

Insights: Industry Summaries

IP Industry Summary: Defendant Not Welcome at the Hotel California: Court grants injunctive relief to “Hotel California” Mark Owner in Infringement Matter

June 4, 2015

***Butler v. Hotel Cal., Inc.*, __ F. Supp. 3d __, No. 4:14CV2380, 2015 WL 3408786 (N.D. Ohio May 27, 2015).**

Plaintiff Ocean Avenue Properties owns and operates “The Hotel California” in Santa Monica, CA. Plaintiff had sought to register “Hotel California” for hotel services with the USPTO, but in 1997 the mark was added to the Supplemental Register, not the Principal Register. This mark was never added to the Principal Register, but in 2004, Plaintiff successfully registered a separate mark, “The Hotel California” for hotel services. While the 2004 application was pending, Plaintiff became aware of a senior user of “hotel California” operating in Palo Alto, CA since 1985. On learning of this use, Plaintiff purchased the senior user’s common-law rights and licensed back the right to use the mark. Thus, Plaintiff claimed three rights in “Hotel California” marks: a common law right dating from 1985, and rights in its supplemental and principal registrations, dating from 1997 and 2004, respectively.

The Defendants owned and operated a “Hotel California” in Ohio, and had been operating it since 2012. Plaintiff claimed to have learned of this use in 2014 and send a demand letter at that time. Defendants never responded to this letter or to a subsequent one sent three months after the first. In the time between the first and second demand letters, Defendants obtained an Ohio State registration for “Hotel California.”

Defendants attempted to overcome Plaintiff’s motion for preliminary injunction by showing multiple other third party uses of “hotel California,” but Plaintiff was able to show the court that all the cited third party uses were either Plaintiff’s licensees or else senior users known to Plaintiff who enjoyed common-law territorial rights in “Hotel California.”

Because Defendants were neither of these, the court determined that Plaintiff was likely to succeed on the merits. As Plaintiff met the rest of the standard for obtaining injunctive relief, the court granted Plaintiff’s motion and enjoined Defendants from using the mark.

Even in a crowded field, and with a complicated prosecution history, Plaintiff succeeded in enjoining this use because it established that it had substantial control over the mark through its registrations and licensing efforts.

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