compete in a single national market.¹⁰ For example, the defendant in Aztar maintained that its gambling operation—located on a cruise ship—did not compete with the plaintiff’s Atlantic City casino. According to the defendant, “the parties [we]re not in direct competition because the type of gambler interested in a five-to-six hour captive cruise differs from the type of gambler interested in large-city strip casinos.” 15 F.Supp.2d at 258. According to the court, however, “[i]t is clear that some gamblers would gamble anywhere, on a cruise casino or a strip casino. That the profile of the customers of these two types of casinos is different does not indicate that the two types of casinos are not in competition.” Id. See also Carnival, 669 F.Supp. at 1313 (holding that an Atlantic City

¹⁰ In addition to operating the Mystic Lake Casino, SMSC has a licensee of the MYSTIC marks for gaming services located in Nevada (Cruz Decl. Ex. WW) and engages in nation-wide casino-related consulting services. (Prettyman Decl. ¶ 17.) This Court has held that consulting services are sufficiently related to hotel and casino services to warrant a finding that consumer confusion is likely. See Milanian, 247 F.Supp.2d at

1 casino and a Caribbean cruise line compete for the same customer: those with
 2 discretionary income to spend on travel and entertainment).¹¹
 3

4 Likewise here, the undisputed evidence supports the conclusion that Mystic Lake
 5 Casino and Mystic Lodge Casino operate in a market that includes a nation-wide
 6 consumer base. First, more than 100 of the same individuals appear in both Mystic Lake
 7 Casino and Mystic Lodge Casino's respective player databases. (See Docket No. 39.)
 8 Mystic Lake and Mystic Lodge also have player databases that include residents of all 50
 9 states. (Prettyman Supp. Decl. ¶ 3; Marzorati Dep. at 98.). Both Mystic Lake and Mystic
 10 Lodge casino services expressly cater to travelers and tourists. (Prettyman Supp Decl. ¶
 11 3; Marzorati Dep. at 98.) In fact, both parties have thousands of customers in Nevada
 12 alone. (See Prettyman Supp. Decl. ¶ 3.) Simply put, SMSC and FBCV compete for the
 13 same discretionary consumer dollar—Mystic Lodge is a competitor of Mystic Lake. (See
 14 Prettyman Dep. at 167.)
 15

16 This factor favors SMSC.
 17

18 5. *SMSC and FBCV Use the Same Channels of Trade*

19 This Court has found an overlap in channels of trade where both parties advertise
 20 casino services via the Internet. Milanian, 247 F.Supp.2d at 1199 (observing that over
 21

22 (continued from previous page)

23 1198 (enjoining use of JULIUS CAESAR mark for casino-related consulting services in
 24 view of plaintiff's rights in the mark CAESARS for hotel and casino services).

25 ¹¹ The record in this case also includes ample evidence that the Nevada gaming
 26 industry specifically targets residents of Minnesota. (Prettyman Dep. at 145; Cruz
 27 Decl. Ex. TT (Nevada casinos advertising on Minnesota newspaper's website where
 28 Mystic Lake Casino purchases advertising).)

1 one million individuals had visited the plaintiff's web site which made "prominent use of
2 both THE COLOSSEUM mark and EMPIRE Family of Marks.")

3
4 In this case, in addition to being competitors in a national market, SMSC and
5 FBCV both use the Internet to market casino services to potential customers. (Haney
6 Dep. at 95, 101; Prettyman Supp. Decl. ¶ 11.) During 2010, nearly one million
7 individuals visited SMSC's mysticlake.com website, generating more than four million
8 page views. (Id.) Mystic Lake also frequently promotes its services on Twitter and
9 Facebook. (Id.) The same is true of Mystic Lodge. (Haney Dep. at 101.)

10
11 Where both parties use their marks in Internet promotion, the Ninth Circuit has
12 held that a likelihood of confusion may be established by demonstrating a likelihood of
13 initial interest confusion. "Initial interest confusion occurs when the defendant uses the
14 plaintiff's trademark 'in a manner calculated to capture initial consumer attention, even
15 though no actual sale is finally completed as a result of the confusion.'" Interstellar
16 Starship Services, Ltd. v. Epix, Inc., 304 F.3d 936 (9th Cir. 2002). "A significant
17 purpose of a domain name is to identify the entity that owns the web site,' and 'using a
18 company's name or trademark as a domain name is also the easiest way to locate that
19 company's web site.'" Bellagio v. Denhammer, No. CV-5-00-1475, 2001 WL 34036599,
20 *2 (D.Nev. July 10, 2001)(citing Panavision v. Int'l, L.P., 141 F.3d 1316, 1327 (9th
21 Cir.1998)).

22
23 Thus, there is a likelihood of initial interest confusion when a party makes
24 unauthorized use of a trademark in an Internet domain name. See Denhammer, 2001
25 WL 34036599 at *2 (enjoining defendant's use of the "bellagiolasvegashotel.com"
26 website on the basis that he had "injured Plaintiff by confusing and/or diverting
27
28

1 customers seeking to obtain access to Bellagio's services through the Internet.")(Hunt,
2 J.); see also Mirage Resorts, Inc. v. Cybercom Prods., et al, 228 F.Supp.2d 1141, (D.
3 Nev. 2002)(enjoining defendant's use of "Golden Nugget" in a domain name for a
4 website not authorized by owner of GOLDEN NUGGET mark) (Hunt, J.); Rio Props.,
5 Inc. v. Rio Int'l. Interlink, 284 F.3d 1007 (9th Cir. 2002).

6
7 As FBCV's own trademark counsel acknowledged, "the Internet has a lot of
8 confusing stuff on it." (Robinson Dep. at 181.) For that very reason, SMSC has
9 undertaken to create a wide berth around its MYSTIC mark on the Internet by registering
10 [REDACTED] domain names comprised of variations on "mystic." (Prettyman Decl. ¶ 18;
11 Cruz Decl. Ex. OO.)

12
13 In spite of SMSC's efforts, the consequences of FBCV's use of Mystic in its
14 domain name and in its website are readily apparent on the Internet. A search term
15 comprised of "mystic" and "casino" using any of the numerous Internet search engines
16 will provide results for both Mystic Lake Casino *and* Mystic Lodge Casino. (Cruz Decl.
17 Ex. PP.) In many cases, the Mystic Lodge Casino website appears as "Mystic Website."
18 (Id.) Search engines including Google also "suggest" alternative searches that include
19 "mystic casino henderson." (Id.)

20
21 FBCV's use of Mystic on social network profiles causes similar problems. A
22 Google search for "mystic casino facebook" provides results for both Mystic Lake and
23 Mystic Lodge's profiles. (Id.) A search for "mystic" on Facebook returns results for
24 both Mystic Lake Casino and Mystic Lodge Casino. (Id.) In one instance, Facebook
25 generated a banner advertisement for Mystic Lake Casino coupons over the Mystic
26 Lodge Casino profile page. (Cruz Decl. Ex. QQ.) Third party gaming websites also
27
28

1 provide potentially confusing information about Mystic Lake and Mystic Lodge. (*Id.* Ex.
2 RR.) The Vice President of Templeton Gaming hit the nail on the head when explaining
3 the cause of the perplexing Internet results: “It’s the word Mystic.” (Marzorati Dep. at
4 60.)

5
6 This factor favors SMSC.

7 6. *There is Evidence of Actual Confusion*

8 It is well-settled law that “evidence of actual confusion is not required to establish
9 a violation of the Lanham Act. In fact, such a showing where there has been insignificant
10 commercial activity by the infringer would work to penalize the trademark owner for
11 taking prompt steps to protect his/her rights.” *Milanian*, 247 F.Supp.2d at 1199. *See also*
12 *Academy of Motion Picture Arts & Sciences v. Creative House Promotions, Inc.*, 944
13 F.2d 1446, 1456 (9th Cir.1991)(“actual confusion is not necessary to a finding of
14 likelihood of confusion under the Lanham Act.”); *Caesars World*, 490 F.Supp. at 827
15 (finding a likelihood of confusion despite that the defendant had never received letters
16 intended for plaintiff in ten years of business). SMSC bears no burden of proving any
17 instances of actual confusion.

18
19 Nonetheless, the record in this case includes a document addressed to Mystic
20 Lake Casino that was sent to Mystic Lodge Casino. (Cruz Decl. Ex. SS.) SMSC first
21 learned of the document when, shortly before the close of discovery, FBCV filed a
22 motion for leave to conduct third-party discovery relating to what it characterized as a
23 “suspicious” communication. (*See* Docket No. 44.) FBCV received the mailer in
24 question from Reed Communications, a Connecticut company.
25
26
27
28

1
2 Further discovery showed that Reed's database appears to contain correct
3 addresses for Mystic Lake and Mystic Lodge. However, the company purchased the
4 address information on the mailer from an undisclosed third party. (See Declaration of
5 Ulrike K. Davis.) Simply put, *res ipsa loquitur* applies to the misdirected mailing. In the
6 short time since FBCV commenced use of the Mystic mark, there has been confusion in
7 the casino market regarding the two Mystic casinos.

8 This factor favors SMSC, or at the very least is neutral.

9
10 7. *The Degree of Consumer Care Favors SMSC*

11 Courts already have held that the "consumer care" factor weighs in favor of the
12 mark owner where both parties use similar marks to sell casino services. See Aztar, 15
13 F.Supp.2d 260 (sophistication of the buyers factor favored plaintiff). Here, neither the
14 marks nor the services at issue differ in any meaningful way: both parties are using
15 "Mystic" marks in connection with casino services.

16 This factor favors SMSC.

17
18 8. *Likelihood of Expansion*

19 Because both SMSC and FBCV offer identical services, this factor is not germane
20 to the Court's analysis and can be viewed as neutral. Tommy Bahama Group, Inc. v.
21 Sexton, No. C 07-06360, 2009 WL 4673863, at *11 (N.D.Cal. Dec. 3, 2009)("Because
22 the parties were selling similar goods in identical marketing channels, likelihood of
23 expansion is irrelevant to the Court's analysis.") That aside, and ignoring the advice of
24 its own trademark counsel, FBCV has manifested its intent to expand its use of the
25 Subject Marks, including by expanding its own facilities and by using the marks in
26 connection with other casinos.
27
28

1 This factor is either neutral or slightly in favor of SMSC.

2 All told, at least six of the eight Sleekcraft factors clearly weigh in SMSC's favor,
3 and the remaining two factors are at least neutral. In these circumstances, no reasonable
4 juror could conclude that FBCV's use of Mystic for casino services does not create a
5 likelihood of consumer confusion. Summary judgment is warranted. Tovar, 447
6 F.Supp.2d 1141.
7

8 **VII. SMSC IS ENTITLED TO A PERMANENT INJUNCTION**

9 "Injunctive relief is the remedy of choice for trademark and unfair competition
10 cases, since there is no adequate remedy at law for the injury caused by defendant's
11 continuing infringement." Denhammer, 2001 WL 34036599, *6 (citing Century 21 Real
12 Estate Corp. v. Sandlin, 846 F.2d 1175 (9th Cir.1988); 15 U.S.C. § 1116; Carnival, 669
13 F.Supp. at 1321 ("Injunctions are appropriate in trademark cases where the reputation of
14 the senior user 'is left to the mercy of the junior user, whose business policies may not
15 reflect the same sound judgment.'"))
16

17 A party seeking a permanent injunction must demonstrate: (1) that it has suffered
18 an irreparable injury; (2) that remedies available at law, such as monetary damages, are
19 inadequate to compensate for that injury; (3) that, considering the balance of hardships
20 between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the
21 public interest would not be disserved by a permanent injunction. Kerzner Int'l. Ltd. v.
22 Monarch Casino & Resort, Inc., 675 F.Supp.2d 1029, 1045 (D.Nev. 2009)(citing eBay
23 Inc. v. MercExchange, L.L.C., 547 U.S. 388, 391 (9th Cir. 2006).
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1
2 A. *SMSC Has Suffered Irreparable Harm and has no Adequate Remedy at Law*

3 “In the trademark context, ‘once the plaintiff establishes a likelihood of
4 confusion, it is ordinarily presumed that the plaintiff will suffer irreparable harm if
5 injunctive relief is not granted.’” *Id.* (citations omitted); (see also *Brookfield*, 174 F.3d at
6 1066; *Milanian*, 247 F.Supp.2d at 1205 (“Having concluded that Plaintiffs have
7 succeeded on proving infringement, the Court need not address the issue of irreparable
8 harm . . . once trademark infringement is established through a showing of a likelihood of
9 confusion, irreparable injury is presumed.”); *Competition Specialties, Inc. v.*
10 *Competition Specialties, Inc.*, Nos. 02-35831, 02-35885, 2004 WL 94026, 2 (9th Cir.
11 Jan. 20, 2004)(injunctive relief is the “remedy of choice” for trademark infringement,
12 and “there is no adequate remedy at law for the injury”).

13
14 Having established a likelihood of confusion, SMSC has demonstrated that it will
15 be irreparably harmed by FBCV’s conduct and that there is no adequate remedy at law.¹²
16

17 B. *The Balance of the Equities Favors SMSC*

18 Where a plaintiff has “established that they have invested millions of dollars
19 promoting [its] marks . . . the balance of the equities weighs in favor of enjoining
20 defendant[s] from further unlawful use.” *Milanian*, 247 F.Supp.2d at 1205.

21 Here, SMSC “has invested [REDACTED] many years in maintaining and
22 protecting the name Mystic Lake, Mystic, and all of the Mystic family of marks,” and “
23
24

25 ¹² Further evidence of the type of irreparable harm that SMSC has incurred and will
26 continue to incur is the indiscretion with which FBCV has shown with respect to use
27 of the MYSTIC mark. (See Haney Dep. at 39-41; Cruz Decl. Ex. UU.)
28

1 any use of that [mark] outside of [SMSC's] control could very well damage the
2 reputation and/or name Mystic . . .” (Cruz Decl. Ex. VV (Deposition of SMSC) at 9.)

3
4 *C. The Public Interest Favors Enjoining FBCV*

5 “An important factor in protecting trademarks is to avoid consumer confusion,
6 which is in the public interest.” Milanian, 247 F.Supp.2d at 1205 (“It is in the public
7 interest not to allow [defendant] to mislead the public into thinking that the services
8 offered by [defendants] are somehow related to the Plaintiffs when in fact they are not.
9 Enjoining defendants from further display or future use of the marks is necessary to
10 prevent consumer confusion.) Accordingly, it is not in the public interest to allow FBCV
11 to continue to infringe SMSC's Mystic marks.
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13 Because SMSC has demonstrated all four factors, an injunction is warranted.
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CONCLUSION

For all of the reasons discussed above, SMSC respectfully requests that the Court grant summary judgment of trademark infringement in favor of SMSC, dismiss FBCV's counterclaim, and enter an Order permanently enjoining FBCV from use of "Mystic" for casino or related services.

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