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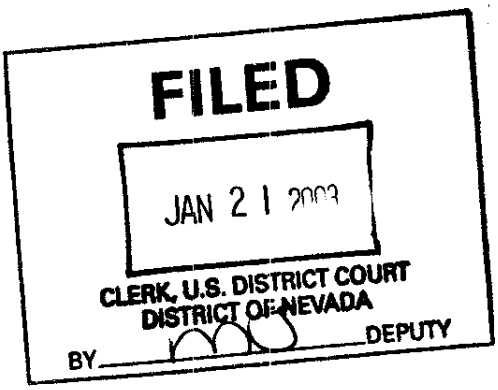

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

CAESARS WORLD, INC. and PARK PLACE ENTERTAINMENT CORPORATION, Plaintiffs, vs. CYRUS MILANIAN and THE NEW LAS VEGAS DEVELOPMENT COMPANY, LLC, Defendants.	Case No. CV-S-02-1287-RLH-RJJ

MOTION TO STAY ACTION

COME NOW, Defendants CYRUS MILANIAN ("MILANIAN") and THE NEW LAS VEGAS DEVELOPMENT COMPANY, LLC ("NLVDC")(collectively, "Defendants"), and hereby move this Honorable Court to stay this action pending resolution of the trademark rights of Plaintiffs and MILANIAN before the United States Patent and Trademark Trial and Appeal Board ("TTAB").

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STATEMENT OF FACTS

Defendant MILANIAN has filed an application for a Federal Trademark Registration in respect of the mark THE COLOSSIUM, which was fully examined and allowed by the United States Patent and Trademark Office ("USPTO"). During the publication period following the USPTO's allowance of MILANIAN's application for registration, Plaintiff CAESAR's WORLD, INC. filed a Request for Extension of Time to Oppose the application on January 7, 2003, thereby indicating its intent to litigate the subject matter of the instant action administratively before the T.T.A.B., an arm of the USPTO which does nothing but determine the rights of litigants to apply for and register tradmarks and service marks. Given the Plaintiff's request, it is expected that a Notice of Opposition of the subject application will be filed shortly, thereby making the present action one of two (2) venues within which Plaintiffs will pursue adjudication of the same parties' rights to the same service marks. As of the eve of trial in the instant action, there has been no discovery by either party.

ARGUMENT

I. THE DECISIONS OF THE U.S. PATENT AND TRADEMARK OFFICE ARE CONTROLLING. UNLESS A BASIS FOR A CONTRARY DECISION IS "ESTABLISHED BY TESTIMONY WHICH IN CHARACTER AND AMOUNT CARRIES THOROUGH CONVICTION."

The TTAB is a specialized administrative court within the USPTO which has jurisdiction to rule upon disputes involving litigant's rights to apply for and obtain federal registration of service marks and trademarks. See, *McCarthy on Trademarks and Unfair Competition*, §§ 20:1; 20:2. Its decisions are considered persuasive on federal courts. Id. The USPTO's decisions and orders are frequently relied upon by district court judges throughout the country for their specialized authority involving trademark matters. [*Citations omitted*].

Section 21 of the Lanham Act, 15 U.S.C. s 1071, provides two avenues of appeal from a USPTO decision. A dissatisfied party may appeal to the United States Court of Customs and Patent Appeals or may bring a civil action in a district court. When the latter is pursued, the record of the Board is admitted by motion before the district court and has the same effect as if originally produced there. Id. The testimony and exhibits of the record in the Patent and Trademark Office, when admitted shall have the same effect as if originally taken and produced in the suit. *Wells Fargo & Co. v. Stagecoach Properties, Inc.*, 685 F.2d 302, 305 (9TH Cir. 1982)(citing 15 U.S.C. § 1071).

The relation between the Patent Office and the district court concerning patent decisions was defined in Morgan v. Daniels, 153 U.S. 120, 14 S.Ct. 772, 38 L.Ed. 657 (1894). There the Supreme Court said that the Patent Office decision of priority of invention must be accepted as controlling by the district court unless the contrary is "established by testimony which in character and amount carries thorough conviction." *Wells Fargo & Co., at 306(Citing Morgan, 153 U.S. 125, 14 S.Ct. at 773).* The Ninth Circuit has already ruled that the Morgan rule is applicable to the likelihood of confusion issue in trademark cases. Safeway Stores, Inc. v. Dunnell, 172 F.2d 649 (9th Cir.), cert. denied, 337 U.S. 907, 69 S.Ct. 1049, 93 L.Ed. 1719 (1949). It has also ruled that the civil action permitted by 15 U.S.C. s 1071 is to be a trial de novo, but that the decision of the Board must be accepted as controlling on fact issues unless overcome under the Morgan standard. Redken Laboratories, Inc. v. Clairol, Inc., 501 F.2d 1403, 1404 (9th Cir. 1974).

The USPTO has already determined that MILANIAN's mark, THE COLOSSEUM, which is the subject of Application Serial Number 78,132,978 is registerable when it issued its Notice of Allowance and published the applications for opposition on November 13, 2002. Furthermore, the USPTO has already rejected Plaintiff CAESARS WORLD, INC.'s Application for Federal Trademark Registration Number 76,417,751 in respect of the mark COLOSSEUM, and has determined that the

mark, *as used by Plaintiff CAESARS WORLD, INC.*, is merely descriptive of its venue, and is therefore incapable of functioning as a protectable trademark or service mark. Plaintiffs would like this Court to ignore these findings of this government agency whose sole purpose is to determine the trademark rights of litigants. Nonethless, if Plaintiffs disagree with these decisions of the USPTO, they should appropriately proceed in pursuing the administrative remedies they have already elected. They should not be permitted to have more than one "bite at the apple."

II. PLAINTIFF CAESAR'S WORLD, INC. HAS ALREADY ELECTED THE APPROPRIATE ADMINISTRATIVE REMEDY OF LITIGATION BEFORE THE T.T.A.B.

"By definition, if the Trademark Board sustains an opposition on the references cited *ex parte*, it disagrees with the PTO Examining Attorney, who felt the mark was registerable and passed it to publication." *McCarthy on Trademarks and Unfair Competition*, § 20:2.

"On the merits of an opposition proceeding, the ultimate issue is whether the applicant does have, in fact, the exclusive right to use of the mark sufficient to qualify for federal registration. If an opposition proceeding is viewed as a balancing of competing interests, then the issue is whether applicant has a right to register the mark superior to the opposer's asserted right to prevent registration." *McCarthy on Trademarks and Unfair Competition*, § 20:13.

With respect to Application Serial Number 78,132,978, (the only one which is ripe for publication), Defendant CAESARS WORLD, INC. has already chosen to pursue (or at least preserve their right to pursue) the admistrative remedy provided by the T.T.A.B. by filing a formal Request for Extension of Time To Oppose the application on January 7, 2003. The rights to be determined in the instant action will be the same as those which will be determined in the TTAB action which Plaintiff CAESAR's WORLD, INC. requested an extension of time within which to proceed.

Defendants agree with Plaintiff CAESARS WORLD, INC.'s choice to permit this specialized Tradmark Board to rule upon these issues which are central to the instant action. Therein, full discovery will be afforded to all parties which was not available under the "emergency" circumstances alleged in the instant action.

There is a complete absence of any allegation or proof of Defendant NLVDC's use of, or claim to the mark at issue. Based thereon, and based upon Defendant MILANIAN's willingness throughout this litigation to completely abandon his rights to the mark and the application for the purposes of settlement, both Defendants would consent to the requested preliminary injunction pending resolution of the TTAB matter. The alleged "emergency" therefore does not-existent. This action should immediately be stayed pending the resolution of the TTAB matter while an agreed temporary injunction is in place. This Court can then decide upon the issues of damages, attorneys' fees and costs following the TTAB's ruling, if necessary.

The undersigned has consulted with Stephen Feingold, counsel for Plaintiffs in a good faith effort to obtain his clients' consent to the herein Motion for Stay. Plaintiffs have refused. Defendants submit that the true basis for Plaintiffs' refusal to consent lies outside these pleadings.

WHEREFORE, Defendants respectfully request that this Honorable Court stay this action pending the decision on these very same issues by the TTAB through which all parties will have ample time for discovery.

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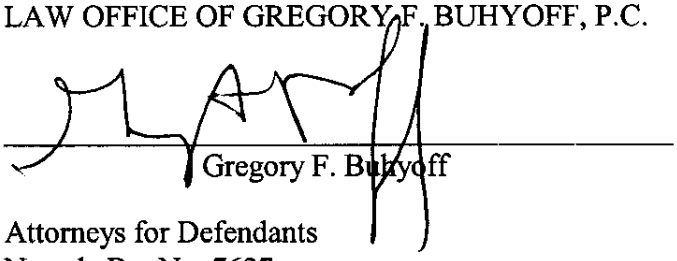
Respectfully submitted this 21th day of January, 2003.

LAW OFFICE OF GREGORY F. BUHYOFF, P.C.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was hand delivered on this 21st day of January, 2003, to:

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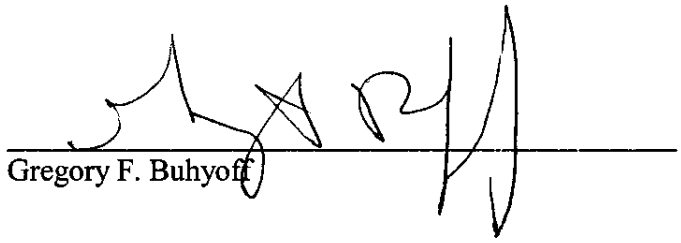

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