

Trump's Palace Casino That Wasn't

Written by Administrator

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Before he was President, before he was the star of *The Apprentice*, Donald Trump was a merely a high-profile real estate developer and casino owner. He had a long run in Atlantic City, where he expanded his casino empire to, at its largest, four properties, but was not always successful in getting what he wanted. Exhibit one: Trump's Palace Casino Hotel, a mooted name change for a Boardwalk property that, following a legal skirmish with Caesars Palace owners Caesars World, was denied.

Donald Trump waves to crowd as he walks through Taj Mahal casino on opening day. He successfully opened that Boardwalk casino, but his earlier plans for a Palace did not reach fruition. Getty

Trump first came to Atlantic City in partnership with Holiday Inns, Inc., which owned Harrah's casinos in Nevada and the Marina section of Atlantic City. The joint venture saw Trump build a casino hotel on the Boardwalk which Harrah's would operate known as "Harrah's at Trump Plaza." Trump was already known for Manhattan's Trump Plaza and, as U.S. District Court Judge [Dickinson Debevoise](#) noted [in his decision](#), the developer had "frequently used his surname in the names of buildings and facilities he has developed and [had] acquired a high level of public recognition in connection with his activities."

The Harrah's/Trump partnership quickly [began to fray](#), and in early 1986, he acquired sole ownership of the boardwalk casino, which was now called simply "Trump Plaza." But it was an earlier acquisition that got him thinking about palaces.

Hilton Hotels, on the brink of opening a Marina district casino, was denied a casino license. Donald Trump won a bidding war and, on June 17, 1985, opened the property—which was within sight of Harrah's Marina, a sign of the deepening rift between the partners—as "[Trump's Castle](#)".

When Trump closed on the property in April, he announced that he intended to call it either "the Palace," "the Atlantic City Palace," or "Trump's Palace."

Upon hearing this news, executives from Caesars World, which owned Caesars Palace casino in Las Vegas as well as Caesars Tahoe and, more to the point, Caesars Atlantic City, wrote to Trump to inform him that, since 1971, they had owned trademarks and service marks used to promote their hotels. Those marks included both "Caesars Palace" and "The Palace." Caesars

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argued that “ [The Palace](#) ” was commonly enough known to refer to Caesars Palace and, by extension, Caesars’ other properties, that Trump naming his casino “Trump’s Palace” would confuse customers and infringe on their brand’s goodwill.

Trump agreed not to call his new casino Trump’s Palace, he later claimed, not because he was convinced that Caesars was right, but “ [so I didn’t have to sit in a courtroom all day](#) .”

A year later, though, the name “Palace” had grown on Trump. “I probably like the word ‘palace’ more now than in the beginning,” he claimed in June 1986 testimony before Judge Debevoise. So he announced plans to rename Trump Plaza as Trump’s Palace, and even installed temporary signs to that effect.

The Trump Plaza casino in Atlantic City, New Jersey, which might have been Trump's Palace. Photographer: Emile Wamsteker/Bloomberg News BLOOMBERG NEWS

Caesars World wasted no time filing suit for trademark infringement. After two days of court hearings, Judge Debevoise was primed to issue a ruling. Would customers confuse “Trump’s Palace” for “Caesars Atlantic City?”

Trump himself felt very strongly they would not. In his testimony, he noted that the Imperial Palace, across the street from Caesars Palace on the Las Vegas Strip, had not invited Caesars’ wrath. His linguistic expert testified that “palace” was a generic term meaning any lavish place of accommodation. It was only natural to pair “Palace” with “Trump’s.”

“The Trump name,” noted Judge Debevoise, “is synonymous in real estate circles with luxury, opulence, lavishness. The combination of the name with Palace is designed to create an image which will attract the kind of people who are drawn to casinos.” For a legal document summing a finding of law for a high-stakes business enterprise, the judge’s opinion has a few moments of remarkable dry wit. One can only guess, for example, what he thought of “the kind of people who are drawn to casinos.” Later, he contrasted, “Trump's Palace with its own distinctive decor and a Caesars Atlantic City with its pseudo Greco-Roman style and related grotesqueries.” He also winked at Caesars’ tortured attempts to link Chinese cuisine and Michelangelo’s David to the wonders of Ancient Rome.

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Caesars' linguistic expert, however, demonstrated convincingly that, in the absence of a modifying noun or adjective ([Beef Palace](#) , [Pizza Palace](#) , [Palace Hotel](#)), the word "palace" was widely understood in its primary definition, given by the Oxford English Dictionary as "The official residence of an emperor, king, pope or other sovereign ruler."

"Since," Judge Debevoise concluded in his opinion, "Caesars Palace is not the official residence of a sovereign the use of "palace" in connection with a casino hotel is arbitrary and fanciful and capable of identifying the source of the services offered."The judge also studied advertisements and promotional materials submitted by Caesars, as well as survey research. The surveys yielded some noteworthy results, a snapshot of casino brand positioning in the mid-1980s. When hearing the word "palace," for 19.3 percent, the first thing that came to mind was "royalty," while for 12 percent it was "Caesars." Interesting, 3.7 percent of respondents thought "Trump's," even though he did not yet have a palace, possibly because of the similarity between "palace" and "plaza."11.4 percent claimed to have heard "palace" as part of the name of a Trump casino hotel.

Further, when asked to complete the names of prominent casino hotels:

- 57 percent linked "Caesars" with "Palace"
- 33 percent linked "Bally's" with "Park Place" (then the name of today's Bally's Atlantic City)
- 29 percent linked "Trump's" with "Castle"
- 25 percent linked "MGM" and "Grand."

Judge Debevoise found that both Caesars trademarks were "not only fanciful, nongeneric names," but also significant identifies of Caesars' Atlantic City property, even though it was not named Caesars Palace.

This Dec. 9, 2011, photo shows Caesars Atlantic City. (AP Photo/Wayne Parry)ASSOCIATED PRESS

But there was still Trump's contention that visitors would never confuse his Palace for that of Caesars. And, the judge admitted, "at first blush, the similarity between Caesars World's marks and Trump's proposed name seems nonexistent" since both contained strong modified,

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“Caesars” and “Trump.” But many international customers used “Palace” to refer to all three Caesars properties, and it was inevitable that, while the official proposed signage gave equal weight to “Trump’s” and “Palace,” customers would inevitable shorten the name to “the Palace,” to contrast with Trump’s other casino, “the Castle.”

But what about Imperial Palace, just steps away from Caesars’ famous fountains on the Las Vegas Strip? Judge Debevoise noted that Caesars Palace initially catered only to high rollers and Imperial Palace to lower-level players, though after 1982 Caesars made effort to cater to both lower and middle level players and high rollers. But since then, there had been no confusion, which was why, even though Caesars had not sued to take the “Palace” away from the IP, it still had standing to block Trump’s Palace.

The judge concluded that, while he was sure it wasn’t Trump’s intention to create confusion or capitalize on Caesars’ goodwill, Caesars had proved its elements of trademark infringement and unfair competition. He enjoined Trump from using the word “Palace” for his boardwalk casino, which remained the plaza. Trump would later have a Taj Mahal, Marina, Regency, and World’s Fair in Atlantic City, but never a palace.

In any event, Trump Plaza, as the casino continued to be known, enjoyed flush years in the 1980s but declined after the opening of the Trump Taj Mahal in 1990. Trump Plaza closed in 2014, and [is planned to be demolished](#) ...maybe.

One final note: Caesars famously [never had an apostrophe](#) because its guests were meant to be Caesars. Trump’s Palace, apparently, was not to be so egalitarian. You might have enjoyed your stay there, but you would never forget that there was just one Donald.

Casinos line the Boardwalk in this photo taken of Atlantic City, New Jersey on Thursday, Aug. 28, 2014. C Photographer: Kevin P. Coughlin/Bloomberg© 2014 Bloomberg Finance LP

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