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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

12 SHAKOPEE MDEWAKANTON SIOUX)
13 COMMUNITY,)
14 a Federally Recognized Indian Tribe)

15 Plaintiff,)

16 vs.)

17 FBCV, LLC, a Nevada Limited Liability)
18 Company; and KEN TEMPLETON, Trustee)
19 of the Templeton Gaming Trust, a Nevada)
20 Trust.)

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

**REPLY MEMORANDUM IN
SUPPORT OF SMSC'S MOTION
FOR SUMMARY JUDGMENT**

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INTRODUCTION

FBCV's opposition to this Motion underscores that all facts material to the trademark infringement analysis are undisputed. Instead of disputing material facts, FBCV attempts to avoid summary judgment by raising trivial objections to the authenticity of SMSC's exhibits and by attempting to misconstrue the standards of trademark infringement. Applying the correct legal standards to the material undisputed facts calls for entry of summary judgment in SMSC's favor.

The following material facts are not in dispute:

FBCV had actual knowledge of SMSC's federally registered MYSTIC marks before commencing its use of various "Mystic" marks. FBCV's trademark counsel warned FBCV that SMSC is "vigilant" in protecting its rights in the MYSTIC marks and advised FBCV against using "Mystic" by itself. FBCV chose to use "Mystic" anyway, even by itself.

FBCV's Mystic Lodge Casino, like SMSC's Mystic Lake Casino, has customers from all 50 states. Both casinos market on the Internet. Both casinos market their services specifically to travelers. Mystic Lake Casino operates a "Mystic Deli." Mystic Lodge Casino operates a "Mystic Café." Mystic Lake Casino has a CLUB MYSTIC player database. Mystic Lodge Casino has a "Mystic Rewards" player database. Mystic Lake Casino uses MYSTIC by itself to identify its casino services. Mystic Lodge Casino also uses "Mystic" by itself to identify its casino services. Mystic Lake Casino has developed a family of 20 MYSTIC marks for casino services. In the short time that it has operated, Mystic Lodge Casino has developed a family of 14 "Mystic" marks for casino services.

In 2008, FBCV obtained licenses, announced to the press, and worked with the City of Henderson to obtain zoning approval for a major expansion of the Mystic Lodge Casino. If completed, the expansion will add a hotel, retail shops, restaurants, and a "Mystic Business Center"

1 to the existing casino. In 2009, FBCV obtained licenses, funding, and executed a contract for the
 2 purchase of a casino in Las Vegas that FBCV was to be branded either “Mystic Rose” or “the
 3 Mystic.”

4 FBCV has attempted to defend this conduct with several legal arguments. First, FBCV
 5 contends that the Court should not consider the certified copies of the deposition transcripts in this
 6 action. (Def.’s Br. Opp. Summ. J. 4.) Second, FBCV contends that the Court should not consider
 7 the certified copies of SMSC’s trademark registrations. (Id. at 5.) Third, FBCV argues that the
 8 Sleekcraft analysis compels a finding of non-infringement. (Id. at 7-27.) Finally, FBCV argues that
 9 the territorial defense set forth in Dawn Donut precludes infringement. (Id. at 28.) Each of these
 10 arguments fails as a matter of law, and none prevents the Court from entering summary judgment in
 11 favor of SMSC. For the reasons set forth in SMSC’s initial brief and further discussed below,
 12 SMSC respectfully asks this Court to grant SMSC’s Motion.

13 **ARGUMENT**

14 **I. FBCV’S EVIDENTIARY OBJECTIONS SHOULD BE OVERRULED**

15 FBCV’s threshold argument in opposition to this Motion is that certified copies of
 16 deposition excerpts and exhibits from this case are inadmissible. (Def.’s Br. Opp. Summ. J. 4.)
 17 FBCV’s second argument is that the Court should not consider SMSC’s federal trademark
 18 registrations (id. at 5-7.). FBCV does not dispute the authenticity of these documents; FBCV
 19 objects only on procedural grounds.

20 **A. The Deposition Excerpts and Exhibits are Properly Authenticated**

21 A “declaration of personal knowledge is all that is required to authenticate a document,
 22 particularly at summary judgment, when a party need not produce evidence in a form that would be
 23 admissible at trial.” Bain v. Metro. Mortg. Group Inc., No. C09-0149, 2010 WL 891585, *3 (W.D.

1 Wash. Mar. 11,2010); Totten v. United States, No. C06-1049Z, 2007 WL 1203579, *2 (W.D. Wash.
2 Apr. 23, 2007)(“In motions for summary judgment exclusionary rules should not be used to strike
3 evidence on formal defects in the proffer when the underlying authenticity of the documents has not
4 been questioned.”)

5 Here, FBCV objects to excerpts and exhibits from the depositions of FBCV’s witnesses (the
6 “Deposition Documents”)¹. FBCV makes no claim that the exhibits are not what they purport to be,
7 so there is no dispute here that the exhibits are, in fact, authentic. Moreover, these exhibits have
8 been properly authenticated.

9 The Declaration of Timothy J. Cruz (Docket No. 65) identifies the respective Deposition
10 Documents as “true and correct copies” of the deposition transcripts. Each deposition excerpt
11 includes the cover page of the transcript, which clearly shows the court reporter’s “certified copy”
12 stamp and identifies both the action and deponent. (Id. Ex’s T, U, CC, JJ.) The Declaration is
13 sufficient to identify and authenticate the transcripts.

14 FBCV cites Orr v. Bank of Am., 285 F.3d 764 (9th Cir. 2002.) in support of its argument.
15 In Orr, an attorney’s declaration that deposition excerpts were “true and correct cop[ies]” of a
16 transcript did not provide authentication because “[the attorney] lack[ed] personal knowledge of
17 [the deponent’s] deposition.” Id. at 774. The excerpts in that case also did not include any
18 information that identified the action, and the deponent’s name was not mentioned once in the
19 deposition extract. Id. Thus, the excerpts could not be authenticated under Rule 901(b)(4).

20 Here, in addition to showing the caption of this case, the deponent’s names, and the court
21 reporter’s “certified copy” stamp, each exhibit in question shows that Timothy J. Cruz, the
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26 ¹ The Deposition Documents include Exhibits T, U, CC, JJ, NN, QQ, RR, and TT to the Declaration
27 of Timothy J. Cruz (Docket No. 65.)

1 authenticating declarant, appeared at the deposition. (See, e.g. Cruz Decl. (Docket No. 65) Ex. T.)
 2 Thus, the excerpts are properly authenticated under Rule 901(b)(1) because the declarant has
 3 personal knowledge of the depositions. (See e.g., id.) The Deposition Documents also can be
 4 authenticated under Rule 901(b)(4) because the appearance, contents, substance, internal patterns,
 5 and other distinctive characteristics, taken in conjunction with circumstances, unequivocally
 6 demonstrate that the documents are what the Cruz declaration says they are.²

8 B. SMSC's Trademark Registration Certificates Are also Properly Authenticated

9 FBCV also objects to the admissibility of SMSC's federal trademark registrations. (Def.'s
 10 Br. Opp. Summ. J. 5.)³ This objection is particularly specious. The USPTO is required by statute
 11 to maintain certificates of registration within its public database. See 15 U.S.C. § 1057(a).
 12 Accordingly, copies of trademark registrations are admissible evidence under Fed. R. Evid.
 13 201(b)(2) as a "judicially noticed fact ... capable of accurate and ready determination by resort to
 14 sources whose accuracy cannot reasonably be questioned." See Metro Publ'g, Ltd. v. San Jose
 15 Mercury News, 987 F.2d 637, 641 n.3 (9th Cir.1993).⁴ FBCV nonetheless contends that the
 16 trademark registrations are not self-authenticating public records. (Id. 5-6.) Later in its opposition
 17

18
 19 ² In any event, FBCV's objections to the deposition excerpts are moot because SMSC has, in
 20 response to FBCV's unanticipated objections, lodged certified transcripts of each deposition at issue
 21 with the Court. See Carter v. United States, 973 F.2d 1479, 1485 n.3 (9th Cir. 1992)(rejecting
 22 argument that a deposition transcript was not properly authenticated "although the [party] originally
 filed this evidence without authentication, it did authenticate it properly in advance of the hearing
 on summary judgment").

23 ³ The registration certificates are attached to the Declaration of Timothy J. Cruz (Docket No. 65) as
 Exhibit FF.

24 ⁴ [A] certificate of registration of a mark upon the principal register ... shall be prima facie evidence
 25 of the validity of the registered mark and of the registration of the mark, of the registrant's
 26 ownership of the mark, and of the registrant's exclusive right to use the registered mark in
 27 commerce on or in connection with the goods or services specified in the certificate.... 15 U.S.C.
 28 § 1057(c)

1 brief, however, FBCV cites to a printout from the USPTO website showing the same trademark
2 registrations about which FBCV objects. (See Declaration of Jessica Flecher in Support of
3 Defendants' Opposition to Plaintiff's Motion for Summary Judgment ¶ 3; Ex. E.) FBCV cannot
4 contend that a USPTO record proving the existence of the registrations is properly authenticated in
5 its own declaration and, at the same time, ask the Court not to consider the registrations. See Prime
6 Ins. Syndicate, Inc. v. Damaso, 471 F. Supp. 2d 1087, 1093 (D. Nev. 2007) ("when a document has
7 been authenticated by a party, the requirement of authenticity is satisfied as to that document with
8 regards to all parties . . ."). Simply put, there is no good faith basis for FBCV's objection to
9 SMSC's trademark registrations.⁵

11 FBCV's evidentiary objections are without merit. FBCV's objections to the depositions in
12 this case and to publicly available USPTO records must be rejected.

14 **II. SUMMARY JUDGMENT IS PROPER IN THIS CASE BECAUSE THE**
15 **MATERIAL FACTS ARE UNDISPUTED.**

16 FBCV contends in its opposition to this Motion that trademark infringement is not
17 appropriately resolved on summary judgment. (Def.'s Br. Opp. Summ. J. 7.) Yet, as the Court
18 knows, FBCV has itself moved for summary judgment in this case. Indeed, trademark claims are
19 frequently resolved on summary judgment when the material facts are not in dispute. E.g., R&R
20 Partners, Inc. v. Tovar, 447 F. Supp. 2d 1141, 1146 – 1147 (D. Nev. 2006) (summary judgment that
21 defendant's use of "What Happens in Vegas Stays in Vegas" infringed plaintiffs mark "What
22 Happens Here Stays Here" (Hicks, J.); see also Pl.'s Br. Summ. J. (Docket No. 63) 9 n.5 (citing
23 summary judgment cases in the Ninth Circuit).

25
26 ⁵ SMSC has nonetheless lodged certified copies of the registration certificates with the Court.
27 FBCV's objection is moot. E.g., Carter v. U.S., 973 F.2d at 1485 n.3.

1 This case is ripe for summary judgment. FBCV's opposition misconstrues the legal
2 standards underlying the Sleekcraft factors in an attempt to manufacture a fact dispute. When the
3 standards are properly applied, there is no legitimate fact dispute preventing summary judgment that
4 FBCV has infringed SMSC's trademark rights.

5
6 **III. FBCV DOES NOT DISTINGUISH ANY OF THE CASINO CASES CITED IN
SMSC'S INITIAL BRIEF**

7 SMSC's initial brief cites three cases in which federal courts have enjoined a geographically
8 distant junior party from use of a confusingly similar mark for casino services. (See Pl.'s Br.
9 Summ. J. 11-13.) FBCV attempts to distinguish only one of the cases, and even there, misconstrues
10 the holding in that case. Caesars World, Inc. v. Caesar's Palace, 490 F. Supp. 818, 821 (D.N.J.
11 1980)(enjoining a New Jersey hair stylist from using the mark "Caesar's Palace Coiffures.") FBCV
12 contends that the court in that case employed a "possibility of confusion" standard that is improper
13 in the Ninth Circuit. (Def.'s Br. Opp. Summ. J. 7-8.) FBCV quotes the court's observation that "a
14 person is not likely to walk into a beauty shop in South Orange, New Jersey, and think that they are
15 in a resort hotel in Las Vegas; however, it is possible that the person may think that there is a
16 connection between the two . . ." Id. at 825. Based on this passage, FBCV then accuses the Caesars
17 World court of inventing a putatively more liberal "possibility of confusion" standard.

18
19 But the district court did no such thing. In the sentence following the observation that
20 FBCV cites, the court concluded "This possibility supports finding a *likelihood of confusion*." Id.
21 (emphasis added.) The Caesars World court applied a likelihood of confusion test. Id. at 823
22 ("Service mark infringement occurs when another person's mark or one similar to it is used in such
23 a way as to create a 'likelihood of confusion'"). FBCV's argument simply misstates the judge's
24 opinion in that case.
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FBCV does not attempt to distinguish the other casino cases that SMSC cited: Aztar Corp. v. NY Ent. LLC, 15 F. Supp. 2d 252 (E.D.N.Y. 1998)(owner of mark TROPICANA for casino services entitled to enjoin operation of a cruise ship named the “M/V Tropicana”); Caesars World, Inc. v. Caesar’s Palace, Inc., CV71-0-178, 1973 U.S. Dist. LEXIS 13516 (D. Neb. May 23, 1973)(Caesars Palace in Las Vegas, Nevada, entitled to enjoin Caesar’s Palace Lounge in Omaha, Nebraska); See Prairie Island Cmty. v. Treasure Island Corp., 2008 WL 2385969, *11 (TTAB May 15, 2008) (finding that Las Vegas casino’s use of “Treasure Island” mark in which a tribal casino in Minnesota had prior rights was likely to cause confusion)..

FBCV provides no reason why the previous rulings on this same issue do not also support summary judgment here.

IV. **THE SLEEKRAFT FACTORS COMPEL SUMMARY JUDGMENT IN FAVOR OF SMSC**

FBCV contends in its opposition brief that “honest application” of the Sleekcraft factors leads to a conclusion that summary judgment is improper. (Def.’s Br. Opp. Summ. J. 8.) FBCV does not contest single material fact. Based upon the undisputed record, application of the Sleekcraft analysis is not complicated here and overwhelmingly compels summary judgment in favor of SMSC:

<u>Sleekcraft Factor</u>	<u>Undisputed Facts</u>
1. Strength of the Mark	<ul style="list-style-type: none"> • SMSC has used the MYSTIC mark for nearly 20 years (Supplemental Declaration of Bryan Prettyman (Docket No. 67) ¶ 1.); • SMSC owns 31 federal registrations, including NUMBER incontestable registrations for MYSTIC marks (Declaration of Timothy J. Cruz (Docket No. 65) Ex. FF); • SMSC has spent more than [REDACTED] over the last five years advertising its MYSTIC casino services (Prettyman Dep. at 57; 125.); • SMSC has customers in all 50 states including more than 1,900 customers in Nevada (Prettyman Supp.

- Decl. ¶ 3)⁶;
- SMSC's MYSTIC services appear in national publications (e.g. Golf Digest) (Cruz Decl. Ex. B).
2. Similarity of the Marks
- SMSC owns the mark MYSTIC in plain, block letters (Cruz Decl. Ex. F);
 - Both parties use the mark MYSTIC in plain, block letters (Compare id. Ex. M with Ex. GG.)
3. Intent
- FBCV commenced use of the mark MYSTIC (by itself) after its counsel warned it not to (See id. Ex.'s NN, and GG);
4. Proximity of Services
- More than 100 of the same individuals appear in both Mystic Lake Casino and Mystic Lodge Casino's respective player databases (See Docket No. 39);
 - Both Mystic Lake Casino and Mystic Lodge Casino cater to tourists (Prettyman Supp. Decl. ¶ 3; Marzorati Dep. at 98.);
 - SMSC has thousands of customers in Nevada. (Prettyman Supp. Decl. ¶ 3.)
5. Marketing Channels Used
- Both Mystic Lake Casino and Mystic Lodge Casino market casino services via an Internet website (Haney Dep. at 95, 101; Prettyman Supp. Decl. ¶ 11);
 - Both Mystic Lake Casino and Mystic Lodge Casino market casino services via social network websites (Haney Dep. at 101; Prettyman Supp. Decl. ¶ 11.);
 - Both Mystic Lake Casino and Mystic Lodge Casino advertise through direct mail to Nevada customers. (Def.'s Br. Opp. Summ. J. 22.)

⁶ FBCV objects to the Court's consideration of SMSC's CLUB MYSTIC player database on hearsay and best evidence grounds. (See Def.'s Br. Opp. Summ. J. 10 n11.) SMSC produced a portion of the CLUB MYSTIC database which shows players in Nevada and surrounding states early in discovery (SMSC later produced a redacted version of the entire 800,000-player database). FBCV's counsel deposed SMSC's 30(b)(6) witness about the CLUB MYSTIC database, thereby establishing that the database is a business record of SMSC and therefore not excludable as hearsay. (See 30(b)(6) Dep. of Prettyman (Def.'s Br. Summ. J. Ex. D) at 10.) To the extent that the Court wishes to review the database, SMSC has lodged a CD with the Court that includes a portion of the CLUB MYSTIC database—as it was produced during discovery—which shows the Nevada players. FBCV's objection (like its other evidentiary objections) only seeks to distract the Court from substantive analysis.

6. Evidence of Actual Confusion • Reed Exhibitions sent correspondence to a Mystic Lake Casino employee at the address of Mystic Lodge Casino (Id. Ex. H).
7. Likelihood of Expansion • In 2008, FBCV announced plans to add 36,000 square feet of gaming space, double the slot machines and table games, and a 64,000 square foot lodge with pool, conference, and business centers. (E.g. Marzorati Dep. at 66);
• In 2009, FBCV contracted to purchase a casino in Las Vegas that was to be branded “the Mystic” or “Mystic Rose.” (Close Dep. at 77; Cruz Decl. Ex. DD).

The undisputed facts demonstrate that consumer confusion is likely to result from FBCV’s use of the MYSTIC mark for casino services as a matter of law. The legal arguments in FBCV’s opposition brief do not change that result. Rather, FBCV offers unsupportable conclusions and misstatements of law in an attempt to avoid summary judgment.

1. Strength of the Mark

FBCV’s main legal theory is that SMSC must demonstrate the strength of the MYSTIC mark by proving commercial strength in Henderson, Nevada.⁷ (Def.’s Br. Opp. Summ. J. 9.) This argument misstates the law. The strength of a mark refers to its “distinctiveness.” Caesars World, Inc. v. Milanian, 247 F. Supp. 2d 1171, 1198-99 (D. Nev. 2003). A mark that is “arbitrary” or “suggestive” is inherently distinctive and does not require a showing that consumers in any particular marketplace associate the mark with a single source (i.e. secondary meaning) to be protected. Id. Arbitrary marks are “commonly used in the English language . . . but neither suggest

⁷FBCV’s contention that SMSC must, in order to have a strong mark, demonstrate the commercial strength of the MYSTIC mark in Henderson is contrary to well-settled principles of trademark law. 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).

nor describe any ingredient, quality, or characteristic of the goods or services [on which the mark is used].” Id.

FBCV does not argue that MYSTIC describes any characteristic of casino services. Nor does FBCV contest the authority that SMSC has cited demonstrating that MYSTIC is unquestionably arbitrary for casino services. (E.g., Best Flavors, Inc. v. Mystic River Brewing Co., 886 F. Supp. 908 , 916-917 (D. Me. 1995) (MYSTIC mark “is very strong” for beverages because mark was “not descriptive but is at least suggestive . . . and arguably completely fanciful or arbitrary.”); Milanian, 247 F. Supp. 2d at 1199 (EMPIRE Family of marks is fanciful because the word EMPIRE bears no relationship to hotel, casino, gaming, and entertainment services)). Because the MYSTIC mark is arbitrary for casino services and, therefore, inherently distinctive, SMSC has no burden of proving secondary meaning in Nevada or any other local geographic region in order to protect the mark.⁸

FBCV also argues that “advertising expenditures do not prove strength of the mark.” (Def.’s Br. Opp. Summ. J. 9.). But again, FBCV misstates the law. In Am. Footwear Corp., 609 F.2d at 660, the parties contested use of a mark that was not registered at the time of the alleged infringement. The court held that the senior party’s use of the mark was descriptive—“bionic” for a bionic television character. Id. Thus, the court had to determine whether the mark had acquired distinctiveness through secondary meaning. Id. at 663. The court held that advertising had created

⁸ None of the cases that FBCV cites in its “strength of the mark” section involve a mark that the court determined to be inherently distinctive. In each case, the court was analyzing whether a mark that was *not* inherently distinctive had acquired distinctiveness through secondary meaning. See Nutri/Sys., Inc. v. Con Stan Indus., Inc., 809 F.2d 601 (9th Cir. 1987) (analyzing whether “Nutri” mark had secondary meaning for food); Am. Footwear Corp. v. Gen. Footwear Co., 609 F.2d 655, 660 (2d Cir. 1979) (whether “bionic” mark had acquired distinctiveness for a bionic humanoid TV character); Nora Beverages, Inc. v. Perrier Group of Am., Inc., 269 F.3d 114, 123 (2d Cir. 2001) (whether water bottle shape had acquired distinctiveness.) Thus, none of these cases apply here.

1 public awareness of the word “bionic,” but that the advertising was insufficient to show the required
2 secondary meaning for the footwear goods disputed in the case. Id. (“[advertising expenditure],
3 while relevant to the issue of secondary meaning, is certainly not dispositive”).

4 Here, by contrast, the MYSTIC mark is arbitrary for casino services—and therefore
5 inherently distinctive. Secondary meaning is irrelevant to the Court’s analysis; as a result, Am.
6 Footwear is inapposite.⁹

7
8 FBCV next devotes considerable ink to its argument that SMSC has “admitted no fame in
9 Henderson.” (Def.’s Br. Opp. Summ. J. 10.) But any notion that “fame in Henderson” is required
10 in an action for trademark infringement is wholly misguided.¹⁰ Fame is not an element of
11 trademark infringement. See AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir.1979).
12 Rather, as described in FBCV’s own case law, “fame” is an element of trademark *dilution* under
13 Section 43(c) of the Lanham Act. See 15 U.S.C. § 1125(c)(2)(A)(defining “fame” for purposes of a
14 dilution claim). SMSC has not asserted a dilution claim in this action. Whether the MYSTIC mark
15 is “famous” in Henderson or anywhere else is irrelevant to the Court’s analysis in this case.
16

17 Finally, FBCV contends that “third party use of MYSTIC is so extensive as to deprive
18 SMSC of any reasonable argument that consumers associate the mark with an Indian casino in
19

20
21 ⁹ FBCV cites Nutri/Sys., Inc. v. Con Stan Indus., Inc., 809 F.2d 601 (9th Cir. 1987), for its holding
22 that “while duration of use may contribute to strength of a mark ‘in some cases distinctiveness is not
23 acquired even over an extended period of time.’” (Def.’s Br. Opp. Summ. J. 9.) This case also is
24 analyzing acquired distinctiveness through secondary meaning and therefore has no application
25 here.

26 ¹⁰ Cases that FBCV cites for its “fame” argument do not involve claims of trademark infringement.
27 See Chicago Corp. v. North American Chicago Corp., 20 U.S.P.Q.2d 1715, 1717 (T.T.A.B. 1991)
28 (Trademark Board analysis of registrability under 15 U.S.C. 1052(d)); B.V.D. Licensing Corp. v.
Body Action Design, Inc., 846 F.2d 727, 729 (Fed. Cir. 1988) (appeal from Trademark Board
determination of registrability under 15 U.S.C. 1052(d)).

Minnesota.”¹¹ (Def.’s Br. Opp. Summ. J. 11.) FBCV has proffered a summary of the USPTO database that shows approximately 300 records which include “Mystic” as some component of a word mark. (Def.’s Br. Opp. Summ. J. Ex. E.)¹² This argument also fails as a matter of law.

In the first instance, SMSC owns many (approximately 30) of the records shown in FBCV’s Exhibit E. Thus, FBCV’s argument is baseless to the extent that FBCV is attempting to use SMSC’s own registrations as evidence of “third party” use of “Mystic.” Moreover, FBCV has not identified a single third party in the United States that uses a “Mystic” mark for casino services.¹³ As a result, no matter how many “Mystic” marks FBCV may allege to exist, SMSC still retains rights for the MYSTIC mark for casino and related services.

FBCV’s own case law itself exposes the fatal flaws in its argument. For example, FBCV cites Amstar Corp. v. Domino’s Pizza, Inc., 615 F.2d 252, 259 (5th Cir. 1980), to support its argument that a great number of similar marks decreases the likelihood of confusion. In that case, the plaintiff used “Domino’s” for sugar. Id. at 260. The defendant used “Domino’s Pizza” for

¹¹ The “Section 8 & 15” affidavits that correspond to 26 of SMSC’s federal registrations establish that SMSC’s right to use the marks displayed in those registrations has been rendered incontestable. 15 U.S.C. § 1065(4); Chrysler Corp. v. Vanzant, 124 F.3d 210, No. 93-56219, 1997 WL 547993, *1 (9th Cir. Aug. 28, 1997). A federal registrant’s rights in an incontestable mark are unassailable unless: (1) the mark becomes the generic name for the services on which it is used; (2) is functional; (3) has been abandoned; or (4) was obtained by fraud. 15 U.S.C. § 1064(3). FBCV does not allege any of these defenses with respect to any of SMSC’s MYSTIC marks.

¹² Contrary to the representations of the Flecher declaration and FBCV’s legal argument, the report shown in Exhibit E to FBCV’s opposition brief does not show live “registrations” for marks that include the word Mystic. The list includes applications that were pending on the date of the search and may not issue. For example, entry number 4 of the report (Def.’s Br. Opp. Summ. J. Ex. E) shows Application No. 85,078,144 for the mark MYSTIC GYPSY for use in connection with audio and video recordings. That application was abandoned in November 2010. (See Third Declaration of Timothy J. Cruz (filed herewith) Ex. A.)

¹³ FBCV’s trademark counsel admitted that, even after extensive search, none of the “Mystic” uses that FBCV located are for casino services. (Robinson Dep. at 143).

1 pizza. Id. The court observed that prolific third-party use of “Domino’s” precluded the plaintiff
 2 from preventing use of the “Domino’s” mark on goods *other than* sugar. Id. The court expressly
 3 stated: “[d]efendants do not contend and this court does not hold that the plaintiff’s mark is not a
 4 distinctive, well-known mark for its sugar and related products.” Id. at 260. Thus, “[t]he third-
 5 party uses . . . merely limit the protection to be accorded to plaintiff’s mark *outside the uses to*
 6 *which plaintiff has already put its mark.*” Id. (emphasis added).
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8 Likewise here, even assuming *arguendo* that there are many third party uses of “Mystic”
 9 marks for goods or services other than casino services (which, as noted above, is not the case),
 10 SMSC is still entitled to enforce its mark in connection with the casino and related services “to
 11 which [SMSC] has already put its mark,” namely, entertainment services and specifically casino-
 12 related services. Id. FBCV is using the MYSTIC mark in connection with entertainment and
 13 casino-related services. (See, e.g. Pl.’s Br. Summ. J. 7.) Thus, FBCV’s argument fails as a matter
 14 of law.
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16 2. Similarity of Marks

17 FBCV’s opposition brief includes a legal argument that SMSC’s MYSTIC mark is not
 18 similar to the “Mystic” marks that FBCV uses. The most basic reason why this argument fails is
 19 that FBCV uses MYSTIC by itself in plain block letters to identify its casino. (Cruz Dec. Ex. GG.)
 20 SMSC owns the MYSTIC mark in plain block letters. (Id. Ex. FF; Ex. N.)¹⁴ FBCV’s argument is
 21 fundamentally flawed for a number of other reasons.
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 25 ¹⁴ FBCV objects to Exhibit N to the Cruz Declaration. The exhibit, as the declaration states, is a
 26 summary of the data in SMSC’s trademark registrations and has been provided for the convenience
 27 of the Court. The evidence upon which SMSC relies is the data in the respective underlying
 28 registration certificates (Cruz Decl. Ex. FF).

1 First, FBCV's argument fails under the Ninth Circuit's "family of marks" doctrine. See,
2 e.g., Milanian, 247 F. Supp. 2d at 1197-98. Under that doctrine, absolute identity of marks is not
3 necessary for a finding of consumer confusion. Id. Because SMSC uses 20 marks with MYSTIC as
4 the common feature, consumers will associate derivative "Mystic" marks with SMSC. Id.

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6 Second, in making this argument, FBCV has arbitrarily chosen just one of SMSC's 20
7 registered MYSTIC marks, and just one of FBCV's 14 "Mystic" marks (undoubtedly the two marks
8 that FBCV believes to possess the least visual similarity) and attempts to conduct a side-by-side
9 comparison.¹⁵

10 FBCV's attempt to conduct a side-by-side comparison completely ignores the fact that, in
11 addition to the "MYSTIC LAKE CASINO HOTEL and design" mark shown in FBCV's brief,
12 SMSC owns rights to 19 other MYSTIC word marks, including the word mark MYSTIC alone in
13 plain block letters. (See Cruz Decl. Ex. FF.) When a mark is registered in plain typeface,
14 protection of the mark "is not limited to any logo, but to the words themselves." Aztar, 15
15 F. Supp. 2d at 258 n.6. Thus, FBCV's admissions that "Mystic" is the dominant component of the
16 "Mystic Lodge Casino" mark (Templeton Dep. at 41) and the undisputed fact that FBCV uses
17 "Mystic" by itself to identify casino services (Marzorati Dep. at 136) comprise admissions that
18 FBCV's marks are similar to SMSC's MYSTIC mark.¹⁶
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22 ¹⁵ Likelihood of confusion may not be judged based only upon a side-by-side comparison of marks
23 that include a design element. See B.V.D. Licensing, 846 F.2d 727, 730 (citing McCarthy § 23:17).

24 ¹⁶ FBCV also attempts to obfuscate the similarity analysis by citing portions of the record where
25 SMSC's 30(b)(6) witness was testifying about his visit to the Mystic Lodge Casino and, in
26 particular, answering questions about visual similarities in the physical characteristics of the two
27 casinos. The likelihood of confusion analysis contemplates the similarity of marks, not the
28 similarity of the parties' buildings. This "evidence" simply does not rise to the level that can defeat
summary judgment here.

1 No reasonable juror could find that FBCV's "Mystic" marks are not similar to SMSC's
2 MYSTIC family of marks. (See Pl.'s Br. Summ. J. (Docket No. 63) 16-17.)

3 *3. Actual confusion*

4 FBCV argues that the absence of a consumer survey "supports a negative inference of no
5 likelihood of confusion in the marketplace." (Def.'s Br. Opp. Summ. J. 20.) This argument also
6 objectively misstates the law.¹⁷ It is axiomatic in trademark law that "evidence of actual confusion
7 is not required to establish a violation of the Lanham Act." Milanian, 247 F. Supp. 2d at 1199.
8 SMSC is entitled to enforce its rights in the MYSTIC marks even if the Court concludes that there
9 is no evidence of actual confusion in the record.
10

11 That said, FBCV goes to great lengths in its brief, including objecting on hearsay grounds¹⁸
12 and on the basis of undue prejudice, to keep the Court from considering the mailer that FBCV
13 received from Reed Exhibitions which was directed to an employee of SMSC. (Declaration of
14 Ulrike K. Davis (Docket No. 68.) The Court should consider the document for what it is—evidence
15 of what happens when two casinos in the United States both use the MYSTIC mark.
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19 ¹⁷ Neither of the cases that FBCV cites in support of its argument involves analysis of a federally
20 registered word-mark in a claim for trademark infringement. Merriam Webster, Inc. v. Random
21 House, Inc., involves a claim of trade dress infringement in the overall look and feel of the dust
22 jacket of a book. 35 F.3d 65 (2d Cir. 1994); In Cairns v. Franklin Mint Co., executors of the estate
23 of Diana, Princess of Wales, sued the Franklin Mint for false designation of origin and false
24 endorsement. 24 F. Supp. 2d 1013 (C.D. Cal. 1998). These cases are inapposite here.

25 ¹⁸ FBCV's objection should be overruled. First, FBCV should be stopped from asserting a hearsay
26 objection because FBCV's counsel sought and obtained a stipulation that the hearsay objection with
27 respect to the Ulrike K. Davis declaration is waived. (See Third Cruz Decl. Ex. B (e-mail from
28 FBCV's counsel)). And, in any event, the mailer is not proffered in support of the proposition that
Don Damond is an employee of Mystic Lodge Casino or that he maintains an office at the
Henderson, NV address shown on the mailer. Thus, the mailer is not offered for the truth of any
fact therein and is not excludable as hearsay.

1 4. *Marketing Channels*

2 FBCV does not cite a single case in support of its argument that Mystic Lake Casino and
3 Mystic Lodge Casino do not use the same marketing channels. FBCV admits that both parties
4 promote their casino services via the Internet. FBCV contends, without any support, that
5 consideration of the Internet as a marketing channel is “overly simplistic and sets a dangerous
6 precedent.” (Def.’s Br. Opp. Summ. J. 22.) The Ninth Circuit has held just the opposite: a
7 defendant’s use of the plaintiff’s mark in connection with an Internet domain name can result in
8 initial interest confusion. Interstellar Starship Servs., Ltd. v. Epix, Inc., 304 F.3d 936 (9th Cir.
9 2002) (See Pl.’s Br. Summ. J. 23.) FBCV does not attempt to address the issue of initial interest
10 confusion, or explain the many conflicting “Mystic” references that have resulted from its Internet
11 conduct. (See id. 24-25.) In short, FBCV’s arguments attempting to evade the overlap of the
12 parties’ respective marketing channels are fashioned from whole cloth. There is no legal support
13 whatsoever for FBCV’s position.
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15 5. *Intent*

16 FBCV attempts to argue that its knowledge of SMSC’s rights in the MYSTIC marks prior to
17 commencing use of the same mark for the same services is not sufficient to demonstrate bad intent.
18 FBCV cites one District of Illinois case for the proposition that “effort to trade off the goodwill and
19 business of the plaintiff” is required. (Def.’s Br. Opp. Summ. J. 23)(citing Source Servs Corp., 635
20 F. Supp. 600, 614 (N.D. Ill. 1986)). That argument is contrary to the binding authority in this
21 District. The Ninth Circuit has unequivocally held that the intent factor favors the plaintiff where
22 the defendant adopted its mark with knowledge of the plaintiff’s rights. Brookfield Commc’ns, Inc.
23 v. W. Coast Entm’t Corp., 174 F.3d 1036, 1059 (9th Cir. 1999).
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1 In Monster Cable Prods., Inc. v. Discovery Commc'ns, Inc., No. C 03-03250, 2004 WL
2 2445348, *9 (N.D. Cal. Nov. 1, 2004), for example, the defendant argued—just as FBCV does
3 here—that “a defendant's actual knowledge of a plaintiff's use and claim of rights in a mark is
4 insufficient to show willful conduct.” Id. The court disagreed: “[Defendant’s] proposition is
5 inconsistent with a [] recent Ninth Circuit decision [which] held *for purposes of summary judgment*
6 *that there is presumably an intent to deceive “where the alleged infringer adopted his mark with*
7 *knowledge, actual or constructive, that it was another's trademark.”* Id. (emphasis added) (citing
8 Brookfield Commc'ns, 174 F.3d at 1059.

10 FBCV also attempts to argue that the opinion letter it obtained from counsel was a “green
11 light” to use “Mystic” marks, and implies that a jury could make a non- infringement determination
12 based on the existence of the letter. (Def.’s Br. Opp. Summ. J. 24.) This argument is also an
13 objective misstatement of law. A defendant's reliance on the advice of counsel is relevant to the
14 question of willfulness—not infringement. See e.g., Adidas Am., Inc. v. Payless Shoesource, Inc.,
15 546 F. Supp. 2d 1029, 1047 (D. Or. 2008) (citing Columbia Pictures Television, Inc. v. Krypton
16 Broad. of Birmingham, 259 F.3d 1186, 1196 (9th Cir. 2001)). Moreover, “[t]he Ninth Circuit does
17 not even insulate the defendant from a finding of willful infringement based on advice of counsel of
18 noninfringement.” Monster Cable Prods., Inc., 2004 WL 2445348 at *9 (citing Wolfe v. Nat’l Lead
19 Co., 272 F.2d 867, 871 (9th Cir.1959)

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22 Simply put, FBCV does not dispute the facts material to its unlawful intent. Namely, that
23 FBCV knew of SMSC’s rights in the MYSTIC marks prior to commencing use of the same mark.
24 And, that FBCV’s trademark counsel explicitly warned FBCV never to use a “Mystic” mark apart
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1 from exactly “Mystic Lodge Casino.”¹⁹ FBCV ignored this advice and started using “Mystic” by
2 itself and 13 other “Mystic” marks. FBCV even went so far as to use a registration symbol with the
3 mark MYSTIC REWARDS© (Cruz Decl. Ex. Y (Bates No. 000187)). FBCV attempts to explain
4 away its actions as “an honest mistake” that was “bound to occur.” (Def.’s Br. Opp. Summ. J. 25.)
5 FBCV simply cannot, by its own *ipse dixit*, vitiate its demonstrated disregard for SMSC’s
6 trademark rights.
7

8 6. Related Services

9 FBCV admits that both Mystic Lake Casino and Mystic Lodge Casino offer casino services.
10 This admission alone is sufficient to end the inquiry and render this Sleekcraft factor in favor of
11 SMSC. In addition, FBCV does not dispute that it markets its services specifically to travelers. See
12 Blumenfeld Dev. Corp. v. Carnival Cruise Lines, Inc., 669 F.Supp. 1297, 1313 (E.D. Pa.
13 1987)(holding that an Atlantic City casino and a Caribbean cruise line compete for the same
14 customer: those with discretionary income to spend on travel and entertainment). FBCV attempts
15 to argue, however, without citing any authority, that there is “no similarity whatsoever” in the
16 services of the two parties. This is the same argument advanced by the defendant in Aztar. See 15
17 F. Supp. 2d at 258 (“the type of gambler interested in a five-to-six hour captive cruise differs from
18 the type of gambler interested in large-city strip casinos.”) The court rejected the argument in that
19 case, and FBCV has offered no case with a different result. Id. Given the lack of any authority in
20 support of FBCV’s position, this Court should reject the argument that two casinos somehow offer
21 different services.
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25 ¹⁹ FBCV purports to lodge yet another an evidentiary objection to the Court’s consideration of
26 Exhibit NN to the Cruz Declaration. FBCV produced the document on the day of Ted Marzorati’s
27 deposition. Mr. Marzorati identified the document as one of his business records and further
28 identified the handwriting as his own. (Marzorati Dep. at 126.) The document is admissible.

1 7. *Degree of Consumer Care*

2 FBCV contends that this factor is inapplicable under the circumstances of this case. (Def.'s
3 Br. Opp. Summ. J. 27.) Again, FBCV does not cite any legal authority, leaving unrebutted SMSC's
4 citation to Aztar, where the court held that the degree of consumer care in a casino case favored the
5 plaintiff. 15 F. Supp. 2d at 260. Likewise here, the degree of consumer care favors SMSC.

6 8. *Likelihood of Expansion*

7 FBCV also contends that the likelihood of expansion factor is inapplicable here. FBCV has
8 shown intent to expand the existing Mystic Lodge Casino (Marzorati Dep. at 66) and signed a
9 contract for the purchase of another "Mystic" casino in Las Vegas (Close Dep. at 77; Cruz Decl. Ex.
10 DD.) FBCV has thus shown that it will expand its casino services when the opportunity arises and
11 as FBCV sees fit.²⁰

12 **V. THE DAWN DONUT DEFENSE DOES NOT APPLY HERE**

13 Finally, FBCV contends that the territorial defense set forth in Dawn Donut Co. v. Hart's
14 Food Stores, Inc., 267 F.2d 358, 364 (2d Cir. 1959), prevents SMSC from obtaining a remedy. This
15 is not so. Dawn Donut does not apply here.²¹

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22 ²⁰ FBCV's contention that these two projects were "hypothetical" is demonstrably false. The record
23 contains ample, undisputed evidence that FBCV undertook tangible steps to complete both projects.
24 For example, FBCV obtained licenses (Close Dep. 78-79); signed contracts (id.); retained architects
(Cruz Decl. Ex. DD); and commented to the press (id. Ex. BB). FBCV has shown its intent to
25 expand use of the "Mystic" mark for casino services.

26 ²¹ SMSC has already fully briefed this issue in its opposition to FBCV's summary judgment motion
27 and will not duplicate the arguments in this brief. The analysis that SMSC already has submitted to
28 the Court is incorporated herein by reference. (See Pl.'s Br. Opp. Summ. J. (Docket No. 73) 5, *et*
seq.)

CONCLUSION

For all of the reasons discussed above and in SMSC's initial brief, 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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