

**UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF MINNESOTA**

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PRAIRIE ISLAND INDIAN COMMUNITY, :	:	Civ. 20-CV-01234
Plaintiff,	:	
v.	:	
		<b>PLAINTIFF’S RESPONSE TO DEFENDANTS’ MOTION TO DISMISS COUNTS 3, 4, 10, AND 11</b>
RADISSON HOTELS INTERNATIONAL, :	:	
INC. AND TREASURE ISLAND, LLC,	:	
Defendants.	:	

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The Prairie Island Indian Community (the “Community” or “Plaintiff”), a federally-recognized Indian Tribe and the exclusive owner of the federal TREASURE ISLAND trademarks for hotel, casino and resort services (collectively, the “Treasure Island Mark”),<sup>1</sup> hereby responds to the Partial Motion to Dismiss Counts 3, 4, 10, and 11 of the Community’s Complaint filed by Defendants Treasure Island, LLC (“TIL”) and Radisson Hotels International, Inc. (“Radisson”) (TIL and Radisson collectively, “Defendants”).

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<sup>1</sup> Complaint, ECF No. 1 (“Compl.”), ¶¶ 11-13 and Exhibits 1-3; Declaration of Gina Durham dated July 27, 2020 (“Durham Decl.”), ECF No. 23, ¶ 3 and Exhibit 1, Settlement Agreement Term Sheet dated December 2, 2008 (“Settlement Agreement”), ECF No. 24 (filed under seal), at ¶¶ 4 and 7.

## I. INTRODUCTION

For twelve years, TIL and the Community followed the terms of a Settlement Agreement in which TIL recognized the Community's exclusive ownership of the TREASURE ISLAND Mark while being granted an exclusive license to use that mark in connection with its Treasure Island Hotel and Casino in Las Vegas. However, in 2019, TIL and Radisson concocted a plan to associate the TREASURE ISLAND Mark with the RADISSON Mark, thereby allowing TIL to market its Treasure Island Hotel and Casino as "a Radisson Hotel." TIL and Radisson refused to consult with the Community on the business plan despite the Community's immediate, substantive and ongoing objection to the association. Ultimately, in the face of the Community's exclusive ownership of the TREASURE ISLAND Mark, and over its vociferous objections to the co-branding plan, TIL and Radisson inked the deal and are now actively marketing TIL's Treasure Island Hotel and Casino as "a Radisson Hotel."

Defendants now assert that they cannot be held to account for diluting the Community's TREASURE ISLAND trademark, despite their unauthorized use of the Community's intellectual property in a co-branded trade name. Defendants contend that dilution by blurring requires different—or non-competitive—goods or services. Because the parties use the TREASURE ISLAND Mark in connection with the same service, namely casino, hotel and resort operations, Defendants argue that Counts 3 and 4 fail to state claims under the Lanham Act. Defendants also contend that Counts 3 and 4 should be dismissed because dilution by tarnishment "typically applies in cases where a plaintiff's mark is linked to products of shoddy quality, or is portrayed in an

unwholesome or unsavory context,” and that the Community has not sufficiently pled allegations of “harm to reputation.” Finally, Defendants argue that the state dilution claims (Counts 10 and 11) fail because they are evaluated coextensively with their Lanham Act counterparts.

Defendants’ arguments fail for several reasons. First, Defendants ignore that the 2006 Trademark Dilution Revision Act (“TDRA”) amended the Lanham Act to allow for dilution claims regardless of the similarity or difference of the goods and services.<sup>2</sup> Indeed, *Luigino’s Inc. v. Stouffer Corporation*—the case on which Defendants rely—predates the TDRA.<sup>3</sup> Nothing in Section 1125(c) as amended requires the use of a mark or trade name with different products or services in order to state a dilution claim. Instead, the focus of any dilution claim is on the “use of a mark or trade name... regardless of the presence or absence . . . of competition.”<sup>4</sup>

Second, Defendants’ argument concerning dilution by tarnishment ignores that the new “Treasure Island Hotel & Casino, a Radisson Hotel” trade name has already tarnished the TREASURE ISLAND Mark by an association with the RADISSON mark—an association the Community neither sought nor desired. Defendants readily admit that their unauthorized co-branding was intended to be “an accurate reference” to “‘Treasure Island – TI Hotel & Casino’” as “part of the Radisson network of hotels.”<sup>5</sup> For

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<sup>2</sup> 15 U.S.C. § 1125(c)(1).

<sup>3</sup> 170 F.3d 827, 832 (8th Cir. 1999).

<sup>4</sup> 15 U.S.C. § 1125(c)(1).

<sup>5</sup> Defendant Treasure Island, LLC and Defendant Radisson Hotels International, Inc.’s Memorandum of Law in Support of Their Partial Motion to Dismiss and to Stay Deadlines for Answering the Complaint (“Def. Memo.”) at 11.

more than 30 years, however, the TREASURE ISLAND Mark has been used as *the* principal mark for two independent, world-class hotels, casinos and resorts.<sup>6</sup> Defendants further contend that they can use the TREASURE ISLAND Mark in a new trade name that immediately associates the Community's Treasure Island hotel, casino and resort with multiple brands of hotels in the "Radisson network of hotels"—hotels over which the Community exercises no control. Should any one of the "hotels by Radisson" ever have negative associations further tarnishing the reputation of the TREASURE ISLAND Mark, the Community would be left without recourse. Defendants ask this Court to adopt a rule, out of step with statutory remedies, that would make an owner of a mark wait to allege dilution by tarnishment until the unauthorized non-owner's use of the mark results in reputational harm.

The Defendants attempt to minimize their unauthorized co-branding and cross-licensing agreement by mischaracterizing it as an innocuous "booking partnership." However, the facts pled by the Community regarding the true nature of the Defendants' unauthorized use and control over the Community's TREASURE ISLAND Mark sufficiently make a claim for dilution under both the Lanham Act and state law.

The Community agrees with Defendants that one of the parties to the 2008 Settlement Term Sheet has taken "a U-turn from that express agreement." However, Defendants' frothy statements and creative story-telling cannot change the facts as pled in the facts as pled in the Complaint that, over the objection of the Community and with full

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<sup>6</sup> The Community has itself never co-branded or allowed Defendant TIL to co-brand with any other third party for the principal name of their respective hotels, casinos and resorts.

knowledge of its exclusive ownership of the TREASURE ISLAND Mark, Defendants went forward with a transaction that exerted control over a mark they did not own, and used it in a way that creates a misimpression as to the source of the goods and services associated with the TREASURE ISLAND Mark. Defendants' description of TIL's Treasure Island hotel as "a Radisson hotel" indicates that the hotel, casino and resort goods and services derive from Radisson, an entity that has no relationship with the Community and no authority to use the Community's TREASURE ISLAND Mark. Defendants are exercising control over the Community's property without legal basis or permission, and that improper use infringes on the Community's property rights, dilutes its mark, constitutes unfair competition, and breaches the TIL/Community agreement that resolved the prior litigation ("Settlement Agreement"). Defendants' motion should be denied.

## **II. FACTUAL BACKGROUND**

### **A. The Community and its TREASURE ISLAND Mark.**

The Prairie Island Indian Community is a federally recognized Indian Tribe exercising sovereign governmental authority over its land and its people. The Community is the current body politic of the Dakota people who have resided in the upper Mississippi River and much of central and north central Minnesota from time immemorial.<sup>7</sup> The Community developed governmental gaming activities in an attempt to provide a source

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<sup>7</sup> See, e.g., Antoine Denis Raudot, *Memoir Concerning the Different Indian Nations of North America*, Letter 51, published in *Indian of the Western Great Lakes, 1615-1760*, W. Vernon Kinietz, ed. (Ann Arbor: University of Michigan Press, 1996 Ed.), at 377; *Collections of the Michigan Pioneer and Historical Society*, vol. 11, at 487; Rev. Samuel W. Pond, *The Dakotas in Minnesota as They Were in 1834*, Minn. His. Soc. Col. (1908), vol. XII, at 320.

of revenue to fund its governmental operations, to deliver needed services to its members, and to provide for the welfare of the Community by addressing over a century of unmet need. The Community built its operation on the sweat and dedication of its members, many of whom were the first bingo callers, card sellers, servers, and janitors. Over 30 years ago, the Community adopted and used the TREASURE ISLAND Mark.<sup>8</sup> Since that time, the Community has cultivated and developed that flagship mark for its casino, hotel and resort services, expending millions of dollars on marketing, promotions and sponsorships to build brand awareness and loyalty.<sup>9</sup>

The Community is the sole and exclusive owner of the TREASURE ISLAND Mark for use on and in connection with hotel, casino, and resort industry and for all goods and services that may serve as secondary source indicators for business in those industries.<sup>10</sup> It is also the owner of federal trademark registrations for a family of TREASURE ISLAND marks, including Federal Registration Numbers 3,674828 (TREASURE ISLAND – International Class 41), 3,668030 (TREASURE ISLAND – International Class 43), 5,499,081 (TREASURE ISLAND CENTER), and 4985432 (THE LAGOON AT TREASURE ISLAND) as well as Minnesota Trademark Registration No. 19575 (TREASURE ISLAND).<sup>11</sup>

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<sup>8</sup> See, e.g., Complaint, ¶ 12 and Exhibit 2 (Reg. No. 3674828), ¶ 13 and Exhibit 3 (Reg. No. 3668030).

<sup>9</sup> See, e.g., id., ¶ 20 and Exhibit 6, *Prairie Island Indian Community v. Treasure Island Corporation*, at 9 (T.T.A.B. 2008).

<sup>10</sup> Id., ¶¶ 18, 35-36.

<sup>11</sup> Id., ¶¶ 11-17

## **B. The Community enforces its trademark rights against TIL**

In 1997, the Community filed Petitions with the United States Trademark Office, Trademark Trial and Appeal Board (“TTAB”) to cancel 17 registrations, and filed 2 oppositions to trademark applications, filed by TIL’s predecessor in interest, for marks that included the Community’s TREASURE ISLAND Mark.<sup>12</sup> The Community persevered through more than ten years of litigation with TIL that resulted in a decision by the TTAB on May 15, 2008, which ruled in the Community’s favor in every respect. Specifically, the TTAB held that: (1) the Community had prior use of the TREASURE ISLAND Mark in connection with casino and hotel services; (2) a likelihood of confusion exists between the Community’s TREASURE ISLAND MARK and TIL’s treasure island uses; and (3) that TIL’s registrations are barred under Trademark Act Section 2(d).<sup>13</sup>

Contrary to Defendants’ assertion, the parties did not engage in settlement discussions before the TTAB, or while that proceeding was pending. Rather, while the matter was before the United States Court of Appeals for the Federal Circuit, the parties engaged in mandatory mediation, which resulted in a Settlement Agreement.<sup>14</sup>

██, TIL abandoned and canceled all of its registered marks including the term “Treasure Island” in any form.<sup>15</sup> TIL withdrew its opposition to the Community’s applications, including the Community’s use of the term

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<sup>12</sup> See, e.g., Compl., ¶ 20 and Exhibit 6, *Prairie Island Indian Community v. Treasure Island Corporation*, (T.T.A.B. 2008).

<sup>13</sup> Id., ¶¶ 16-17 and 24.

<sup>14</sup> Sealed Exhibit 1, ECF No. 24. TIL’s appeal was dismissed by the Court of Appeals on May 22, 2009 for failure to prosecute.

<sup>15</sup> Compl., ¶ 27 and Exhibit 7.

“Treasure Island.” [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

The parties have operated under the Settlement Agreement for the last 12 years. The Community has continued to expend substantial time, money and resources marketing, advertising and promoting its TREASURE ISLAND Mark. TIL remains the sole and exclusive licensee authorized to use the TREASURE ISLAND Mark in the casino, hotel, and resort industry. And the Community has fulfilled its common law [REDACTED] obligation to engage in ongoing monitoring for infringing uses by third parties.

**C. TIL and Radisson enter into an unauthorized co-branding relationship**

In 2019, Defendants entered into a relationship that purports to allow Radisson to co-brand the Community’s TREASURE ISLAND Mark with its RADISSON mark. Under this agreement, TIL’s Treasure Island property is now identified in interstate commerce as “a Radisson Hotel.” TIL entered into this relationship with Radisson without the Community’s permission.<sup>16</sup> The Community only learned of the proposed transaction on July 25, 2019, when TIL and Radisson publicly announced that Treasure

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<sup>16</sup> Compl., ¶¶ 29, 40-41, 51-52, 70-71, 76 (and Exhibit 10) and 116.

<sup>17</sup> Id., ¶¶ 27, 29, 30, and 76 (and Exhibit 10). *See also*, Sealed Exhibit 1, ECF No. 24.

<sup>18</sup> Id., ¶¶ 48, 60-63.

Island – TI Hotel & Casino in Las Vegas, “will officially join the Radisson system later this year as Treasure Island – TI Hotel and Casino, a Radisson Hotel.”<sup>19</sup>

After seeing Defendants’ announcement, the Community requested information from TIL regarding its relationship with Radisson. Among other things, the Community sought details about the proposed use of the TREASURE ISLAND Mark.<sup>20</sup> As the Community’s licensee, TIL had no authority to grant, license, sublicense or assign rights to the TREASURE ISLAND Mark without the Community’s consent.<sup>21</sup> Likewise, Radisson could not rely on TIL’s unauthorized grant, license, sublicense or assignment of the rights to use the TREASURE ISLAND Mark without the authorization and consent of the Community.<sup>22</sup> Accordingly, as the Community’s licensee, TIL had no authority to authorize Radisson to use the TREASURE ISLAND Mark or to use the RADISSON mark in association with the TREASURE ISLAND Mark,<sup>23</sup> and Radisson’s use of the TREASURE ISLAND Mark is, therefore, without legal claim of right or any legitimate authorization.<sup>24</sup> Indeed, [REDACTED] TIL was required to provide the Community with information relevant to Defendants’ proposed use of the TREASURE ISLAND Mark and to obtain the Community’s consent for any such proposed use.<sup>25</sup> But that was never done.

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<sup>19</sup> Id., ¶ 49.

<sup>20</sup> Compl., ¶ 50.

<sup>21</sup> Id., ¶¶ 51, 70-71.

<sup>22</sup> Id., ¶¶ 52, 72.

<sup>23</sup> Id., ¶¶ 54, 70-71.

<sup>24</sup> Id., ¶¶ 53.

<sup>25</sup> Id., ¶¶ 55-56.

In multiple communications following its request for information concerning Defendants' relationship, the Community repeatedly advised TIL that it had no authority to assign, license or otherwise authorize third parties to use the TREASURE ISLAND Mark, and later advised Radisson that it had no authority to use it. The Community demanded that TIL provide information regarding Radisson's proposed use of the TREASURE ISLAND Mark, which TIL refused to provide.<sup>26</sup> TIL also refused to provide information regarding TIL's proposed use of the RADISSON mark in association with the Community's TREASURE ISLAND Mark.<sup>27</sup>

On or about December 10, 2019, with full knowledge of the Community's objections and despite its rights as the owner of the TREASURE ISLAND Mark, Defendants debuted "Treasure Island – TI Hotel & Casino, a Radisson Hotel."<sup>28</sup> Defendants continue to promote Treasure Island – TI Hotel & Casino in Las Vegas as "Treasure Island – TI Hotel & Casino, a Radisson Hotel."<sup>29</sup> Without the Community's authorization, TIL is using the TREASURE ISLAND Mark on its website in a manner showing an affiliation with Radisson, including "Radisson Treasure Island – TI Hotel & Casino," in the advertising, promotion, offering for sale, and sale of casino, hotel and resort services in interstate commerce:

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<sup>26</sup> Compl., ¶ 57-58, 73.

<sup>27</sup> Id., ¶ 59.

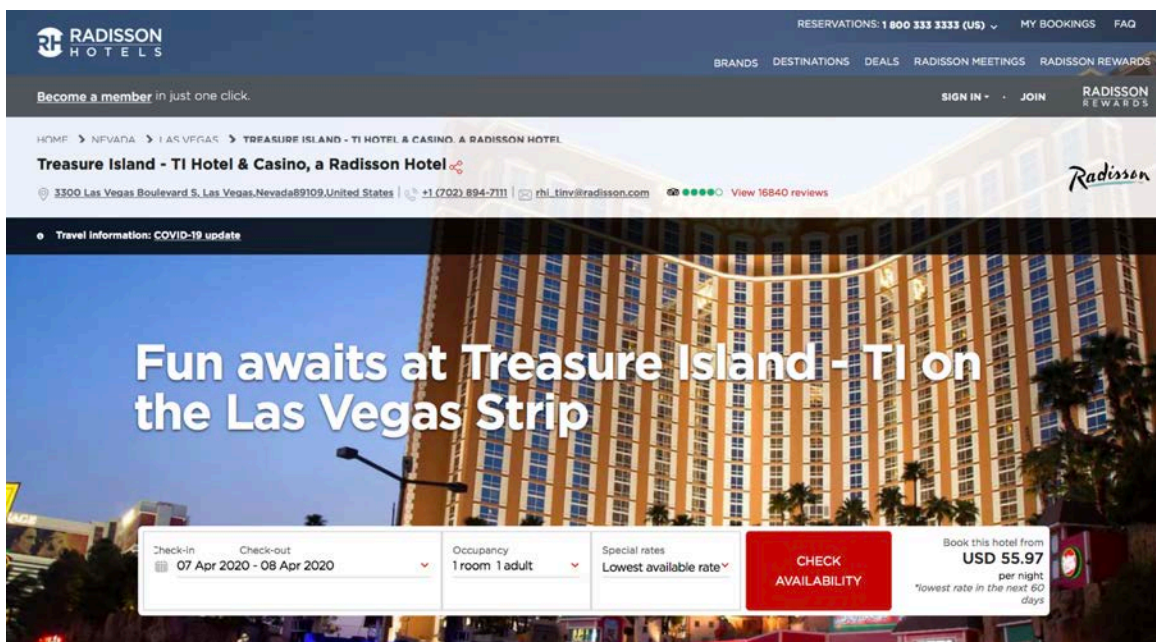
<sup>28</sup> Id., ¶ 60.

<sup>29</sup> Id., ¶ 61.



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Without the Community's authorization, Radisson is using the TREASURE ISLAND Mark on its website—including “Treasure Island – TI Hotel & Casino, a Radisson Hotel”—in the advertising, promotion, offering for sale, and sale of casino, hotel and resort services in interstate commerce:



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<sup>30</sup> Compl. ¶ 62 and Exhibit 8.

<sup>31</sup> Compl. ¶ 63 and Exhibit 9.

Radisson has marketed, advertised, and promoted its casino, hotel and resort services under the TREASURE ISLAND Mark through marketing, advertising, promotional channels and media that overlap and are similar to those used by the Community.<sup>32</sup> Despite the Community's determination to protect its TREASURE ISLAND mark, including its decision not to associate the Mark with any third party, that very thing is happening in the marketplace. The Community has never promoted its hotel, casino or resort services with Radisson or in association with its RADISSON mark and it has never licensed or authorized the use of its TREASURE ISLAND Mark in connection with the RADISSON mark or as "a Radisson Hotel."<sup>33</sup> Defendants' infringing acts have caused and are likely to cause confusion, mistake, and deception among the relevant consuming public as to the source or origin of the Radisson's casino, hotel and resort services and have deceived and are likely to continue deceiving the relevant consuming public into believing, mistakenly, that Radisson's casino, hotel and resort services originate from, are associated or affiliated with, or are otherwise authorized by the Community.<sup>34</sup>

TIL's conduct is a stunning U-turn, given the results of the decade-long litigation before the TTAB, its unquestioned loss in that proceeding, and the parties' Settlement Agreement. Defendants' joint acts are willful with the deliberate intent to trade on the goodwill of the Community's TREASURE ISLAND Mark. Defendants' acts cause confusion and deception in the marketplace, and divert potential sales of the

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<sup>32</sup> Id., ¶ 64.

<sup>33</sup> Id., ¶¶ 65-69.

<sup>34</sup> Compl. ¶ 77.

Community's casino, hotel and resort services to the Defendants.<sup>35</sup> Defendants' acts are causing and, unless restrained, will continue to cause damage and immediate irreparable harm to the Community and its valuable reputation and goodwill with the consuming public for which the Community has no adequate remedy at law.<sup>36</sup>

### III. DISCUSSION

Defendants incorrectly contend that, despite their unauthorized use of the Community's intellectual property in a co-branded trade name that identifies "Treasure Island" as "a Radisson Hotel," they cannot be held to account for trademark dilution, wrongly asserting that dilution by blurring requires different, or non-competitive, goods or services. Defendants further contend that the Community has not sufficiently pled allegations of "harm to reputation" required for its dilution by tarnishment claim, wrongly suggesting that the loss of control over the TREASURE ISLAND Mark to a company over which it has no control is not a sufficient injury. Neither of these arguments overcome the Community's dilution claims, which are sufficiently pled.

#### A. Standard of Review

In deciding a Rule 12(b)(6) motion to dismiss, the court accepts as true all well-pleaded factual allegations, "grants all reasonable inferences to the non-moving party,"<sup>37</sup> and then determines "whether they plausibly give rise to an entitlement to relief."<sup>38</sup> A complaint is sufficiently pled to survive a 12(b)(6) challenge if it contains "sufficient

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<sup>35</sup> Id., ¶ 79.

<sup>36</sup> Id., ¶ 80.

<sup>37</sup> *Braden v. Wal-Mart Stores, Inc.*, 588 F.3d 585, 591 (8th Cir. 2009).

<sup>38</sup> *Ashcroft v. Iqbal*, 556 U.S. 662, 679 (2009).

factual matter, accepted as true, to state a claim to relief that is plausible on its face.”<sup>39</sup>

The court “assess[es] plausibility considering only the materials that are ‘necessarily embraced by the pleadings and exhibits attached to the complaint.’”<sup>40</sup> A claim has facial plausibility “when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.”<sup>41</sup> The Community has plausibly pled claims for trademark dilution under the Lanham Act and Minnesota law, and Defendants’ Partial Motion to Dismiss should be denied.

**B. Counts 3 and 4 of Plaintiffs Complaint State Claims for Dilution Under the Lanham Act.**

Trademark dilution refers to a claim, recognized in common law, the Lanham Act, and state law, alleging conduct that causes “a weakening or reduction in the ability of a mark to clearly and unmistakably distinguish one source.”<sup>42</sup> Trademark dilution “occurs when consumers associate a famous mark that has traditionally identified the mark holder’s goods with a new and different source”<sup>43</sup> and it may be found even where there is no likelihood of consumer confusion.<sup>44</sup> Under the Lanham Act, “[s]ubject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through

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<sup>39</sup> *McShane Constr. Co. v. Gotham Ins. Co.*, 867 F.3d 923, 927 (8th Cir. 2017) (quoting *Ashcroft v. Iqbal*, 556 U.S. 662, 678, 129 S. Ct. 1937, 173 L.Ed.2d 868 (2009)).

<sup>40</sup> *Whitney v. Guys, Inc.*, 700 F.3d 1118, 1128 (8th Cir. 2012) (quoting *Mattes v. ABC Plastics, Inc.*, 323 F.3d 695, 697 n.4 (8th Cir. 2003)).

<sup>41</sup> *Id.* (quoting *Iqbal*, 556 U.S. at 678).

<sup>42</sup> *Minnesota Mining & Mfg. Co. v. Rauh Rubber, Inc.*, 943 F. Supp. 1117, 1131 (D. Minn. 1996), *aff’d sub nom. Minnesota Mining & Mfg. Co. v. Rauh Rubber, Inc.*, 130 F.3d 1305 (8th Cir. 1997) (quoting 3 McCarthy, Trademarks and Unfair Competition § 24.13[1][a]).

<sup>43</sup> *Luigino’s, Inc. v. Stouffer Corp.*, 170 F.3d 827, 832 (8th Cir. 1999) (citing J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 24:70, at 24–117–121 (4th ed. 1998)).

<sup>44</sup> *Minnesota Mining & Mfg. Co.*, 943 F. Supp. at 1131 (citing 3 McCarthy, Trademarks and Unfair Competition § 24.13[1][b]).

acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.”<sup>45</sup>

In this case, Defendants' co-branding use of the Community's TREASURE ISLAND Mark—creating the tradename TREASURE ISLAND LAS VEGAS – A RADISSON HOTEL—fits squarely within the dilution provisions of 15 U.S.C. § 1125(c) by identifying the Community's goods and services with another source, namely Radisson. Defendants nevertheless assert in their Motion that their unauthorized use of the Community's TREASURE ISLAND Mark in their co-branded tradename does not constitute “dilution by blurring” or “dilution by tarnishment.”<sup>46</sup> Defendants are mistaken.

**1. Plaintiff's Complaint States a Claim for Federal Dilution by Blurring.**

Defendants' Motion challenges the sufficiency of the Community's claim for dilution by blurring under Section 1125(c). “Dilution by blurring” is caused by an association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.<sup>47</sup> In determining whether a mark or

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<sup>45</sup> 15 U.S.C. § 1125(c)(1).

<sup>46</sup> Def. Memo. at 8-14.

<sup>47</sup> 15 U.S.C. § 1125(c)(2)(B). Defendants do not dispute that the TREASURE ISLAND Mark is famous. It has been used exclusively for more than 30 years as the principal name for the Community's Treasure Island Resort & Casino in Red Wing, Minnesota and Defendant TIL's Treasure Island Hotel & Casino in Las Vegas, Nevada, earning a national and international reputation as a source identifier for world-class hotel, casino and resort services.

trade name is likely to cause dilution by blurring, courts consider “all relevant factors,” including the non-exclusive factors set forth in Section 1125(c)(2)(B): (i) The degree of similarity between the mark or trade name and the famous mark; (ii) The degree of inherent or acquired distinctiveness of the famous mark; (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark; (iv) The degree of recognition of the famous mark; (v) Whether the user of the mark or trade name intended to create an association with the famous mark; and (vi) Any actual association between the mark or trade name and the famous mark.<sup>48</sup>

Notably, Defendants do not dispute that their co-branded trade name uses the Community’s TREASURE ISLAND Mark, or that the association that arises from combining the RADISSON mark with the Community’s TREASURE ISLAND Mark impairs the distinctiveness of the TREASURE ISLAND Mark. In fact, the Defendants also have not disputed that their “Treasure Island Hotel & Casino, a Radisson Hotel” trade name satisfies every factor enumerated in the Lanham Act for determining whether a mark or trade name is likely to cause dilution by blurring:

- (i) There is a high degree of similarity between the Defendants’ co-branding trade name and the TREASURE ISLAND Mark – the point and purpose of Defendants’ trade name was to combine the TREASURE ISLAND Mark with the RADISSON Mark;

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<sup>48</sup> 15 U.S.C. § 1125(c)(2)(B); *see also Select Comfort Corp. v. Baxter*, 156 F. Supp. 3d 971, 993 (D. Minn. 2016).

- (ii) The TREASURE ISLAND Mark has a high degree of both inherent distinctiveness and acquired distinctiveness as the principal mark and trade name for world class hotel, casino and resort facilities in Las Vegas, Nevada and Red Wing, Minnesota for more than 30 years;
- (iii) The Community as the exclusive owner of the TREASURE ISLAND Mark and TIL as the Community's exclusive licensee have engaged and are still engaging in the exclusive use of the TREASURE ISLAND Mark for their respective hotel, casino and resort facilities, and the Community has never allowed co-branding of the TREASURE ISLAND Mark with the RADISSON Mark or any other mark;
- (iv) There is a high degree of recognition of the TREASURE ISLAND Mark as the name and source identifier for world class hotel, casino and resort services;
- (v) Defendants intended to create an association between the Community's TREASURE ISLAND Mark and the RADISSON Mark; indeed, that was the purpose of their unauthorized co-branding and cross-licensing agreement; and
- (vi) The actual association is self-evident—Defendants combined the TREASURE ISLAND Mark with the RADISSON Mark to create the “Treasure Island Hotel & Casino, a Radisson Hotel” trade name—and both Defendants are using the new trade name to promote hotel, casino and resort services on their respective websites.

In seeking dismissal, Defendants ignore these statutorily-established factors instead relying on the three-part test for trademark dilution by blurring set forth in *Luigino's, Inc. v. Stouffer Corp.*, 170 F.3d 827, 833 (8th Cir. 1999), which requires that a plaintiff show that: (i) its mark is famous; (ii) defendant began using a similar or identical mark after the plaintiff's mark became famous; and (iii) defendant's mark dilutes the distinctive quality of the plaintiff's mark by causing consumers to connect the plaintiff's mark with different products.<sup>49</sup>

Defendants do not dispute the first *Luigino* factor, that the mark is “famous,” or the factor that Defendants have used the trade name combining TREASURE ISLAND and RADISSON in commerce.<sup>50</sup> Rather, Defendants contend that Counts 3 and 4 are insufficient to satisfy the third factor, impairment to the distinctiveness of an admittedly famous Mark. Even as to this third factor, Defendants do not dispute that adding the RADISSON mark to the Community's TREASURE ISLAND Mark impairs the distinctiveness of the TREASURE ISLAND Mark.<sup>51</sup> Rather, Defendants assert that dilution by blurring only can occur as between *different or non-competitive products*.<sup>52</sup>

Relying exclusively on *Luigino's, Inc. v. Stouffer Corp.*, 170 F.3d 827, 833 (8th Cir. 1999), Defendants argue that dilution “typically” involves claims involving different

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<sup>49</sup> Def. Memo. at 10-11.

<sup>50</sup> *Id.* at 11.

<sup>51</sup> Defendants quote but curiously undertake no analysis of the six non-exclusive factors the Lanham Act sets forth for determining whether a mark or trade name is likely to cause dilution by blurring. *See id.* at 9-10.

<sup>52</sup> *Id.* at 10-11.

or “non-competitive” products.<sup>53</sup> According to Defendants, the Community cannot state a claim for dilution by blurring because “Plaintiff and TIL use the Treasure Island name in connection with the provision of same services: hotel, casino and resort operation.”<sup>54</sup> But *Luigino’s* does not support Defendants’ argument. First, the *Luigino’s* decision is of questionable relevance today because it predates by seven years the 2006 TDRA, which amended the Lanham Act to expressly provide that dilution can be found “regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.”<sup>55</sup> Although the Eighth Circuit has not had the occasion to revisit this aspect of the *Luigino’s* decision since the passage of the TDRA, other courts, notably including this District Court,<sup>56</sup> and respected commentators,<sup>57</sup> agree that 2006 Amendment allows dilution claims when there are competing products or services.

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<sup>53</sup> Id. at 11. Plaintiff presumes that, by “typically,” Defendants mean “as the law existed before the Lanham Act was amended to make clear that dilution claims under the Lanham may involve competitive goods or services.”

<sup>54</sup> Def. Memo. at 11.

<sup>55</sup> 25 U.S.C. § 1125(c)(1).

<sup>56</sup> See, e.g., *Select Comfort Corp. v. Baxter*, 156 F. Supp. 3d 971, 993 (D. Minn. 2016) (dilution claim between competing manufacturers of adjustable air mattresses to proceed to trial); *General Motors v. Rapp Chevrolet*, 2013 WL 2245472 (D.S.D. 2013) (summary judgment granted on dilution claim brought by GM against a local car dealership which continued to using the Chevrolet logo after their licensing agreement had been terminated); *Edina Realty Inc. v. TheMLSonline.com*, No. CIV. 04-4371JRTFLN, 2006 WL 737064 (D. Minn. Mar. 20, 2006) (considering summary judgment on dilution claim between competitors even before the 2006 Trademark Dilution Revision Act); *Facebook Inc. v. Teachbook LLC*, 819 F. Supp. 2d 764, 784-85 (N.D. Ill. 2011) (dilution by blurring allegations under Lanham Act survives motion to dismiss even though products are similar).

<sup>57</sup> See Restatement of Unfair Competition § 25 cmt. f (“The antidilution statutes explicitly recognize that dilution can result from use of another's mark on either competing or noncompeting goods.”); see also 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 24:75 (5th ed. 2017) (acknowledging that the 2006 federal law now allows dilution claims between competitors, but arguing this trend is conceptually inconsistent with the original anti-dilution theory).

Defendants' Motion and the Plaintiff's Complaint are two ships passing in the night: the former argued under an outdated interpretation of the law and the latter pled under current federal law.

Second, Defendants offer *Luigino's* for more than it provides. *Luigino's* assessed the sufficiency of the evidence on a motion for summary judgment, not the sufficiency of the allegations on a motion to dismiss. Significantly, *Luigino's* does not establish that dissimilar products are a required element of a dilution by blurring claim. Rather, *Luigino's* stands for the rather unremarkable proposition that "[d]ilution occurs when consumers associate a famous mark that has traditionally identified the mark holder's goods with a new and different source."<sup>58</sup> In that respect, *Luigino's* actually supports the sufficiency of Counts 3 and 4 of the Community's Complaint.

Ultimately, the Defendant's reliance on *Luigino's* is an attempt to distract from the facts pled by the Community and the relevant elements of a dilution by blurring claim under the current language of the Lanham Act, which demonstrate: (1) Defendants have used the Community's TREASURE ISLAND Mark, an admittedly famous mark,<sup>59</sup> including it in "a mark or trade name;"<sup>60</sup> (2) Defendants have used the Community's TREASURE ISLAND mark in a co-branding trade name that is used in commerce;<sup>61</sup> and (3) the tradename and the Community's Mark employ the identical TREASURE

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<sup>58</sup> *Luigino's, Inc. v. Stouffer Corp.*, 170 F.3d 827, 832 (8th Cir. 1999) (citing J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 24:70, at 24-117-121 (4th ed. 1998)).

<sup>59</sup> See, e.g., Compl., ¶ 62 and Exhibit 8, ¶ 63 and Exhibit 9, and ¶ 64.

<sup>60</sup> 15 U.S. §§ 1125(c)(1), (c)(2), (c)(2)(B-C), and (c)(5)(A).

<sup>61</sup> Compl., ¶ 62 and Exhibit 8, ¶ 63 and Exhibit 9, and ¶ 64.

ISLAND word mark, which is specifically intended to draw an association between the TREASURE ISLAND Mark and RADISSON mark by asserting to the relevant market that “Treasure Island” is “a Radisson Hotel.”<sup>62</sup> It cannot be disputed that Defendants’ actions were taken with full knowledge of, and despite, the Community’s objection to the co-branded use,<sup>63</sup> create confusion in the marketplace as to the source or origin of goods and services offered under the TREASURE ISLAND Mark, and diminish the good will and benefit that is to derive entirely to the Community through the use of that mark by the Community and its exclusive licensee TIL. The Community has stated a plausible claim for dilution by blurring.

## **2. The Complaint States a Claim for Federal Dilution by Tarnishment.**

To establish a claim for dilution by tarnishment, a plaintiff must show that the defendant’s use of the mark “harms the reputation” of the famous mark.<sup>64</sup> While tarnishment most frequently occurs when a mark is used in connection with sexually explicit materials, this Court has previously stated that “other negative associations can also constitute tarnishment.”<sup>65</sup> For example, “[t]arnishment occurs when a product is ‘linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context’ with the result that ‘the public will associate the lack of quality or lack of

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<sup>62</sup> Id.

<sup>63</sup> Id., ¶¶ 78 and 79.

<sup>64</sup> 15 U.S.C. § 1125(c)(2)(C).

<sup>65</sup> *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727, 733 (D. Minn. 1998) (internal citation omitted).

prestige in the defendant's goods with the plaintiff's unrelated goods.”<sup>66</sup> As this Court stated in *Minnesota Mining & Mfg. Co. v. Rauh Rubber, Inc.*, “[t]arnishment results from unauthorized use which tarnishes, degrades or dilutes the mark’s distinctive quality.”<sup>67</sup> This Court further stated that “[t]he threat of tarnishment arises when the goodwill and reputation of a plaintiff’s trademark is linked to products which are of shoddy quality or which conjure associations that clash with the associations generated by the owner’s lawful use of the mark.”<sup>68</sup> The Community’s Complaint amply alleges a basis for its claim of dilution by tarnishment.

As alleged in the Complaint, Radisson’s use of the TREASURE ISLAND Mark draws an association to that mark that the Community neither seeks nor desires. Defendants’ unauthorized co-branding and cross-licensing agreement combining the TREASURE ISLAND Mark and the RADISSON mark to create a new trade name conjures associations that clash with the Community’s and TIL’s use of the TREASURE ISLAND Mark for more than 30 years. Defendants’ disregard for the Community’s right to approve or disapprove any sublicense, assignment or other supposed permission to use of the TREASURE ISLAND Mark, standing alone, “dilutes the distinctive quality” of the TREASURE ISLAND Mark.<sup>69</sup> Use of the Community’s mark by any third party with whom the Community has no relationship and over whom it exercises no control itself

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<sup>66</sup> *J & B Wholesale Distrib., Inc. v. Redux Beverages, LLC*, 621 F. Supp. 2d 678, 688 (D. Minn. 2007) (citing *Hormel Foods Corp. v. Jim Henson Productions, Inc.*, 73 F.3d 497, 506 (2nd Cir. 1996)).

<sup>67</sup> 943 F. Supp. at 1131.

<sup>68</sup> *Id.*

<sup>69</sup> 15 U.S.C. § 1125 (c)(2)(C).

threatens harm to the reputation of the TREASURE ISLAND Mark.<sup>70</sup>

For more than 30 years the Community built its government gaming business and invested in its TREASURE ISLAND Mark as the principal brand for the Community's casino, hotel, and resort. The Community has never engaged in any co-branding of its casino, hotel and resort with any third party, nor has it authorized TIL as its licensee to co-brand its casino, hotel and resort with any third party, not even with TIL's then-parent company, THE MIRAGE.<sup>71</sup> TREASURE ISLAND signifies an *independent* hotel, with no affiliation to any hotel chain or franchise. By their unauthorized co-branding and cross-licensing agreement, TIL and Radisson have associated the TREASURE ISLAND Mark with the RADISSON mark and brand, harming the reputation of the TREASURE

<sup>70</sup> It goes without saying that the Community disputes the Defendants' position that they can enter into a co-branding and cross-licensing agreement with the Community's TREASURE ISLAND Mark that purports to prohibit the Community from exercising its rights as the owner of the mark.

<sup>71</sup> See Compl., ¶ 27 and Exhibit 7. TIL cancelled 15 federal trademark registrations and abandoned 6 applications that used the TREASURE ISLAND Mark with "THE MIRAGE" as the trade name for the Las Vegas hotel:

	Serial Number	Reg. Number	Word Mark	Check Status	Live/Dead
1	76386263		PLAYTREASURE ISLAND.COM TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
2	76382316		TREASURE ISLAND AT THE MIRAGE LAS VEGAS PLAYERS CLUB	TSDR	DEAD
3	75103789	2040756	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
4	74433477	1966090	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
5	74433476	1918033	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
6	74417694	1981369	TREASURE ISLAND AT THE MIRAGE THE ADVENTURE RESORT	TSDR	DEAD
7	74417693	2024221	TREASURE ISLAND AT THE MIRAGE THE ADVENTURE RESORT	TSDR	DEAD
8	74417692		TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
9	74417691		TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
10	74417690		TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
11	74417689		TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
12	74417688	1984421	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
13	74417687	2010396	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
14	74417686	2019481	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
15	74417685	1941475	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
16	74417684	1949380	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
17	74417683	1985968	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
18	74417682	1955279	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
19	74417681	1943123	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
20	74417680	1903619	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD
21	74417679	1949379	TREASURE ISLAND AT THE MIRAGE	TSDR	DEAD

ISLAND Mark as the trade name for the Community's independent casino, hotel and resort. Indeed, Radisson is already affiliated with another tribal gaming enterprise in the upper Midwest, and yet another tribal gaming enterprise in the southwest has severed a prior affiliation with Radisson. Defendants cannot create an affiliation between the Community's TREASURE ISLAND Mark with the RADISSON mark without diluting the former. The TREASURE ISLAND Mark that has for more than 30 years served as the trade name for an independent, famous casino, hotel and resort property, while the RADISSON Mark serves as the trade name for multiple brands and trade names, that cover an array of market positions, including one or more chains that may not be similarly perceived as the premium casino, hotel and resort facilities that are associated with the TREASURE ISLAND Mark and brand. Accordingly, the Community has pled sufficient facts to support a claim for dilution by tarnishment based on the potential negative associations that the TREASURE ISLAND Mark will suffer as a result of Defendants' use of the TREASURE ISLAND-RADISSON trade name, as well as the lack of prestige that the RADISSON Mark has in the casino, hotel and resort industry, particularly in the context of tribal gaming enterprises.<sup>72</sup>

Defendants' dilution by tarnishment argument implies, wrongly, that the Community's loss of control over its mark is not harm in and of itself, and that an owner must wait until that third party conducts itself or its business in a way that causes

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<sup>72</sup> See *Minnesota Mining & Mfg. Co.*, 943 F. Supp. at 1131–32 (“Tarnishment results from unauthorized use which tarnishes, degrades or dilutes the mark’s distinctive quality.”). “The threat of tarnishment arises when the goodwill and reputation of a plaintiff’s trademark is linked to products which are of shoddy quality or which conjure associations that clash with the associations generated by the owner’s lawful use of the mark.” *Id.*

reputational harm to the mark before a dilution by tarnishment claim can properly be pled. Despite the fact that TIL does not own the TREASURE ISLAND Mark and has no authority to authorize third parties to exercise control over that mark, TIL and Radisson now claim that their unauthorized co-branding and cross-licensing agreement actually precludes the Community from exercising its legitimate right to control Radisson's use of the TREASURE ISLAND Mark. This theory would create an illogical disconnect between the liability structure of the dilution law and its remedies. The ordinary remedy in dilution cases is an injunction against future diluting efforts. It makes little sense to require the Community to wait until its mark is actually diluted by tarnishment before it can seek an injunction against that dilution. As one commentator has suggested, its "rather like closing the barn door after the horse is gone."<sup>73</sup>

The Community's Complaint plainly and expressly "pleads factual content that allows the court to draw the reasonable inference" that the defendant is liable for trademark dilution under the Lanham Act as alleged in Counts 3 and 4. The Community has pled detailed factual allegations supporting every statutory element of dilution by blurring and dilution by tarnishment. Whether the Court determines that a claim is stated for dilution by blurring, by tarnishment, or by both, Counts 3 and 4 of the Plaintiff's Complaint properly state a claim and the Defendants' motion to dismiss them must be denied.<sup>74</sup>

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<sup>73</sup> Stacey L. Dogan and Mark A. Lemley, *The Trademark Use Requirement in Dilution Cases*, 24 Santa Clara Computer & High Tech. L.J. 3, 541, 547 (2008).

<sup>74</sup> At this stage in the proceedings, the parties have yet to engage in any discovery regarding Radisson's associations with other casinos, hotels and resorts, including the circumstances

**C. Counts 10 and 11 of Plaintiff's Complaint State Claims for Dilution Under Minnesota Law.**

The Defendants argue that Counts 10 and 11 asserting state law claims for dilution must be dismissed, because Minnesota state law claims for dilution are coextensive with Lanham Act claims.<sup>75</sup> The Community agrees with the Defendants on this legal principle, but not on the impact of that principle to its state law claims. Dilution claims under Minnesota law “require the same analysis as claims under the Lanham Act.”<sup>76</sup> Claims for common law unfair competition and common law trademark infringement similarly parallel claims under the Lanham Act.<sup>77</sup> As such, the Court analyzes these claims together.<sup>78</sup> As noted above, the Lanham Act recognizes claims, like those pled in Counts 3 and 4, that assert dilution by blurring as between similar, or competitive, good and services. If the Community's dilution claims are properly pled under the Lanham Act, they are properly pled under Minnesota trademark law. Defendants' motion to dismiss Counts 10 and 11 should be denied.

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surrounding the severance of those associations. While not pled in its Complaint, the Community is aware of at least two instances in recent years where Radisson's associations with casino, hotel and resort enterprises were terminated. Plaintiff is entitled to pursue discovery regarding the facts and circumstances surrounding the cessation of those associations, particularly since the Defendants purposefully chose not to obtain the Community's authorization and consent to use the TREASURE ISLAND Mark, opting instead to conceal the details of their co-branding and cross-licensing arrangement until after their agreement was finalized.

<sup>75</sup> Def. Memo. at 14.

<sup>76</sup> See *DaimlerChrysler AG v. Bloom*, 315 F.3d 932, 936 n. 3 (8th Cir. 2003).

<sup>77</sup> *Id.*

<sup>78</sup> *Edina Realty, Inc. v. TheMLSonline.com*, No. CIV. 04-4371JRTFLN, 2006 WL 737064, at \*3 (D. Minn. Mar. 20, 2006).

#### IV. CONCLUSION

Based on the foregoing, as well as all of the files and records herein, the Prairie Island Indian Community respectfully requests an order of this Court denying the Defendants' Motion to Dismiss Counts 3, 4, 10, and 11 of the Plaintiff's Complaint.

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Respectfully submitted,

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