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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91124762
Party	Plaintiff Kapalua Land Company Ltd.
Correspondence Address	MARTIN E HSIA CADES SCHUTTE LLLP PO BOX 939 HONOLULU, HI 96808 UNITED STATES mhsia@cades.com, cmiwa@cades.com, bhairston@cades.com
Submission	Reply in Support of Motion
Filer's Name	Martin E. Hsia, Reg. No. 32,471
Filer's e-mail	mhsia@cades.com, cmiwa@cades.com, bhairston@cades.com
Signature	/Martin E. Hsia/
Date	04/06/2011
Attachments	Reply Memorandum in Support of Motion to Amend.pdf (5 pages)(233716 bytes) Certificate of Service.pdf (1 page)(35015 bytes)

IN THE UNITED STATES PATENT & TRADEMARK OFFICE

BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

KAPALUA LAND COMPANY, LTD.,	)	
	)	
Opposer,	)	
	)	
v.	)	Opposition No.: 91124762
	)	Serial No. 76/023,641
INTERFASHION LTD. B.V.I. (by assignment from Kapalua Strickwaren GmbH), Style & Spirit GmbH (joined as party defendant), and DC DESIGN & CONCEPT GmbH (joined as party defendant),	)	Cancellation No.: 92/040092 Registration No. 2,115,124
	)	
Applicant.	)	

OPPOSER'S REPLY MEMORANDUM IN SUPPORT OF
MOTION TO AMEND CANCELLATION AND OPPOSITION

I. INTRODUCTION.

Opposer and Petitioner KAPALUA LAND COMPANY, LTD. ("KLC"), by and through its undersigned counsel, hereby respectfully requests consideration of the following for its reply memorandum in support of Opposer's Motion To Amend Cancellation And Opposition, filed on March 3, 2011 (the "Motion") and in reply to Applicant/Respondent's Brief in Opposition to Opposer's Motion, filed on March 18, 2011 (the "Opp. Memo."), by Applicant and Registrant DC DESIGN & CONCEPT GmbH ("DC Design").

II. ARGUMENT.

DC Design contends that the Motion should be denied because it is "untimely" and would unduly prejudice DC Design. Opp. Memo. at 1. Notably, DC Design does not assert that the proposed amendment would be futile, that the amended claims are legally insufficient, or any other relevant factors identified in the Supreme Court's decision in Foman v. Davis, 371

U.S. 178, 182 (1962) (courts should freely grant leave to amend, absent specific factors "such as undue delay, bad faith or dilatory motive on the part of the movant, repeated failure to cure deficiencies by amendments previously allowed, undue prejudice to the opposing party by virtue of allowance of the amendment, and futility of the amendment, etc.").

KLC does not dispute that its Motion was filed on the eve of the now-continued testimony periods, although it denies that the reason for any delay was anything but attempting to preserve the lines of communication with regard to possible settlement. Although DC Design makes light of KLC's explanation, DC Design's reaction would not have been positive if, in the course of settlement discussions, KLC had filed the motion to amend.

More importantly, though, under Rule 15(a)'s liberal policy in favor of allowing amendments, such delay is not sufficient grounds alone to deny leave to amend.

> One of the key factors considered by a court in ruling on a motion for leave to amend is whether permitting the amendment would result in undue prejudice to the non-moving party. Prejudice may result from delay by the movant in requesting leave to amend, but the passage of time alone is usually not enough to deny leave to amend; in most cases, a court will deny leave to amend only if the non-moving party is in fact prejudiced by the delay.

3 Moore's Federal Practice, § 15.15 [2] (Matthew Bender 2010) (emphasis added). See also Bjorgung v. Whitetail Resort, LP, 550 F.3d 263, 266 (3rd Cir. 2008) ("Delay alone will not constitute grounds for denial."); Laber v. Harvey, 438 F.3d 404, 427 (4th Cir. 2006) ("Laber") ("Delay alone, however, is an insufficient reason to deny the plaintiff's motion to amend."); Harrison v. Rubin, 174 F.3d 249, 253 (D.C. Cir. 1999) ("Harrison") ("Where an amendment would do no more than clarify legal theories or make technical corrections, we have consistently held that delay, without a showing of prejudice, is not a sufficient ground for denying the motion.").

DC Design claims undue prejudice in this case. However, the relevant factor is prejudice to the non-moving party caused by the amendment. Thus, a claim of prejudicial delay is an insufficient basis for denying leave to amend when the amendment would do no more than clarify legal theories or make technical corrections. See e.g. Laber supra at 428 ("Any discovery [non-moving party] did conduct need not be duplicated because Laber's proposed complaint does not put any new facts at issue but merely states on 'alternative theory' for recovery."); Harrison supra at 253 ("[W]e conclude that the district court should have granted Harrison's motion to amend to substitute the Rehabilitation Act for the ADA. Harrison sought to add no new factual allegations."); Phoenix Technologies, Inc. v. TRW, Inc., 834 F.Supp. 148, 150-151 (E.D. Pa. 1993) (held plaintiff not prejudiced by amendment of counterclaim to assert fraud claim because proposed amended counterclaim did not vary significantly from original counterclaim).

In this case, the proposed amendments merely clarify or amplify the basis of the already existing Abandonment claim in the proceeding. The factual basis of the proposed amendment is the non-use of the KAPALUA mark, which is the same factual basis already asserted in the existing pleadings. Moreover, the Board expressly suggested that the clarification be made, pursuant to its October 20, 2006 order. See Exhibit "A" to Motion, at p.7. Thus, DC Design cannot claim any unfair surprise tantamount to undue prejudice. Non-use has been a fundamental factual allegation ever since the commencement of these proceedings, so that DC Design can hardly claim to be unfairly surprised by the proposed clarifying amendments.

This is especially so because DC Design's counsel, Joseph Schmidt, was also counsel for the original Applicant and assignor INTERFASHION LTD., B.V.I. since December 1, 2005 (see Change of Correspondence Address in Opposition, dated 12/1/05), and for the

original Registrant and assignor KAPALUA STRICKWAREN GmbH since December 1, 2005 (see Change of Correspondence Address in Cancellation, dated 12/1/05). As counsel for Applicant and Registrant, he was fully aware of the issue of use of the mark on all goods listed in the subject Registration. He therefore obtained and submitted the Declarations of Christiane Tan and Nicolaus Reusch in support of the Brief in Opposition to Petitioner's Motion For Summary Judgment filed on August 10, 2006, with regard to KLC's claim that Registrant had committed fraud in submitting its Section 8 Declaration of Use without having actual use of the mark as to all goods listed in the Registration. DC Design cannot claim it is unfairly surprised by the proposed amendments because they are based on the same basic claims of non-use that have been at issue throughout this proceeding.

Tellingly, although DC Design contends that *it* is now unable to contact Ms. Tan and Mr. Reusch in order to respond to the proposed amendments, DC Design does not say that *its attorney*, Mr. Schmidt, will be unable to contact these witnesses. Mr. Schmidt was the attorney for the prior owners of the subject Registration and Application, and obviously was previously able to contact these witnesses with respect to the very same issue of non-use. He does not say that he will be unable to contact these witnesses in the future, nor can he make that representation, because DC Design will need their testimony in order to respond to the existing abandonment and non-use claims or else risk summary disposition. If a finding of abandonment is at least possible in light of DC Design's predecessor's discovery responses, how does DC Design expect to respond to the existing non-use claims against its predecessors?

Even if it is true that neither DC Design nor Mr. Schmidt will be unable to contact these witnesses, that would not constitute prejudice resulting from the amendments. The proposed amendments merely clarify or amplify the original abandonment and non-use claims.

The predicament that DC Design complains of – the purported inability of its officers and attorney to contact Ms. Tan and Mr. Reusch in order to testify in response to the proposed amendments – is in reality the result of its acquisition of the subject Registration and Application out of bankruptcy, apparently without obtaining the appropriate documentation. But that is not prejudice which would justify denying a motion to amend because such prejudice is not the result of the amendments.

III. CONCLUSION.

For the foregoing reasons, as set forth in its Motion, Opposer/Petitioner KLC respectfully submits that the Motion To Amend should be granted and that the deadlines[1] and testimony periods in effect as of the filing date of the Motion should be reset accordingly.

DATED: Honolulu, Hawaii, April 6, 2011.

Martin E. Hsia, Reg. No. 32,471
CADES SCHUTTE
A Limited Liability Law Partnership
P.O. Box 939
Honolulu, HI 96808
Tel: (808) 521-9200

Attorneys for Opposer and Petitioner
KAPALUA LAND COMPANY, LTD.

[1] The Motion To Amend was filed on March 3, 2011, prior to the March 4, 2011 deadline for filing motions for summary judgment and the March 7, 2011 opening of plaintiff's testimonial period. Therefore, if the Motion is granted, the summary judgment deadline and the testimonial periods should be reset accordingly.

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v.	)	Opposition No.: 91124762
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from Kapalua Strickwaren GmbH),	)	Cancellation No.: 92/040092
Style & Spirit GmbH (joined as party defendant),	)	Registration No. 2,115,124
and DC DESIGN & CONCEPT GmbH (joined	)	
as party defendant),	)	
	)	
Applicant.	)	
	)	

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this date, a true and correct copy of the foregoing was duly served by electronic mail and U.S. first class mail, postage prepaid, addressed as follows:

JOSEPH F. SCHMIDT, ESQ.
Husch Blackwell Sanders Welsh & Katz
120 South Riverside Plaza, 22nd Floor
Chicago, IL 60606-3912

Attorney for Applicant and Respondent

DATED: Honolulu, Hawaii, April 6, 2011.

Martin E. Hsia, Reg. No. 32,471
CADES SCHUTTE
A Limited Liability Law Partnership
P.O. Box 939
Honolulu, HI 96808
Tel: (808) 521-9200

Attorneys for Opposer and Petitioner
KAPALUA LAND COMPANY, LTD.

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