

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**
Case No. 17-80476-CV-DMM

ROYAL PALM PROPERTIES, LLC,

Plaintiff,

v.

PINK PALM PROPERTIES, LLC,

Defendant.

ORDER GRANTING RENEWED MOTION FOR JUDGMENT AS A MATTER OF LAW

THIS CAUSE is before the Court upon Defendant's Renewed Motion for Judgment as a Matter of Law, filed on June 19, 2018. (DE 218). Plaintiff filed a Response on July 3, 2018 (DE 220), to which Defendant replied on July 9, 2018 (DE 221). For reasons stated below, Defendant's Motion is Granted.

I. Background

On April 17, 2017, Plaintiff brought this action on April 17, 2017, alleging trademark infringement in violation of 15 U.S.C. § 1114. (DE 1). Specifically, Plaintiff alleged that Defendant infringed its registered service mark, "Royal Palm Properties" (the "Trademark"). Defendant filed a counter claim seeking a declaratory judgment that the Trademark is invalid and cancellation of the trademark because (1) the Trademark is primarily geographically descriptive and (2) the Trademark is not sufficiently different from other previously registered marks. (DE 49). Following a three-day trial, the Jury found that Defendant did not infringe upon the Trademark and found that the Trademark was not invalid on either basis asserted by Defendant.

(DE 212). Before the case was submitted to the Jury, Defendant moved for Judgment as a Matter of Law on its counterclaims. I reserved ruling, and Defendant now renews that motion.

II. Legal Standard

Rule 50(a) of the Federal Rules of Civil Procedure provides that:

If a party has been fully heard on an issue during a jury trial and the court finds that a reasonable jury would not have a legally sufficient evidentiary basis to find for the party on that issue, the court may: (A) resolve the issue against the party; and (B) grant a motion for judgment as a matter of law against the party on a claim or defense that, under the controlling law, can be maintained or defeated only with a favorable finding on that issue.

Fed R. Civ. P. 50(a). Rule 50(b) allows a party to renew its properly raised motion for judgment as matter of law raised under Rule 50(a). Fed. R. Civ. P. 50(b). “In ruling on the renewed motion, the court may: (1) allow judgment on the verdict, if the jury returned a verdict; (2) order a new trial; or (3) direct the entry of judgment as a matter of law.” *Id.*

“The standard for granting a renewed motion for judgment as a matter of law under Rule 50(b) is precisely the same as the standard for granting the pre-submission motion [under Rule 50(a)].” *McGinnis v. Am. Home Mortg. Servicing, Inc.*, 817 F.3d 1241, 1254 (11th Cir. 2016) (citing *Chaney v. City of Orlando*, 483 F.3d 1221, 1227 (11th Cir.2007) (alteration in original)). “Thus, as with motions under Rule 50(a), the question before a district court confronting a renewed Rule 50(b) motion is whether the evidence is ‘legally sufficient . . . to find for the party on that issue.’” *Id.* (citing Fed. R. Civ. P. 50(a)(1)) (alteration in original).

“In considering whether the verdict is supported by sufficient evidence, ‘the court must evaluate all the evidence, together with any logical inferences, in the light most favorable to the non-moving party.’ *Id.* (citing *Beckwith v. City of Daytona Beach Shores*, 58 F.3d 1554, 1560 (11th Cir. 1995)). It is “the jury’s task—not [the court’s]—to weigh conflicting evidence and

inferences, and determine the credibility of witnesses.” *Id.* (citing *Shannon v. Bellsouth Telecomms., Inc.*, 292 F.3d 712, 715 (11th Cir. 2002)) (alteration in original).

Had this matter been tried before the Court, I would have granted judgment in favor of Defendant on its counterclaim for cancellation with little hesitation. However, the case was tried before a jury, and I afford a great deal of respect to the Jury’s findings. In only extraordinary circumstances do I consider granting judgment in the face of a contrary jury verdict. After careful consideration, I find that this case was extraordinary and find that Defendant is entitled to judgment despite the Jury’s verdict.

III. Discussion

“In any action involving a registered mark the court may determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action.” 15 U.S.C. § 1119. “Cancellation of a mark’s registration within the initial five years of registration may be based upon any ground which could have prevented registration initially.” *Int’l Mobile Machines Corp. v. Int’l Tel. & Tel. Corp.*, 800 F.2d 1118, 1119–20 (Fed. Cir. 1986). In an action to cancel a trademark, the registrant “enjoys the benefit of a *prima facie* evidence of the validity of the registration for the goods or services specified in the certificate.” *Id.* at 1120. To rebut the *prima facie* evidence of validity of registration, the petitioner must prove improper registration by a preponderance of the evidence. *Id.*

“Trademark or service mark protection is only available to ‘distinctive’ marks, that is, marks that serve the purpose of identifying the source of the goods or services.” *Welding Servs., Inc. v. Forman*, 509 F.3d 1351, 1357 (11th Cir. 2007) (citing *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768–69 (1992)). “Some marks are inherently distinctive; some marks,

though not inherently distinctive, acquire distinctiveness by becoming associated in the minds of the public with the products or services offered by the proprietor of the mark; and some marks can never become distinctive.” *Id.* (citing *Two Pesos*, 505 U.S. at 768–69). “Distinctiveness is a question of fact, whether the question is inherent distinctiveness or acquired distinctiveness.” *Id.* (citing *Investacorp, Inc. v. Arabian Inv. Banking Corp.*, 931 F.2d 1519, 1523 (11th Cir.1991)). Therefore, Defendant was required to show by a preponderance of the evidence that Plaintiff’s Trademark was not inherently distinctive and had not acquired a secondary meaning.

A. Inherent Distinctiveness

Section 2 of the Lanham Act identifies certain categories of marks that cannot be inherently distinctive, and therefore cannot be registered without secondary meaning. Relevant here, the Lanahm act provides that:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . . Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive, [or] (e) [c]onsists of a mark which . . . (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title.

15 U.S.C. § 1052.

1. Geographic Descriptiveness

A mark is primarily geographically descriptive and therefore not inherently distinctive if the mark (1) “‘is the name of a place known generally to the public,’ [] (2) ‘the public would make a goods/place association, *i.e.*, believe that the goods for which the mark is sought to be registered originate in that place., . . . [and] (3) the source of the goods is the geographic region named in the mark.’” *In re The Newbridge Cutlery Co.*, 776 F.3d 854, 860 (Fed. Cir. 2015)

(citations omitted). “In establishing the goods/place association required by the second prong of the test, [the Federal Circuit has] explained that the PTO only needs to show ‘a *reasonable predicate* for its conclusion that the public would be *likely* to make the particular goods/place association on which it relies.’” *Id.* (citations omitted). The PTO “need not show an ‘actual’ association in consumers’ minds.” *Id.* “The PTO has long held that where: (1) a location is generally known; (2) the term’s geographic significance is its primary significance; and (3) the goods do, in fact, originate from the named location, a goods/place association can be presumed.” *Id.*

Plaintiff’s Trademark, when used in connection with Plaintiff’s services, is primarily geographically descriptive of those services and therefore cannot be inherently distinctive. Plaintiff is a real-estate brokering company that specializes in the sale of properties in the community, Royal Palm Yacht and Country Club (“the Community”). As will be discussed below, the Community is generally known among the residents as simply, “Royal Palm.” Therefore, the Trademark “Royal Palm Properties,” used in connection with Plaintiff’s services—brokering the sale of Royal Palm properties—is without question primarily geographically descriptive of those services.

At trial, Defendant conclusively established that the community, Royal Palm Yacht and Country Club, is generally known to its residents and those in the surrounding area, as “Royal Palm.” Defendant introduced evidence of Community representatives referring to the community as Royal Palm. In fact the very entrance sign to the Community is emblazoned with a large “RP” clearly abbreviating Royal Palm. Local newspaper articles and advertisements referred to the Community as Royal Palm. Indeed, Plaintiff’s own website as well as letters it sent to Community residents referred to the Community as Royal Palm.

Plaintiff unconvincingly argued that the Community is not generally known as “Royal Palm.” Plaintiff’s owner, David Roberts (“Roberts”) testified that he never personally referred to the Community as Royal Palm and that he was unaware of anyone in the Community using this short-hand. Roberts’ testimony on this point did not simply lack credibility, it bordered on perjury. Defendant introduced Roberts’ sworn deposition testimony in which he referred to the Community as “Royal Palm” several times. Indeed, while testifying at this very trial, Roberts referred to the Community as “Royal Palm” on at least four occasions. Roberts’ own biography on Plaintiff’s website reads, “David Roberts[] not only comes to you as a broker exclusive to Royal Palm but as a neighbor.¹”

Plaintiff also relied on the testimony of its expert, Dr. Robert Frank, to support a finding that the Community is not generally known as Royal Palm. Dr. Frank testified that after performing “research” on Google Maps, Mapquest, and the United States Postal Service’s website, he determined that Royal Palm does not have a zip code and is not recognized as a geographic designation by sources. He further noted that his research did not uncover “any regular, routine or frequent association of ‘Royal Palm’ with [the Community].” (DE 116-7 at 33). On cross examination, Dr. Frank was confronted with numerous newspaper articles that referred to the Community as Royal Palm and conceded that his search did not uncover these publications.

Dr. Frank’s testimony supports, at most, the undisputed proposition that the Community was not formally incorporated under the name “Royal Palm.” Defendant’s position is that “Royal Palm” is a commonly-used shorthand for “Royal Palm Yacht and Country Club.” As such, Dr. Frank’s search protocol was clearly ill-suited to the facts of this case. For instance, it is

¹ ROYAL PALM PROPERTIES, <https://royalpalm.com/yacht-country-club-boca-raton-florida-david-roberts-real-estate-agent/> (last visited Aug. 16, 2018).

unsurprising that the United States Postal Service does not maintain records of communities by that community's commonly-used short-hand or nickname. Nevertheless, Courts routinely recognize that both nicknames and abbreviations can give rise to geographically descriptive marks. *See e.g., Chappell v. Goltsman*, 197 F.2d 837, 839 (5th Cir. 1952) (affirming district court's finding that the word "Bama" is a commonly used nickname for the state of Alabama and, when used as a mark, is primarily geographically descriptive of the plaintiff's goods); *OBX-Stock, Inc. v. Bicast, Inc.*, 558 F.3d 334, 342 (4th Cir. 2009) (finding that "'OBX is a geographically descriptive abbreviation" for the Outer Banks region of North Carolina); *Bay State Sav. Bank v. Baystate Fin. Servs., LLC*, 484 F. Supp. 2d 205, 213 (D. Mass. 2007) ("'Bay State'—the nickname of Massachusetts—is a geographically descriptive mark."); *Pignons S. A. de Mecanique de Precision v. Polaroid Corp.*, 498 F. Supp. 805, 815 n.12 (D. Mass. 1980) (finding that the term "ALPA" could be geographically descriptive of the Swiss Alps); *In Re Charles S. Loeb Pipes, Inc.*, 190 U.S.P.Q. 238 (T.T.A.B. Dec. 23, 1975) (refusing registration of the mark, "Old Dominion" on the basis that it is a nickname for the state of Virginia and is therefore primarily geographically descriptive under the circumstances).

The facts that neither a zip code nor the United States Postal Service identify the Community by its nickname has no bearing on the relevant question which is whether the Community is generally known as "Royal Palm" by members of the relevant consuming public. The evidence inescapably showed that the substantial segments of the public referred to the Community as "Royal Palm." None of Dr. Frank's "tests" did anything to controvert that evidence.

2. Confusingly Similar to Previously-Registered Marks

Section 2(d) of the Lanham Act prohibits registration of a proposed mark that so closely resembles a registered mark that it is likely to cause confusion among consumers as to the source of the services. 15 U.S.C. § 1052(d). When determining whether a prospective mark is confusingly similar to a registered mark, courts consider the thirteen factors identified in *Application of E. I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973). See *Citigroup Inc. v. Capital City Bank Grp., Inc.*, 637 F.3d 1344, 1348 (Fed. Cir. 2011).

Plaintiff's Trademark was registered on November 27, 2012. (DE 215-1). On November 2, 2015, Plaintiff filed a second application with the USPTO seeking to register both the name "Royal Palm Properties" and a logo. The second application was refused registration by the Trademark Examiner on the basis that it was confusingly similar to two previously registered marks: Royale Palms, registered in 2007 (U.S. Registration No. 3341336) and Royale Palms at Kingston Shores, registered in 2008 (U.S. Registration No. 3363326). (DE 215-2 at 74-75)².

The Trademark Examiner considered the *DuPont* factors and found that "[t]he marks are confusingly similar, because they all share the wording Royal Palm/Royale Palms, which means that they necessarily appear and sound similar." (DE 215-2 at 16). The Examiner noted that neither the "slight difference in spelling" nor "[t]he fact that there is additional wording/lettering and a design element" "diminish the confusing similarity" between the marks. (DE 215-2 at 16).

² The proposed mark was initially refused registration. Plaintiff responded to the initial refusal but its response was rejected. The Examiner ultimately found that Plaintiff "did not contest the examining attorney's assertion that the marks are confusingly similar, and therefore, concedes that the marks are likely to cause confusion in the marketplace." (DE 215-2 at 42). Defendant did not appeal the Examiner's findings.

Importantly, the Examiner specifically found that the source of the confusion was the similarity between the *wording* of the marks; the proposed logo did not contribute to the confusion. In fact, the Examiner found that the logo only served to *distinguish* Plaintiff's proposed mark from the other marks. However, the Examiner found that even the distinguishing logo could not sufficiently cure the confusion caused by the nearly identical wording of the marks. The Examiner stated, "The design element in the applied-for mark also does not diminish the similarity between the marks, because for a composite mark containing both words and a design, the word portion may be more likely to be impressed upon a purchaser's memory and to be used when requesting the services." (DE 215-2 at 16). The Examiner determined that the "word portion" was the "dominant portion" and concluded that "[b]ecause the dominant portion is virtually identical to the entirety of [the "Royale Palms" mark] and highly similar to [the "Royale Palms at Kingston Shores" mark], the marks are confusingly similar. (DE 215-2 at 16). Because the Examiner's findings apply with equal force to Plaintiff's registered Trademark, those findings conclusively show that the Trademark should have been refused registration in the first instance pursuant to section 2(d) of the Lanham Act. The only plausible reason that the original Examiner did not refuse its registration on that basis is that the Examiner was simply not aware of the previously-registered marks.

In addition to the results from the 2015 trademark application, Defendant also introduced the results of a comprehensive trademark-search using Corsearch, an intellectual property research firm that "specializes in the research needs of trademark practitioners." (DE 116-7 at 7). Corsearch is frequently used to determine whether a proposed mark may be eligible for registration. Defendant's search returned numerous examples of real-estate companies whose names began with "Royal Palm," including ten (10) companies named "Royal Palm Properties."

Each of those ten companies was incorporated and/or began doing business prior to Plaintiff's registration in 2012. (DE 215-72 – 215-84).

Further still, Defendant introduced an "Entity Name List" from The Florida Department of State Division of Corporations ("Sunbiz Report"). This 50-page exhibit contained a list of the roughly 1,000 business entities in Florida whose names began with "Royal Palm." As Plaintiff pointed out at trial, not all of these businesses are currently operating and it is not clear what percentage of these business were active before the 2012 Registration. Nonetheless, the fact remains that roughly 1,000 businesses in Florida operated under a name beginning with "Royal Palm." Between the Examiner's findings in Plaintiff's 2015 application, the Corsearch results, and the Sunbiz Report, there was simply no question that Plaintiff's Trademark should have been refused registration in 2012 pursuant to Section 2(d) of the Lanham Act.

i. Secondary Meaning

Because Plaintiff's Trademark fails to meet the requirements of both Sections 2(d) and 2(e) of the Lanham Act, it would only be eligible for registration if it had acquired a secondary meaning. 15 U.S.C. 1052(f). "A name has acquired secondary meaning when 'the primary significance of the term in the minds of the consuming public is not the product but the producer.'" *Welding Servs., Inc. v. Forman*, 509 F.3d 1351, 1358 (11th Cir. 2007) (citation and alteration omitted). "The factors to consider in determining whether a name . . . has acquired secondary meaning are: (1) the length and manner of its use; (2) the nature and extent of advertising and promotion; (3) the efforts made by the plaintiff to promote a conscious connection in the public's mind between the name and the plaintiff's [services] or business; and (4) the extent to which the public actually identifies the name with the plaintiff's [services] or venture." *Conagra, Inc. v. Singleton*, 743 F.2d 1508, 1513 (11th Cir. 1984).

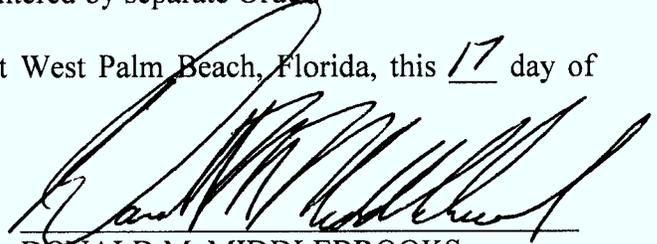
According to Plaintiff, Dr. Frank provided sufficient testimony to support a jury finding that the public actually identifies the phrase “Royal Palm properties” with Plaintiff’s services. (DE 220 at 10–11). I disagree. Dr. Frank searched “Royal Palm Properties” on Google and reviewed the first 65 results, omitting any results that appeared as a result of paid advertising. (DE 116-7 at 21). Dr. Frank found that 83% of these results related to Plaintiff’s business. *Id.* Plaintiff argues that this figure somehow “confirms the extent to which the public actually identifies the Trademark with the Plaintiff’s services.” (DE 220 at 10–11). Plaintiff implicitly suggests that there is some correlation between Frank’s findings and what the relevant consuming public thinks of “Royal Palm Properties.” However, Plaintiff introduced no evidence to support a jury finding such a correlation. There was no evidence presented as to how Google’s searching algorithm functions or whether the results of a Google search would be consistent with the perception of the relevant consuming public. Absent such evidence, a jury could not reasonably find a correlation between the results of Frank’s Google search and the extent to which the relevant consuming public—consumers interested in purchasing high-end real estate in the Community—actually identifies the term “Royal Palm properties” with Plaintiff’s services.

The only evidence which feasibly could support a finding of secondary meaning was Roberts’ testimony that Plaintiff had been using the name, “Royal Palm Properties” since 2000 and evidence relating to Plaintiff’s advertising and marketing efforts. While this is *some* evidence of secondary meaning, it falls far short of the “high degree of proof [] necessary to establish secondary meaning” for a descriptive term.” *Am. Television & Commc’ns Corp. v. Am. Commc’ns & Television, Inc.*, 810 F.2d 1546, 1549 (11th Cir. 1987).

In sum, the evidence as to secondary meaning was insufficient to support a jury finding that the primary significance of the term “Royal Palm properties” is Plaintiff’s services, rather than real estate properties in the Community or in Royal Palm Beach, Florida for that matter. Because the Trademark is not inherently distinctive and has not acquired secondary meaning it should never have been registered. Accordingly, it ought to be cancelled pursuant to 15 U.S.C. § 1119. Based on the foregoing, it is hereby

ORDERED AND ADJUDGED that Defendant’s renewed Motion for Judgment as a Matter of Law is **GRANTED**. Judgment will be entered by separate Order.

DONE AND ORDERED in Chambers at West Palm Beach, Florida, this 17 day of August, 2018.



DONALD M. MIDDLEBROOKS
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of Record