

**THIS OPINION
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OF THE T.T.A.B.**

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

DUNN

Mailed: May 27, 2008

Opposition No. 91176217

Opposition No. 91177038

Orient-Express Hotels Inc.

v.

Cipriani Group Inc.

Opposition No. 91176218

Opposition No. 91177039

Hotel Cipriani SrL

v.

Cipriani Group Inc.

Before Walters, Zervas, and Mermelstein, Administrative
Trademark Judges:

Cipriani Group Inc. filed applications for the mark
CIPRIANI for real estate and real estate development
services (Application Serial No. 78572590) and restaurant
and food delivery services (Application Serial No.
78615135). Orient-Express Hotels Inc. and Hotel Cipriani
SrL separately filed notices of opposition against both

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applications, both claiming that applicant's use and registration of CIPRIANI is barred by an agreement between the parties reached in settlement of a district court infringement action, and that the specimens submitted in support of the applications were inadequate. Further, Orient-Express Hotels Inc. has pleaded that there is a likelihood of confusion between the mark of its pleaded Registration No. 2146899 and the applied-for marks, and Hotel Cipriani SrL has pleaded that there is a likelihood of confusion between its common law use of the mark HOTEL CIPRIANI for hotel and restaurant services and the applied-for marks.

In each proceeding applicant filed an answer in which it denies the salient allegations of the notice of opposition and asserts unclean hands as an affirmative defense. On October 10, 2007, the Board consolidated the four proceedings and accepted applicant's amended answers which clarified that applicant's unclean hands defense was based on applicant's allegation that opposer violated the settlement agreement by registering the mark CIPRIANI in Europe and opposing applicant's use and registration of the mark CIPRIANI LONDON in Europe.

On December 28, 2007, opposers filed a motion for summary judgment in the consolidated proceeding on its claim that registration of the two applications is barred by the

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agreement between the parties reached in settlement of the district court infringement action.

On January 7, 2008, the Board suspended proceedings pending decision on the motion for summary judgment, and granted opposer Orient-Express Hotels Inc.'s consented motion to amend the notices of opposition in Opposition Nos. 91176217 and 91177039 to specify that it was opposer's predecessor which was a party to the settlement agreement. In the same order, the Board sua sponte struck opposer's claim that the specimens submitted in support of the applications were inadequate, finding that the allegations related to an ex parte matter which did not state a valid basis for opposition. Applicant subsequently filed a second amended answer denying the salient allegations of the amended notices of opposition.

THE SETTLEMENT AGREEMENT

Before turning to the provisions of the settlement agreement in the infringement action, namely, in *Sea Containers America, Inc. and Hotel Cipriani, SpA v. Harry Cipriani, Inc., Vittoria Corporation, Resteq Corporation and Arrigo Cipriani* (92 Civ. 1686 (MP), United States District Court for the Eastern District of New York), approved by the district court on April 4, 1997, the Board notes that, while the parties to the agreement and the parties involved in the

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consolidated opposition are not identical, neither party disputes that it is subject to the agreement. On September 16, 1997, Sea Containers America Inc., the first listed plaintiff in the civil action, recorded a name change to Orient-Express Hotels Inc. in connection with pleaded Registration No. 2146899 (Reel 1634, Frame 0979). Orient-Express Hotels Inc. is the opposer in Opposition Nos. 91176217 and 91177038. With respect to Hotel Cipriani, SpA, the second listed plaintiff in the civil action, Hotel Cipriani SrL maintains that Hotel Cipriani, SpA modified its form of organization under Italian law and was thereafter known as Hotel Cipriani, SrL, which is the opposer in Opposition Nos. 91176218 and 91177039. See opposer's summary judgment motion at p. 2. Hotel Cipriani, SpA and Hotel Cipriani, SrL are essentially the same legal entity.

As to the defendants to the civil action, opposer's motion for summary judgment was accompanied by a copy of applicant's August 23, 2006 response to the examining attorney's refusal of registration based on the likelihood of confusion with opposer's registration. Applicant's response refers to its earlier submission of the settlement agreement and states (page 3) "the defendants in [the district court action] were the parent organizations of Applicant, their successors in interest or in the case of Harry Cipriani, Inc. part of the US Group of Cipriani

companies ... Arrigo Cipriani ... also controls Applicant ..." and "Arrigo Cipriani is currently a director of Cipriani International SA and effectively is the head of the Cipriani organization. This organization owns or controls all Cipriani organizations worldwide. In the U.S. Cipriani companies include Cipriani USA Inc., the Applicant Cipriani Group Inc. and various other companies. Hence, the submitted Settlement Agreement is binding on the Applicant." In view of the foregoing, the Board finds that the parties to the consolidated opposition are bound by the provisions of the settlement agreement reached in the district court infringement action.

The agreement itself is brief, stating in relevant part:

1. [Opposer] may use the name HOTEL CIPRIANI in the United States in connection with the hotel business. In addition, [Opposer] may operate restaurants in a hotel which it owns or manages in the United States which shall be identified as HOTEL CIPRIANI RESTAURANT or RESTAURANTE HOTEL CIPRIANI or its equivalent. [Opposer] may not in any such restaurant use the name CIPRIANI alone or the names HARRY CIPRIANI or BELLINI BY CIPRIANI, and [Opposer] will not commence use of the HOTEL CIPRIANI name in a restaurant located in a city in which [Applicant] is already using the CIPRIANI name in a restaurant.

2. [Applicant] may conduct any business it chooses to engage in, providing that it is designated, with or without the bartender logo, as CIPRIANI with the identity of the product or service offered or any other descriptive terms or name except use of the word HOTEL in connection therewith.

3. Both parties consent to registration by the other in the United States Patent and Trademark Office consistent with the rights set forth in paragraphs one (1) and two (2) above. The agreement includes two additional provisions which provide that applicant may exhaust its present inventory of products and packaging with only the name CIPRIANI, and that require the parties to maintain the quality of their goods and services.

OPPOSERS' MOTION FOR SUMMARY JUDGMENT

Summary judgment is an appropriate method of disposing of cases in which there are no genuine issues of material fact in dispute, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). A party moving for summary judgment has the burden of demonstrating the absence of any genuine issue of material fact, and that it is entitled to summary judgment as a matter of law. See *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986). A genuine dispute with respect to a material fact exists if sufficient evidence is presented that a reasonable fact finder could decide the question in favor of the non-moving party. See *Opryland USA Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992). Thus, all doubts as to whether any factual issues are genuinely in dispute must be resolved against the moving party and all inferences must be viewed in the light most favorable to the non-moving

party. See *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

In support of its motion for summary judgment, opposers contend that the plain wording of the agreement precludes use and registration by either party of the term CIPRIANI alone, and that the provision applicable to applicant states that any business of applicant must be designated CIPRIANI with "the identity of the product or service offered or any other descriptive terms or name", except HOTEL. Because applicant now seeks to register the term CIPRIANI alone, without "the identity of the product or service offered or any other descriptive terms or name", opposers contend that the opposed applications are barred by the agreement, and that the Board should enter summary judgment for opposers.

In opposition to the motion for summary judgment, applicant contends that while the agreement bars opposers' ability to use the term CIPRIANI alone, the agreement does not contain a parallel restriction on applicant. Rather, applicant argues that "[t]he Settlement Agreement just does not mandate Opposers' consent so that it does not preclude Opposers from objecting to such use or from opposing Applicant's attempts to register the mark." Applicant also contends that it has a valid defense to any contract estoppel claim inasmuch as opposers' violation of the

settlement agreement demonstrates unclean hands in bringing this opposition.

As a preliminary matter, we note that the motion for summary judgment was accompanied by the settlement agreement. Inasmuch as the agreement provides evidence of opposers' real interest in this proceeding, opposers have established its standing. *Vaughn Russell Candy Co. v. Coolies in Bloom Inc.*, 47 USPQ2d 1635, 1638 n. 7 (TTAB 1998).

"Whether a mark otherwise entitled to registration is, nevertheless, barred therefrom by an agreement between the parties ... [is an issue] within the jurisdiction of the board and may constitute an independent basis for sustaining the opposition." *Kimberly-Clark Corp. v. Fort Howard Paper Co.*, 772 F.2d 860, 863, 227 USPQ 36, 38 (Fed. Cir. 1985). The Board may consider "the agreement, its construction, or its validity if necessary to decide the issues properly before [the Board]." *See M-5 Steel Mfg. Inc. v. O'Hagin's Inc.*, 61 USPQ2d 1086, 1094 (TTAB 2001), quoting *Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 1324, 217 USPQ 641, 647 (Fed. Cir. 1983). Accord, 2 J. McCarthy, McCarthy on Trademarks and Unfair Competition, §18:82 (4th ed. 2004) ("Many consent agreements also embody a promise not to use a trademark in a certain format or on a certain line of goods. Such agreements are routinely upheld and enforced.").

The construction of an agreement is a question of law, and the meaning and interpretation of a contract may be resolved by the Board on summary judgment. See *Interstate Gen. Gov't Contractors, Inc. v. Stone*, 980 F.2d 1433 (Fed. Cir. 1992). Here, the parties' settlement agreement lacks a choice of law clause. The Board therefore applies general principles of contract interpretation. In interpreting contracts, "unless a different intention is manifested, ... where language has a generally prevailing meaning, it is interpreted in accordance with that meaning." See Restatement (Second) of Contracts, Section 202(3)(a) (1981). Thus, the interpretation of an agreement must be based, not on the subjective intention of the parties, but on the objective words of their agreement. See *Novamedix Ltd. v. NDM Acquisition Corp.*, 166 F.3d 1177, 49 USPQ2d 1613 (Fed. Cir. 1999).

Here, the settlement agreement requires applicant to designate its business "as CIPRIANI with the identity of the product or service offered or any other descriptive terms or name." This is a very plain restriction of applicant's right to use the term CIPRIANI, and flatly prohibits applicant's use of the term CIPRIANI without the identity of the product or service or other descriptive term or name. We see no basis in the words of the agreement for applicant's contention that it may use the term alone

without opposers' consent. Based on our construction of the settlement agreement, applicant is barred from use of the term CIPRIANI alone. Because applicant may not seek registration of a mark which it cannot use, opposers are entitled to judgment on its contract estoppel claim.

We turn then to a determination of whether applicant has established its affirmative defense of unclean hands, based on opposers' alleged violation of the settlement agreement through its efforts to register the mark CIPRIANI outside the United States, and to oppose and bring civil actions against the use of CIPRIANI by applicant outside the United States. As set forth above, with respect to opposers, the agreement restricts opposers' use in the United States (Paragraph 1) and sets forth opposers' consent to registration by applicant in the United States Patent and Trademark Office consistent with rights set forth in the agreement (paragraph 3). On its face, the agreement does not address actions taken by opposers outside the United States, and applicant has failed to prove its affirmative defense of unclean hands based on an alleged violation of the agreement.

In sum, there is no genuine issue of material fact in regard to opposers' claim that the settlement agreement bars registration of the opposed applications for the term CIPRIANI alone, and opposers are entitled, as a matter of

law, to judgment in its favor in the opposition. Further, there is no genuine issue of material fact in regard to applicant's affirmative defense of unclean hands, and opposers are entitled to judgment in its favor on this defense. It was applicant's duty, once opposers demonstrated that it is entitled to judgment on its contract estoppel claim, to establish that applicant has a valid affirmative defense and genuine issues of fact exist, for resolution by trial, in regard to such defense. Applicant has failed to do so.

Accordingly, the Board enters summary judgment in favor of opposers on both its contract estoppel claim, and on applicant's affirmative defense of unclean hands.

In view our disposition of the contract estoppel claim and unclean hands defense, we need not address opposers' additional claims regarding likelihood of confusion and the adequacy of applicant's specimens, or Orient-Express Hotels Inc.'s pending request for reconsideration of the Board's interlocutory order striking its claim regarding the adequacy of the specimens.

However, Orient-Express Hotels Inc. is advised that its allegations regarding the adequacy of the specimens and the examining attorney's acceptance of the specimens are not legally sufficient. Asserted error by an examining attorney is not a proper ground for opposing an application. *Demon*

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Int'l LC v. Lynch, 86 USPQ2d 1058, 1060 (TTAB 2008). See also *Phonak Holding AG v. ReSound GmbH*, 56 USPQ2d 1057 (TTAB 2000) (failure to enforce requirement of filing of foreign registration is examination error and not a ground for opposition); *Century 21 Real Estate Corp. v. Century Life of America*, 10 USPQ2d 2034, 2035 (TTAB 1989) (the issue of the adequacy of the specimens is solely a matter of ex parte examination).

Accordingly, opposers' motion for summary judgment is GRANTED, the consolidated opposition is sustained, and registration of all four opposed applications is refused.
