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Filing date: **03/28/2011**

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

Proceeding	91199139
Party	Defendant Magic Brothers Associate, Incorporated
Correspondence Address	RACHELLE A. DUBOW, ESQUIRE BINGHAM MCCUTCHEN LLP 1 FEDERAL ST BOSTON, MA 02110 rachelledubow@bingham.com
Submission	Motion to Suspend for Civil Action
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Signature	/s/ Lawrence T. Stanley, Jr.
Date	03/28/2011
Attachments	03_28_11_Motion to Suspend.pdf (5 pages)(179433 bytes) Ex. 1--MB Complaint.pdf (15 pages)(1710707 bytes) Ex. 2--KG Answer.pdf (11 pages)(321590 bytes) Ex. 3--KG Counterclaim.pdf (18 pages)(1004898 bytes) Ex. 4--MB Answer to Counterclaim.pdf (11 pages)(41704 bytes)

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

In re Application Serial No. 77/966557)	
Published in the Official Gazette of February 22, 2011)	
)	
Mark: KOI PALACE.)	
)	
Application Filing Date: March 23, 2010)	
)	
KOI GROUP, INC.,)	Opposition No.
Opposer,)	91199139
)	
v.)	
)	
MAGIC BROTHERS ASSOCIATE, INC.,)	
Applicant.)	

**APPLICANT’S MOTION TO SUSPEND PROCEEDINGS
WITH MEMORANDUM OF LAW**

Pursuant to 37 C.F.R. § 2.117(a) and T.B.M.P. § 510.02(a), Applicant Magic Brothers Associate, Inc. (“Applicant” or “MB”) hereby moves that the Trademark Trial and Appeal Board (the “Board”) issue an order suspending the proceedings in Opposition No. 91199139, pending the outcome of a federal civil action pending in the United States District Court for the Central District of California, styled *Magic Brothers Associate, Inc. v. Koi Group, Inc.*, C.A. No. 10-973-VBX (JCX) (C.D. Cal.) (hereafter, the “Federal Court Action”). A true copy of the Complaint in the Federal Court Action is attached hereto as ***Exhibit 1***. A true copy of the Answer in the Federal Court Action is attached hereto as ***Exhibit 2***. A true copy of the Counterclaim in the Federal Court Action is attached hereto as ***Exhibit 3***. A true copy of the Answer to Counterclaim in the Federal Court Action is attached hereto as ***Exhibit 4***.

In support of this Motion, Applicant states as follows:

1. On or about March 24, 2011, Opposer Koi Group, Inc. (“Opposer” or “KG”) filed a Notice of Opposition against the registration of Applicant’s KOI PALACE mark, as applied for in Application Serial No. 77/966557.

2. Applicant has not yet filed an Answer to the Notice of Opposition. Applicant’s Answer is due May 3, 2011.

3. The Federal Court Action was filed by Applicant against Opposer on or about February 9, 2010.

4. Opposer filed an Answer and Counterclaim against Applicant on or about July 19, 2010. In Opposer’s Fourth Claim in its Counterclaim, Opposer seeks cancellation of Applicant’s Trademark Registration Nos. 36025679 and 3596729, as well as U.S. Serial No. 77966557, which is subject to the instant Opposition Proceeding. *See* Ex. 3 at 11-13.

5. The Federal Court Action is currently pending.

6. Pursuant to 37 C.F.R. § 2.117(a) and T.B.M.P. § 510.02(a), the instant Opposition No. 91199139 may be stayed pending the outcome of the Federal Court Action.

7. 37 C.F.R. § 2.117(a) provides, “Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding.” T.B.M.P. § 510.02(a) is to the same effect.

8. As can readily be seen by examination of the attached pleadings from the Federal Court Action, the Federal Court Action concerns, *inter alia*, the question of Applicant’s right to use and register the KOI PALACE mark, and the Federal Court Action may have a bearing on, or be dispositive of, the issues raised in the instant Opposition No. 91199139.

9. The decision whether to suspend a Board proceeding is within the Board’s discretion. *See* T.B.M.P. § 510.02(a) (citing *Opticians Ass’n of Am. v. Independent Opticians of Am. Inc.*, 734 F. Supp. 1171, 14 U.S.P.Q.2d 2021 (D.N.J. 1990), *rev’d on other*

grounds, 920 F.2d 187, 17 U.S.P.Q.2d 117 (3d Cir. 1990); *Martin Beverage Co. v. Colita Beverage Corp.*, 169 U.S.P.Q. 568 (TTAB 1971)).

10. Where, as here, a civil action in federal district court involves issues in common with those in a proceeding before the Board, the decision of the federal district court is binding upon the Board. See T.B.M.P. § 510.02(a) (citing, *inter alia*, *Goya Foods, Inc. v. Tropicana Prods., Inc.*, 846 F.2d 848, 6 U.S.P.Q.2d 1950 (2d Cir. 1988); *Tokaido v. Honda Assocs., Inc.*, 179 U.S.P.Q. 861 (TTAB 1973)). See *General Motors Corp. v. Cadillac Club Fashions Inc.*, 22 U.S.P.Q.2d 1933, 1937 (1992) (TTAB proceedings suspended in light of pending civil action because “[a] decision by the district court will be dispositive of the issues before the Board”).

11. Any decision of the Board in this proceeding on the same issue will not, however, be binding upon the federal district court. See, e.g., *Toro Co. v. Hardigg Indus., Inc.*, 187 U.S.P.Q. 689, 692 (1975) (“Applicant is advised that while the decision of the Federal District Court would be binding upon the . . . [Board], a decision by the Board would not be binding or *res judicata* as to the issues before the Court.”) (citations omitted).

12. The Board ordinarily will suspend proceedings before it where, as is true here, the final determination of the pending civil action will have a bearing on the issues before the Board. See T.B.M.P. § 510.02(a) (citing, *inter alia*, *Tokaido v. Honda Assocs., Inc.*, 179 U.S.P.Q. 861 (TTAB 1973)). See also *Black Box Corp. v. Better Box Communications Ltd.*, 2002 TTAB LEXIS 253, *4 (1992) (noting that “[i]t is the policy of the Board to suspend proceedings when the parties are involved in a civil action which may be dispositive of or have a bearing on the Board case” and that “[j]udicial economy lies in the suspension of Board proceedings”) (citing T.B.M.P. § 510.02(a) and other authorities).

13. Here, final resolution of the claims raised in the Federal Court Action necessarily will require determination of the competing claims of Applicant and Opposer with respect to the registrability of and right to use the KOI PALACE mark.

11. The relationship between civil actions and Board proceedings and the Board’s resultant preference for suspending its proceedings in the face of a pending federal civil

action has been settled for some time. The Board should exercise its discretion and suspend the instant Opposition No. 91199139 pending resolution of the Federal Court Action.

12. Opposer has shown ample good cause for the suspension of proceedings and has not acted in bad faith or any other manner to prejudice that request.

WHEREFORE, Applicant Magic Brothers Associate, Inc. requests that the Board issue an order suspending the proceedings in Opposition No. 91199139 pending the outcome of the federal civil action pending in the United States District Court for the Central District of California, styled *Magic Brothers Associate, Inc. v. Koi Group, Inc.*, C.A. No. 10-973-VBX (JCX) (C.D. Cal.).

Respectfully submitted,



Joshua M. Dalton
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(617) 951-8000

Dated: March 28, 2011

Attorneys for Applicant
Magic Brothers Associate, Inc.

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

In re Application Serial No. 77/966557)	
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Mark: KOI PALACE.)	
Application Filing Date: March 23, 2010)	
KOI GROUP, INC.,)	Opposition No.
Opposer,)	91199139
v.)	
MAGIC BROTHERS ASSOCIATE, INC.,)	
Applicant.)	
)	

CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of the foregoing **APPLICANT'S MOTION TO SUSPEND PROCEEDINGS WITH MEMORANDUM OF LAW** and this **CERTIFICATE OF SERVICE** were duly served upon Opposer by email and U.S. Mail, postage prepaid, on March 28, 2011 to the address set out below:

Marvin Gelfand
Weissmann Wolff Bergman Coleman Grodin & Evall, LLP
9665 Wilshire Boulevard, Ninth Floor
Beverly Hills, CA 90212
mgelfand@wwllp.com

DATED: Boston, MA, March 28, 2011

By: 
Joshua M. Dalton
Lawrence T. Stanley, Jr.
Attorneys for Applicant

EXHIBIT 1

TO APPLICANT'S MOTION TO SUSPEND PROCEEDINGS

CONFORM &
RETURN

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13 Attorneys for Plaintiff
Magic Brothers Associate, Inc.

15 UNITED STATES DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA

18 MAGIC BROTHERS ASSOCIATE, INC.

19 Plaintiff,

20 v.

21 KOI GROUP INC.

22 Defendant.

No. CV10-00973-VBF(JCK)

COMPLAINT FOR:

**DECLARATORY JUDGMENT
OF NON-INFRINGEMENT, OR
ALTERNATIVELY,
CANCELLATION OF
DEFENDANT'S TRADEMARK
REGISTRATIONS**

(DEMAND FOR JURY TRIAL)

BY: _____

CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

10 FEB -9 PM 3:12

FILED

1
2 **COMPLAINT**

3 1. Plaintiff Magic Brothers Associate, Inc. ("MB") complains and
4 alleges as follows:

5 **NATURE OF THE ACTION**

6 2. This is an action at law and in equity for a declaratory judgment
7 that MB has not, and is not, infringing defendant Koi Group's Inc.'s ("KG") KOI-
8 related trademarks and logos because there is no likelihood of confusion between
9 (i) MB's KOI-related marks and logos, including KOI PALACE, KOI GARDEN,
10 and JUST KOI, as used in connection with restaurant services and (ii) KG's KOI-
11 related marks and logos, including KOI RESTAURANT and KOI RESTAURANT
12 AND LOUNGE. In the alternative, if a likelihood of confusion exists between
13 MB's KOI-related marks and KG's KOI-related marks, then this is an action
14 seeking cancellation of KG's registrations for the marks KOI RESTAURANT (and
15 Design), KOI RESTAURANT AND LOUNGE, and Koi (and Design) based on
16 MB's priority in its mark KOI PALACE.

17 **THE PARTIES**

18 3. Plaintiff Magic Brothers Associate, Inc. is a corporation duly
19 organized and existing under the laws of the State of California, and has an address
20 at 365 Gellert Blvd., Daly City, CA 94015.

21 4. Upon information and belief, defendant Koi Group, Inc. is a
22 corporation duly organized and existing under the laws of the State of Nevada, and
23 has an address at 3565 Las Vegas Blvd., South #311, Las Vegas, NV 89109, and
24 on information and belief has done business at all relevant times in the Central
25 District of California and is subject to the jurisdiction of this court.

26 **JURISDICTION AND VENUE**

27 5. This is a civil action for a declaratory judgment arising under
28 the Lanham Act, as amended, 15 U.S.C. §§ 1051 et seq. (the "Lanham Act") on the

1 basis that MB has not, and is not, infringing KG's KOI-related marks and logos.
2 Alternatively, this is a civil action arising under the Lanham Act for cancellation of
3 KG's registrations for the marks KOI RESTAURANT (and Design), KOI
4 RESTAURANT AND LOUNGE, and Koi (and Design).

5 6. This court has subject matter jurisdiction of this action pursuant
6 to 28 U.S.C. §§ 1331 and 1338 and the principles of supplemental jurisdiction.

7 7. This court has personal jurisdiction over Koi Group in that it
8 and/or its alter egos and/or its agents are doing business in and may be found in the
9 State of California and the Central District of California, and it is committing the
10 acts hereinafter alleged in the State of California and the Central District of
11 California.

12 8. Venue for this action is proper in the Central District of
13 California pursuant to 28 U.S.C. § 1391(b).

14 BACKGROUND FACTS

15 **A. The Business of MB**

16 9. MB, d/b/a Koi Palace, is in the business of operating and
17 managing restaurants.

18 10. MB established a restaurant in Daly City, California in 1996
19 called "Koi Palace."

20 11. At that time, MB adopted the logo depicted below for the Koi
21 Palace restaurant (the "MB Fish Logo"):



1 12. Koi Palace is an internationally recognized Chinese and Asian-
2 fusion restaurant specializing in live seafood, dim sum and fine dining. The
3 dynamic ambience is reminiscent of teahouses typical of Southern China.

4 13. Koi Palace has been featured in Gourmet Magazine, San
5 Francisco Magazine and San Francisco Chronicle to name just a few.

6 14. Since opening in 1996, Koi Palace has received numerous
7 culinary awards and placed on various "best of" lists.

8 15. In 2006, MB granted United Auburn Indian Community d/b/a
9 Thunder Valley Casino a non-exclusive license to MB's rights to the mark KOI
10 PALACE or any derivatives thereof and all other trademarks, trade names, service
11 marks, and copyrights of the trademarks held by MB related to the operation of the
12 Koi Palace restaurant, including the MB Fish Logo.

13 16. Thunder Valley Casino thereafter opened a restaurant called
14 "Koi Palace" in Lincoln, California.

15 17. In 2006, MB granted Magic Ulferts, LLC ("Magic Ulferts") a
16 non-exclusive license to MB's rights to the mark KOI PALACE, the MB Fish
17 Logo, and any other intangible assets as necessary or required.

18 18. MB and Magic Ulferts have common owners.

19 19. In 2007, consistent with the 2006 license agreement with MB,
20 Magic Ulferts opened a restaurant called "Just Koi." Just Koi, located in Dublin,
21 California, is a combination of a simple noodle house and an upscale dining
22 experience.

23 20. In January 2008, consistent with the 2006 license agreement
24 with MB, Magic Ulferts opened another restaurant, again using a Koi-derivative
25 name, this time naming the restaurant "Koi Garden." Koi Garden is a dim sum and
26 seafood restaurant located in Dublin, California. Koi Garden's aromatic
27 atmosphere is a true reminder of the origins of Chinese culinary.
28

1 21. For the past several years, Koi Palace has also provided
2 catering services, including in Nevada.

3 22. The Koi Palace, Koi Garden, and Just Koi restaurants have
4 similar owners and similar quality. The restaurants likewise use the same logo, the
5 MB Fish Logo.

6 **B. The MB KOI Marks**

7 23. Continuously since the founding of Koi Palace in 1996, MB has
8 adopted and used the trademark "KOI PALACE" and, as a result, the mark has
9 become extremely well-known and MB has established extensive goodwill in the
10 mark.

11 24. Similarly, continuously since opening Just Koi in 2007, and
12 pursuant to its license agreement with MB, Magic Ulferts has adopted and used the
13 trademark "JUST KOI" and, as a result, the mark has become extremely well-
14 known.

15 25. Likewise, continuously since opening Koi Garden in January
16 2008, and pursuant to its license agreement with MB, Magic Ulferts has adopted
17 and used the trademark "KOI GARDEN" and, as a result, the mark has become
18 extremely well-known.

19 26. MB is the owner of a Federal Registration for the mark KOI
20 PALACE (U.S. Reg. No. 3602567) in connection with, *inter alia*, "restaurant and
21 bar services, fast food restaurant services; tea house restaurant services; providing
22 banquet and social function facilities for special occasions."

23 27. MB is also the owner of a Federal Registration for the MB Fish
24 Logo (U.S. Reg. No. 3596729) in connection with, *inter alia*, "restaurant and bar
25 services, fast food restaurant services; tea house restaurant services; providing
26 banquet and social function facilities for special occasions." (Collectively, the
27 marks KOI PALACE, KOI GARDEN, JUST KOI, and the MB Fish Logo are
28 hereinafter referred to as the "MB KOI Marks").

1 28. MB has continuously used the KOI PALACE Mark in
2 connection with its restaurant services since at least as early as 1996. The KOI
3 PALACE Mark is distinctive and well-known in the field of restaurant services.

4 29. The MB KOI Marks are non-functional and the public
5 recognizes and understands that the MB KOI Marks distinguish and identify goods
6 and services produced, sold, or sponsored by MB.

7 30. For many years, MB has extensively and continuously used and
8 promoted the MB KOI Marks in connection with its goods and services.

9 31. MB advertises and sells its goods and services provided in
10 conjunction with the MB KOI Marks in a number of different channels, including
11 without limitation: radio, TV, print, newspaper, public events, cooking
12 demonstrations, fund raising events, and street fairs.

13 32. MB has expended great effort and large sums of money in
14 making its MB KOI Marks well-known to the public. MB has established a
15 reputation for excellence, quality and reliability in connection with the goods and
16 services it provides in conjunction with the MB KOI Marks.

17 33. As a result of MB's efforts and substantial expenditures, the MB
18 KOI Marks have become well-known and are recognizable to the public as being
19 associated with the goods and services provided by or affiliated with MB.

20 **C. Koi Group's KOI Marks**

21 34. Upon information and belief, Koi Group owns and operates at
22 least three restaurants in the United States under the name "Koi Restaurant", "Koi
23 Restaurant and Lounge", and its circle/chopstick logos described below.

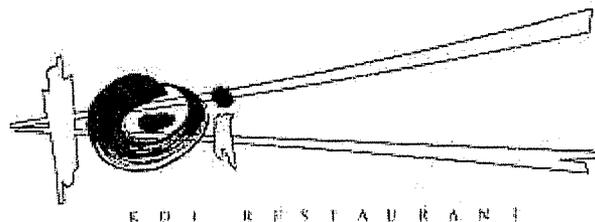
24 35. Upon information and belief, Koi Group has opened Koi
25 Restaurants in at least Los Angeles, Las Vegas, New York City.

26 36. Upon information and belief, the menu at Koi Restaurant in Los
27 Angeles is inspired by Japanese fusion and traditional dishes. Koi Restaurant and
28 Lounge in Los Angeles has an interior style that is both modern yet Zen-inspired.

1 37. Upon information and belief, the menu at Koi Restaurant in Las
2 Vegas is inspired by traditional Japanese dishes and is enhanced with California
3 accents. The restaurant utilizes Asian design elements, all integrated into a floor
4 plan that combines an Eastern aura with a sense of Hollywood style. Guests enter
5 through hand-carved Indonesian doors beneath rugged beams topped with three
6 gilded Buddhas handcrafted in Thailand. Other design elements include hand-
7 carved spinning prayer wheels, an elliptical bar clad in Indonesian onyx and
8 marble, and a view of the Bellagio's water show.

9 38. Upon information and belief, the menu at Koi Restaurant in
10 New York is inspired by traditional Japanese dishes and is enhanced with
11 California accents. Koi Restaurant in New York has an interior that features dark
12 wood furniture and tan leather banquettes set against an indoor garden landscape.

13 39. Upon information and belief, KG is the owner of a Federal
14 Registration for the mark KOI RESTAURANT (and Design) (U.S. Reg. No.
15 2950303) in connection with "restaurant services featuring Japanese-inspired
16 cuisine with California accents." KG first used the KOI RESTAURANT (and
17 Design) Mark in commerce in or about March 2002. The KOI RESTAURANT
18 (and Design) Mark is depicted below:



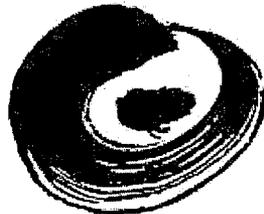
24 40. Upon information and belief, KG is the owner of a Federal
25 Registration for the mark KOI RESTAURANT & LOUNGE (U.S. Reg. No.
26 2961393) in connection with "restaurant services featuring Japanese-inspired
27 cuisine with California accents." KG first used the KOI RESTAURANT &
28 LOUNGE (and Design) Mark in commerce in or about March 2002.

1 41. Upon information and belief, KG is the owner of a Federal
2 Registration for the mark KOI (and Design) (U.S. Reg. No. 2976272) in
3 connection with "clothing, namely, t-shirts, sweatshirts, polo shirts, sport shirts,
4 jackets, hats and caps all sold or distributed in connection with a restaurant." KG
5 first used the KOI (and Design) Mark in commerce in or about February 2002. The
6 KOI (and Design) Mark is depicted below:



11 K O I

12 42. Upon information and belief, KG is the owner of a Federal
13 Registration for the logo design depicted below (U.S. Reg. No. 2946808) (the "KG
14 Logo") in connection with "restaurant services featuring Japanese-inspired cuisine
15 with California accents." KG first used the KG Logo in commerce in or about
16 March 2002 (hereinafter, the KOI RESTAURANT (and Design) Mark, the KOI
17 RESTAURANT & LOUNGE Mark, the KOI (and Design) Mark, and the KG
18 Logo are collectively referred to as the "KG KOI Marks").



22 43. Upon information and belief, each of the Koi Restaurants use
23 the KG Logo and/or the KOI RESTAURANT (and Design) Mark as the
24 restaurant's logo.

25 **D. KG Accuses MB Of Infringing The KG KOI Marks**

26 44. Despite MB's priority in its mark KOI PALACE (dating back to
27 1996), and despite the absence of any known instances of actual confusion between
28

1 the MB KOI Marks and the KG KOI Marks, KG has alleged that MB is infringing
2 its rights in the KG KOI Marks, including most recently by letter dated November
3 12, 2009. In that letter, KG alleged that *your client's silent expansion and use of*
4 *"Koi Garden" and "Just Koi" constitute an infringement of our state and federal*
5 *trademark rights.*

6 45. MB disagrees that there is any likelihood of confusion between
7 MB's current uses of the MB KOI Marks and KG's current uses of the KG KOI
8 Marks, and as such, disagrees that it has infringed, or is infringing, KG's rights in
9 the KG KOI Marks.

10 46. The MB Logo and KG Logo are markedly different. Further,
11 the overall look and feel of the MB KOI Marks and the KG KOI Marks are also
12 noticeably different.

13 47. The MB KOI Marks and KG KOI Marks should be permitted to
14 coexist nationally.

15 48. Indeed, the word "Koi" is a common word in the name of
16 restaurants, particularly restaurants serving Japanese and/or Chinese cuisine.

17 49. The word "Koi" appears in the name of no less than thirty
18 restaurants across the United States, all serving Chinese or Japanese cuisine.

19 50. By way of example only, other restaurants using "Koi" in their
20 name include:

<u>Name of Restaurant</u>	<u>Location</u>	<u>Type of Food</u>
Koi	Seal Beach, CA	Traditional Japanese and sushi
Koi	Philadelphia, PA	Japanese/sushi
Koi	Niagara Falls, NY	Pan-Asian innovation meets timeless traditions
Koi	Austin, TX	Japanese Grill/Sushi

1 64. KG is the owner of U.S. Reg. No. 2961393 on the Principal
2 Register for the mark KOI RESTAURANT & LOUNGE for use in connection
3 with "restaurant services featuring Japanese-inspired cuisine with California
4 accents."

5 65. KG is the owner of U.S. Reg. No. 2976272 on the Principal
6 Register for the mark KOI (and Design) for use in connection with "clothing,
7 namely, t-shirts, sweatshirts, polo shirts, sport shirts, jackets, hats and caps all sold
8 or distributed in connection with a restaurant."

9 66. KG is the owner of U.S. Reg. No. 2946808 on the Principal
10 Register for the KG Logo for use in connection with "restaurant services featuring
11 Japanese-inspired cuisine with California accents."

12 67. Neither KG nor the goods and services marketed, sold,
13 distributed, and offered for sale by KG under the KG KOI Marks are associated
14 with or connected to MB, or licensed, authorized, sponsored, endorsed, or
15 approved by MB in any way.

16 68. KG has asserted, and on that basis MB alleges in the
17 alternative, that KG's KOI Marks so resemble MB's previously used and registered
18 KOI PALACE Mark as to be likely, when applied to the goods set forth in the
19 registrations for the KG KOI Marks, to cause confusion, mistake, or deception.

20 69. To the extent that purchasers, prospective purchasers and others
21 viewing KG's imitations of the KOI PALACE Mark in connection with KG's
22 goods and services are likely to mistakenly attribute the goods and services to MB,
23 KG's activities are likely to cause confusion before, during, and after the time of
24 purchase of KG's goods and services. Causing such a likelihood of confusion,
25 mistake, and deception would inflict irreparable harm to MB's goodwill in the KOI
26 PALACE Mark, and the reputation for quality and reliability that they embody.

27 70. Therefore, if KG's allegations of a likelihood of confusion are
28 accepted, MB requests as an alternative to the declaration sought in Count I that

1 the registrations for the KG KOI Marks, Reg. Nos. 2946808, 2950303, 2961393,
2 and 2976272 be cancelled.

3 **WHEREFORE**, MB prays for judgment against KG as follows:

4 1. A declaratory judgment that MB does not infringe any
5 trademarks owned or asserted by KG;

6 2. Injunctive relief restraining KG, and each of their agents,
7 servants, employees, successors and assigns, and all others in concert and privity
8 with them, from bringing any lawsuit or threatening legal action relating to MB's
9 use of the MB KOI Marks;

10 3. In the alternative, an order requiring the United States Patent
11 and Trademark Office to cancel the registrations for the KG KOI Marks, Reg. Nos.
12 2946808, 2950303, 2961393, and 2976272;

13 4. An award of all damages caused by the acts forming the basis
14 of this Complaint;

15 5. MB's attorneys' fees, costs and disbursements; and

16 6. Such other and further relief as the Court shall find just and
17 proper.

18 DATED: February 9, 2010

Bingham McCutchen LLP

19
20
21 By: _____

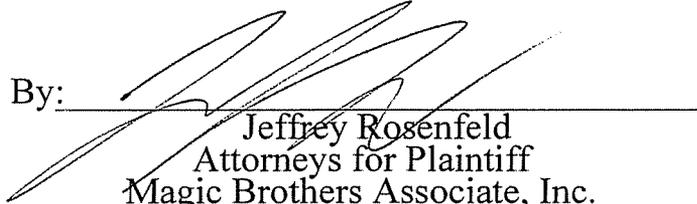
22 Jeffrey Rosenfeld
23 Attorneys for Plaintiff
24 Magic Brothers Associate, Inc.
25
26
27
28

JURY TRIAL DEMAND

MB respectfully demands a trial by jury on all claims and issues so triable.

DATED: February 9, 2010

Bingham McCutchen LLP

By: 
Jeffrey Rosenfeld
Attorneys for Plaintiff
Magic Brothers Associate, Inc.

A/73289106.1

EXHIBIT 2

TO APPLICANT'S MOTION TO SUSPEND PROCEEDINGS

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 8 Counter-Claimant Koi Group, Inc.

9 UNITED STATES DISTRICT COURT
 10 CENTRAL DISTRICT OF CALIFORNIA
 11

12 MAGIC BROTHERS ASSOCIATES,
 13 INC.,

14 Plaintiff,

15 v.

16 KOI GROUP, INC.,

17 Defendant.

18 KOI GROUP, INC.,

19 Counter-Claimant,

20 v.

21 Magic Brothers Associates, Inc.,
 22 UNITED AUBURN INDIAN
 23 COMMUNITY d/b/a THUNDER
 VALLEY CASINO; and MAGIC
 ULFERTS, LLC,

24 Counter-Defendants.
 25

CASE No. CV 10-00973 VBF(JCx)

Judge: Valerie Baker Fairbank

**KOI GROUP, INC.'S ANSWER TO
 MAGIC BROTHERS ASSOCIATES,
 INC.'S COMPLAINT**

**[Filed Concurrently With Koi Group,
 Inc.'s Counter-Claim]**

1 Defendant Koi Group, Inc. ("KOI GROUP" or "Defendant") hereby submits
2 the following Answer ("Answer") to Complaint for Declaratory Judgment of Non-
3 Infringement, or Alternatively, Cancellation of Defendant's Trademark
4 Registrations ("Complaint") by Plaintiff Magic Brothers Associates, Inc. ("MAGIC
5 BROTHERS" or "Plaintiff").

6 **NATURE OF ACTION**

- 7 1. Defendant admits the allegations in Paragraph 1.
- 8 2. Defendant admits that Plaintiff has sued in this action as Plaintiff
9 alleges. Except as expressly admitted, Defendant denies the remaining allegations
10 in Paragraph 2.

11 **THE PARTIES**

12 3. Defendant admits that Plaintiff has sued in this action in the capacity
13 that it alleges. Except as expressly admitted, Defendant is presently without
14 knowledge and information to form a belief as to the truth of the remainder of the
15 allegations contained in Paragraph 3 and, on that basis, denies the allegations.

16 4. Defendant admits the allegations in Paragraph 4.

17 **JURISDICTION AND VENUE**

18 5. Defendant admits that Plaintiff has sued in this action as Plaintiff
19 alleges. Except as expressly admitted, Defendant denies the remaining allegations
20 in Paragraph 5.

21 6. Defendant admits the allegations in Paragraph 6.

22 7. Defendant admits that the Court has personal jurisdiction over
23 Defendant.

24 8. Defendant admits the allegations in Paragraph 6.

25 **BACKGROUND FACTS**

26 **A. The Business of Plaintiff**

27 9. Defendant is presently without significant knowledge and information
28

1 to form a belief about the truthfulness of the allegations in Paragraph 9 and, on that
2 basis, denies the allegations.

3 10. Defendant is presently without significant knowledge and information
4 to form a belief about the truthfulness of the allegations in Paragraph 10 and, on that
5 basis, denies the allegations.

6 11. Defendant is presently without significant knowledge and information
7 to form a belief about the truthfulness of the allegations in Paragraph 11 and, on that
8 basis, denies the allegations.

9 12. Defendant denies that Koi Palace is an internationally recognized
10 restaurant. Except as expressly denied, Defendant is presently without knowledge
11 and information to form a belief as to the truth of the remainder of the allegations
12 contained in Paragraph 12 and, on that basis, denies the allegations.

13 13. Defendant is presently without significant knowledge and information
14 to form a belief about the truthfulness of the allegations in Paragraph 13 and, on that
15 basis, denies the allegations.

16 14. Defendant is presently without significant knowledge and information
17 to form a belief about the truthfulness of the allegations in Paragraph 14 and, on that
18 basis, denies the allegations.

19 15. Defendant denies that Plaintiff has a right to license to the mark "Koi
20 Palace" or any derivatives thereof and any other trademarks, trade names, service
21 marks, and copyrights of the trademark held by Plaintiff related to the operation of
22 the Koi Palace restaurant, including Plaintiff's Fish Logo. Except as expressly
23 denied Defendant is presently without knowledge and information to form a belief
24 as to the truth of the remainder of the allegations contained in Paragraph 15 and, on
25 that basis, denies the allegations.

26 16. Defendant is presently without significant knowledge and information
27 to form a belief about the truthfulness of the allegations in Paragraph 16 and, on that
28 basis, denies the allegations.

1 17. Defendant denies that Plaintiff has a right to license to the mark “Koi
2 Palace” or any derivatives thereof and any other trademarks, trade names, service
3 marks, and copyrights of the trademark held by Plaintiff related to the operation of
4 the Koi Palace restaurant, including Plaintiff’s Fish Logo. Except as expressly
5 denied, Defendant is presently without knowledge and information to form a belief
6 as to the truth of the remainder of the allegations contained in Paragraph 17 and, on
7 that basis, denies the allegations.

8 18. Defendant is presently without significant knowledge and information
9 to form a belief about the truthfulness of the allegations in Paragraph 18 and, on that
10 basis, denies the allegations.

11 19. Defendant denies that Plaintiff has a right to license to the mark “Koi
12 Palace” or any derivatives thereof and any other trademarks, trade names, service
13 marks, and copyrights of the trademark held by Plaintiff related to the operation of
14 the Koi Palace restaurant, including Plaintiff’s Fish Logo. Except as expressly
15 denied, Defendant is presently without knowledge and information to form a belief
16 as to the truth of the remainder of the allegations contained in Paragraph 19 and, on
17 that basis, denies the allegations.

18 20. Defendant denies that Plaintiff has a right to license to the mark “Koi
19 Palace” or any derivatives thereof and any other trademarks, trade names, service
20 marks, and copyrights of the trademark held by Plaintiff related to the operation of
21 the Koi Palace restaurant, including Plaintiff’s Fish Logo. Except as expressly
22 denied, Defendant is presently without knowledge and information to form a belief
23 as to the truth of the remainder of the allegations contained in Paragraph 20 and, on
24 that basis, denies the allegations.

25 21. Defendant is presently without significant knowledge and information
26 to form a belief about the truthfulness of the allegations in Paragraph 21 and, on that
27 basis, denies the allegations.

28 22. Defendant is presently without significant knowledge and information

1 to form a belief about the truthfulness of the allegations in Paragraph 22 and, on that
2 basis, denies the allegations.

3 **B. Plaintiff's Marks**

4 23. Defendant denies that the "Koi Palace" mark is extremely well-known
5 and that Plaintiff has established extensive goodwill in the mark. Except as
6 expressly denied, Defendant is presently without knowledge and information to
7 form a belief as to the truth of the remainder of the allegations contained in
8 Paragraph 23 and, on that basis, denies the allegations.

9 24. Defendant denies that Plaintiff has a right to license to the mark "Koi
10 Palace" or any derivatives thereof and any other trademarks, trade names, service
11 marks, and copyrights of the trademark held by Plaintiff related to the operation of
12 the Koi Palace restaurant, including Plaintiff's Fish Logo. Defendant also denies
13 that the "Koi Palace" mark is extremely well-known. Except as expressly denied,
14 Defendant is presently without knowledge and information to form a belief as to the
15 truth of the remainder of the allegations contained in Paragraph 24 and, on that
16 basis, denies the allegations.

17 25. Defendant denies that Plaintiff has a right to license to the mark "Koi
18 Palace" or any derivatives thereof and any other trademarks, trade names, service
19 marks, and copyrights of the trademark held by Plaintiff related to the operation of
20 the Koi Palace restaurant, including Plaintiff's Fish Logo. Defendant also denies
21 that the "Koi Palace" mark is extremely well-known. Except as expressly denied,
22 Defendant is presently without knowledge and information to form a belief as to the
23 truth of the remainder of the allegations contained in Paragraph 25 and, on that
24 basis, denies the allegations.

25 26. Defendant is presently without significant knowledge and information
26 to form a belief about the truthfulness of the allegations in Paragraph 26 and, on that
27 basis, denies the allegations.

28 27. Defendant is presently without significant knowledge and information

1 to form a belief about the truthfulness of the allegations in Paragraph 27 and, on that
2 basis, denies the allegations.

3 28. Defendant denies that the “Koi Palace” mark is distinctive and well-
4 known in the field of restaurant services. Except as expressly denied, Defendant is
5 presently without knowledge and information to form a belief as to the truth of the
6 remainder of the allegations contained in Paragraph 28 and, on that basis, denies the
7 allegations.

8 29. Defendant denies the allegations in Paragraph 29.

9 30. Defendant denies the allegations in Paragraph 30.

10 31. Defendant is presently without significant knowledge and information
11 to form a belief about the truthfulness of the allegations in Paragraph 31 and, on that
12 basis, denies the allegations.

13 32. Defendant denies that the MB KOI MARKS are well known to the
14 public. Except as expressly denied, Defendant is presently without knowledge and
15 information to form a belief as to the truth of the remainder of the allegations
16 contained in Paragraph 32 and, on that basis, denies the allegations.

17 33. Defendant denies that the MB KOI MARKS are well known and
18 recognizable to the public. Except as expressly denied, Defendant is presently
19 without knowledge and information to form a belief as to the truth of the remainder
20 of the allegations contained in Paragraph 33 and, on that basis, denies the
21 allegations.

22 **C. Defendant’s Marks**

23 34. Defendant admits that Koi Group consists of at least three restaurants in
24 the United States under the names and known as “Koi Restaurant”, “Koi Restaurant
25 and Lounge”, and “Koi” (collectively, “Koi Restaurants”). Defendant also admits
26 that it owns the design logos described in the Complaint (i.e. U.S. Registration
27 Number 2950303 and U.S. Registration Number 2946808) (“Defendant’s Design
28 Logos”).

1 35. Defendant admits the allegations in Paragraph 35. In addition, Koi
2 Group also has a restaurant located in Bangkok.

3 36. Defendant admits the allegations in Paragraph 36.

4 37. Defendant admits the allegations in Paragraph 37.

5 38. Defendant admits the allegations in Paragraph 38.

6 39. Defendant admits the allegations in Paragraph 39.

7 40. Defendant admits the allegations in Paragraph 40.

8 41. Defendant admits the allegations in Paragraph 41.

9 42. Defendant admits the allegations in Paragraph 42. In addition,
10 Defendant is also the owner of the mark "Koi Daiginjo Sake" (U.S. Registration
11 Number 2970473), which was first used in February 2004.

12 43. Defendant admits that the Koi Restaurants use Defendant's Design
13 Logos as a logo in or at the restaurants.

14 **D. Defendant Accuses Plaintiff of Infringing the Defendant KOI Marks**

15 44. Defendant denies that Plaintiff has priority in the "Koi Palace" mark.
16 Defendant admits that it has alleged that Plaintiff has infringed its rights. Except as
17 expressly denied or admitted, Defendant is presently without knowledge and
18 information to form a belief as to the truth of the remainder of the allegations
19 contained in Paragraph 44 and, on that basis, denies the allegations.

20 45. Defendant is presently without significant knowledge and information
21 to form a belief about the truthfulness of the allegations in Paragraph 45 and, on that
22 basis, denies the allegations.

23 46. Defendant admits that the MB Logo and KG Logo are different.
24 Except as expressly admitted, Defendant is presently without knowledge and
25 information to form a belief as to the truth of the remainder of the allegations
26 contained in Paragraph 46 and, on that basis, denies the allegations.

27 47. Defendant denies the allegations in Paragraph 47.

28 48. Defendant denies the allegations in Paragraph 48.

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AFFIRMATIVE DEFENSES

Without admitting any of the allegations described in Plaintiff's Complaint, Defendant raises the following affirmative defenses:

- 1. Plaintiff's Complaint and each cause of action fail to state a claim upon which relief may be granted.
- 2. Plaintiff's Complaint and each of the causes of action are barred by laches, estoppel, waiver, release, bad faith, acquiescence, consent, and other equitable defenses.
- 3. Defendant preserves the right to assert additional affirmative defenses.

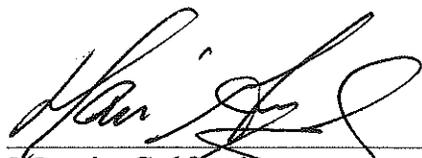
PRAYER FOR RELIEF

WHEREFORE, Defendant requests that this Court:

- 1. Dismiss Plaintiff's Complaint and each cause of action against Defendant alleged herein;
- 2. Deny Plaintiff the relief that it seeks;
- 3. Grant Defendant its reasonable costs and attorneys' fees incurred in defending against Plaintiff's Complaint; and
- 4. For such other and further relief as the Court may deem proper.

DATED: July 19, 2010

WEISSMANN WOLFF BERGMAN
COLEMAN GRODIN & EVALL LLP

By: 

 Marvin Gelfand
 Attorneys for Defendant and
 Counter-Claimant Koi Group, Inc.

EXHIBIT 3

TO APPLICANT'S MOTION TO SUSPEND PROCEEDINGS

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13 Attorneys for Defendant and
14 Counter-Claimant Koi Group, Inc.

15 UNITED STATES DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA

17 MAGIC BROTHERS ASSOCIATES,
18 INC.,

19 Plaintiff,

20 v.

21 KOI GROUP, INC.,

22 Defendant.

23 KOI GROUP, INC.,

24 Counter-Claimant,

25 v.

26 MAGIC BROTHERS ASSOCIATES,
27 INC.; UNITED AUBURN INDIAN
28 COMMUNITY d/b/a THUNDER
VALLEY CASINO; and MAGIC
ULFERTS, LLC,

Counter-Defendants.

SANTA MONICA Calendar and Court Services Received: July 20, 2010	
c/m#	_____
Dates to be Entered	
A copy of this document has	
been emailed to the SF Calendar	
Dept. for processing	
<small>The attorney, whose initials appear below, has reviewed the applicable court rules, and has verified that the above dates are correct.</small>	
Atty:	_____
Date Processed:	_____
Received via:	<u>Mail/InBox/Fax/Crtrun</u>
or Other	_____
Routed to:	_____
Processed by:	_____

CASE No. CV 10-00973 VBF(JCx)

Judge: Valerie Baker Fairbank

KOI GROUP, INC.'S COUNTER-CLAIM FOR:

1. Trademark Infringement in Violation of § 32 of the Lanham Act;
2. Unfair Competition, False Designation of Origin, Passing Off False Advertising in Violation of § 32 of the Lanham Action;
3. Federal Trademark Dilution in Violation of § 43(c) of the Lanham Act;
4. Cancellation of the "Koi Palace" Trademark (U.S. Registration No. 2950303);
5. Unfair Competition in Violation of Bus. & Prof. Code §§ 17200, *et seq*;
6. Common Law Unfair Competition; and
7. Accounting

[Filed Concurrently With Koi Group, Inc.'s Answer to Magic Brothers Associate, Inc.'s Complaint]

(DEMAND FOR JURY TRIAL)

RECEIVED

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KOI GROUP, INC.'S COUNTER-CLAIM

BINGHAM McCUTCHEON

1 Defendant and Counter-Claimant Koi Group, Inc. (“Counter-Claim”)
2 complaints against Plaintiff and Counter-Defendants Magic Brothers Associate,
3 Inc.; United Auburn Indian Community d/b/a Thunder Valley Casino, and Magic
4 Ulferts, LLC (collectively, “Counter-Defendants”) as follows. Counter-Claimant
5 and Counter-Defendants are collectively referred to herein as “Parties”.

6 **NATURE OF ACTION**

7 1. This is an action for (a) infringement of Counter-Claimant’s federally
8 registered family of trademarks (the “KOI Marks”) pursuant to Section 32(1) of the
9 Lanham Act of 1946, as amended (the “Lanham Act”), 15 U.S.C. Section 1114; (b)
10 unfair competition, passing off, false designation of origin and false advertising
11 pursuant to Section 43(a) of the Lanham Act, 15 U.S.C. Section 1125(a); (c)
12 trademark dilution pursuant to Section 43(e) of the Lanham Act, 15 U.S.C. Section
13 1125(c) (the Federal Trademark Dilution Act of 1995); (d) Unfair Competition in
14 Violation of Business and Professions Code Sections 17200, *et seq.*; and (e)
15 Common Law Unfair Competition.

16 2. All claims herein arise out of Counter-Defendants’ blatant acts of
17 misappropriation, trademark dilution and infringement, and other related tortious
18 acts committed by Counter-Defendants in connection with its operation of the
19 following restaurants: “Koi Palace” located in Lincoln, California and established
20 in 2006; “Just Koi” located in Dublin, California and established in 2007; and “Koi
21 Garden” in Dublin, California and established in 2008 (collectively, the “Infringing
22 Koi Restaurants”). Counter-Claimant seeks both injunctive and monetary relief in
23 connection herewith.

24 **JURISDICTION AND VENUE**

25 3. The Court has original subject matter jurisdiction over Counter-
26 Claimant’s federal claims pursuant to 28 U.S.C. Sections 1331, 1337(a), and
27 1338(a) since the Counter-Claim involves issues arising under a federal statute, the
28 Lanham Act. The Court also has ancillary subject matter jurisdiction over Counter-

1 Claimant's state law claims under the principles of pendent jurisdiction and pursuant
2 to 28 U.S.C. Section 1367(a).

3 4. This Court has personal jurisdiction over Counter-Defendants because
4 the events or omissions giving rise to the claim occurred, the tortious acts occurred,
5 and a substantial part of the injury took place and continues to take place in this
6 judicial district.

7 5. Venue is proper in the United States District Court for the Central
8 District of California pursuant to 28 U.S.C. Section 1391(b) and 1391(c) as this is a
9 judicial district in which a substantial part of the events giving rise to the claims
10 asserted herein arose, and a substantial part of the injury took place and continues to
11 take place.

12 PARTIES

13 6. Counter-Claimant Koi Group, Inc. is a corporation duly organized and
14 existing under the laws of the State of Nevada and has its principal place of business
15 at 3565 Las Vegas Blvd., South #311, Las Vegas, NV 89109. Counter-Claimant is
16 the owner of the KOI Marks and domain names at issue in this Counter-Claim.

17 7. Counter-Claimant is informed and believes and on that basis alleges
18 that Counter-Defendant Magic Brothers Associate, Inc. ("Magic Brothers") is a
19 corporation duly organized and existing under the laws of the State of California and
20 has its principal place of business at 365 Gellert Blvd., Daly City, CA 94015.

21 8. Counter-Claimant is informed and believes and on that basis alleges
22 that Counter-Defendant United Auburn Indian Community d/b/a Thunder Valley
23 Casino ("United Auburn") is a Native American Indian Tribe operating a casino,
24 located at 1200 Athens Avenue, Lincoln, CA 95648.

25 9. Counter-Claimant is informed and believes and on that basis alleges
26 that Counter-Defendant Magic Ulferts, LLC ("Magic Ulferts") is a limited liability
27 company duly organized and existing under the laws of the State of California and
28 has its principal place of business at 668 Barber Land, Milpitas, CA 95035.

1 **FACTS AND ALLEGATIONS COMMON TO ALL CLAIMS**

2 **A. Counter-Claimant's KOI Marks**

3 10. Counter-Claimant's family of famous and distinctive "KOI"
4 trademarks, service marks, and trade names is represented by several registered and
5 pending marks with the United States Patent and Trademark Office ("USPTO"),
6 including without limitation: (a) KOI RESTAURANT, U.S. Registration No.
7 2,950,303 (restaurant services); (b) KOI, design logo, U.S. Registration No.
8 2,946,808 (restaurant services); (c) KOI RESTAURANT & LOUNGE, U.S.
9 Registration No. 2,961,393 (restaurant services); (d) KOI, U.S. Registration No.
10 2,976,272 (clothing); and (e) KOI DAIGINJO SAKE, U.S. Registration No.
11 2,970,473 (sake beverages). In addition, Counter-Claimant is the owner of a
12 registered service mark with the State of California, as well as the registered domain
13 names <koirestaurant.com> and <koilounge.com> (collectively, the "KOI Marks").

14 11. The KOI Marks embody the goodwill and repute of the famous "Koi"
15 restaurants ("KOI"), which presently operate in multiple international and domestic
16 locations, including Los Angeles, New York, Las Vegas and Bangkok.

17 12. Counter-Claimant has expended substantial resources developing and
18 maintaining substantial secondary meaning in its KOI Marks, ensuring that the KOI
19 Marks serve as unique identifiers of KOI's quality restaurant goods and services.
20 Counter-Claimant has used the KOI Marks by, among other things, prominently
21 displaying the KOI Marks in connection with KOI's goods and services, KOI's
22 containers and menus, KOI's website, and the displays associated therewith.

23 13. Since at least as early as 2002, Counter-Claimant has continuously used
24 the KOI Marks in commerce to promote KOI's restaurant-related goods and
25 services.

26 14. As a result, consumers have developed a strong association between the
27 KOI Marks and KOI's quality restaurant goods and services. The strength of the
28 KOI Marks is one of Counter-Claimant's most valuable assets.

1 15. KOI has invested substantial resources in building each of its multiple
2 establishments and decorating the same with fine fixtures, furniture, and equipment.

3 16. From the very beginning, KOI has been a favored restaurant of locals,
4 families, tourists, and celebrities alike. KOI's customers have made KOI their
5 location of choice for both casual dining and celebrating special occasions. For
6 instance, in July 2004, actress/singer/dancer Jennifer Lopez together with her
7 husband, singer Marc Anthony, and fellow celebrities Jane Fonda, Michael Vartan,
8 and Leah Remini, celebrated her birthday at KOI. Lopez's celebration was widely
9 covered by both print and broadcast media nationwide.

10 17. Many articles evidencing the critical acclaim and considerable media
11 attention given to KOI in national and international publications may be found in,
12 without limitation, *The New York Times*, *The New York Post*, *Time Out New York*,
13 *Variety*, *W*, *USA Today*, *US Weekly*, *In Style Magazine*, *The Los Angeles Times*, *Los*
14 *Angeles Confidential*, *Clear Fashion/Design*, *Brentwood*, *Las Vegas Magazine*,
15 *Restaurant Hospitality*, *Celebrated Living* (a magazine for American Airlines),
16 *Food & Wine*, and *Travel + Leisure*. KOI has also been featured in numerous
17 television shows including, but not limited to, the hit HBO series *Entourage*, and
18 *Hollywood Life*'s article (entitled "The Entourage Tour of LA") highlighted KOI as
19 one of the *Entourage* cast's favorite destination dining spots.

20 18. As a result, KOI has become a well-known and recognizable brand
21 nationally and internationally, and has become associated in the minds of consumers
22 with high quality Japanese and Asian-fusion cuisine.

23 **B. Counter-Defendants' Restaurants**

24 19. Upon information and belief, in 1996, Counter-Defendants established
25 and operated a restaurant in Daly City, California, called Koi Palace. Daly City is a
26 located in San Mateo County in the San Francisco Bay Area. Koi Palace is a
27 Chinese and Asian-fusion restaurant specializing in sea food, dim sum, and fine
28 dining.

1 20. When Counter-Claimant’s KOI Marks were registered by the United
2 States Patent and Trademark Office (“USPTO”) in 2005, Koi Palace in Daly City
3 was the only restaurant that Counter-Defendants had established.

4 21. When Counter-Claimant’s KOI Marks were registered by the USPTO
5 in 2005, Counter-Defendants did not have any registered or pending “Koi Palace”
6 marks – or any other KOI-derivative mark – with the USPTO.

7 22. Upon information and belief, in 2006, a second Koi Palace restaurant
8 was opened in Lincoln, California. Lincoln is a city in Placer County in the
9 Sacramento Valley. This second Koi Palace restaurant was opened by United
10 Auburn pursuant to a license agreement between United Auburn Indian Community
11 and Magic Brothers.

12 23. In 2006, Magic Brothers filed an application with the USPTO to
13 register “Koi Palace” as a mark in connection with restaurant services.

14 24. In 2006, Magic Brothers also filed an application with the USPTO to
15 register a design logo (the “Fish Logo”) in connection with restaurant services and
16 food products (namely, moon-cakes and dragon candy).

17 25. When Counter-Claimant discovered that Magic Brothers had filed an
18 application to register “Koi Palace” as a mark and an application to register the Fish
19 Logo with the USPTO and expanded the use of the “Koi Palace” mark and Fish
20 Logo to a second restaurant, Counter-Claimant contacted Counter-Defendants to
21 object to Counter-Defendants’ actions.

22 26. Over the course of the following months, the Parties began discussing
23 the possibility of entering into a Concurrent Use Agreement, and the Parties
24 exchanged several drafts of such an agreement in order to reach a resolution.

25 27. During the Parties’ on-going discussions – and unbeknownst to
26 Counter-Claimant – Counter-Defendants opened a third restaurant. Upon
27 information and belief, in 2007, Magic Ulferts opened a restaurant called Just Koi in
28 Dublin, California pursuant to a license agreement between Magic Ulferts and

1 Magic Brothers. Dublin is a city in Alameda County in the San Francisco Bay Area.

2 28. In addition, during the Parties' on-going discussions – and
3 unbeknownst to Counter-Claimant – Counter-Defendants opened a fourth restaurant.
4 Upon information and belief, in 2008, Magic Ulferts opened another restaurant in
5 Dublin, California called Koi Garden.

6 29. The Infringing Koi Restaurants are all located in the San Francisco Bay
7 Area or Sacramento Valley of California and are the only restaurants that Counter-
8 Defendants have opened.

9 30. Upon information and belief, the Infringing Koi Restaurants have
10 similar owners, serve a similar style of Chinese and Asian fusion cuisine, and have a
11 similar upscale dining environment.

12 31. In April 2009, Magic Brothers obtained a registered trademark for “Koi
13 Palace” in connection with restaurant services (U.S. Registration No. 3602567) (the
14 “Koi Palace Mark”) and a registered trademark for the Fish Logo in connection with
15 restaurant services and food products (namely, moon-cakes and dragon candy) (U.S.
16 Registration No. 3596729).

17 32. In March 2010, Magic Brothers filed an application with the USPTO to
18 register “Koi Palace” as a mark in connection with prepared, frozen, canned and
19 dried foods in the nature of dim sum items (U.S. Serial No. 77966557).

20 33. The Koi Palace Mark, the Fish Logo, and Magic Brothers' application
21 to register “Koi Palace” as a mark in connection with prepared, frozen, canned and
22 dried foods in the nature of dim sum items (U.S. Serial No. 77966557) are
23 collectively referred to herein as the Infringing KOI Marks.

24 **C. The Infringement**

25 34. After Counter-Claimant's KOI Marks became famous throughout the
26 United States, Counter-Defendants began expanding beyond their initial Koi Palace
27 restaurant located in Daly City.

28 35. Counter-Defendants' use of the KOI name in direct competition with

1 Counter-Claimant for the identical class of goods and services, and distributed
2 through the same channels of trade, is likely to confuse consumers. The similar use
3 by Counter-Defendants of Counter-Claimant's KOI Marks will lead consumers to
4 conclude that the Infringing Koi Restaurants and the Infringing KOI Marks were
5 exclusively or jointly developed, licensed, or certified by, or are otherwise
6 associated or affiliated with, Counter-Claimant. Consumers are likely to be mislead
7 as to the source, sponsorship, or affiliation of the Infringing Koi Restaurants' goods
8 and services and the Infringing KOI Marks.

9 36. Upon learning of such infringement, Counter-Claimant contacted
10 Counter-Defendants and demanded that Counter-Defendants cease and desist in
11 their infringing use of Counter-Claimant's KOI Marks. Counter-Defendant refused
12 to cease their activities and continued their wrongful acts. Despite being placed on
13 actual notice of their violations, Counter-Defendants have used the KOI Marks
14 extensively and silently expanded their use, all without Counter-Claimant's
15 authorization or consent.

16 37. Accordingly, in this action, Counter-Claimant seeks to permanently
17 enjoin Counter-Defendants from using the KOI Marks or any similar marks or
18 domain names for the marketing and sale of Counter-Defendants' restaurant goods
19 and services so that the KOI Marks can continue to serve as a unique identifier of a
20 predictable nature and quality of goods or services coming from a single source.
21 Counter-Defendants' unauthorized use of the KOI Marks in connection with
22 Counter-Defendants' restaurants has diluted and continues to dilute Counter-
23 Claimant's KOI Marks by diminishing consumer capacity to associate these marks
24 with the quality goods and services signified by Counter-Claimant's KOI Marks.

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FIRST CLAIM

FEDERAL TRADEMARK INFRINGEMENT

(15 U.S.C. §§ 1114-1117; Lanham Act § 32)

(Against all Counter-Defendants)

38. Counter-Claimant realleges and incorporates by reference each and every allegation contained in the preceding paragraphs of this Counter-Claim as though fully set forth herein.

39. Without Counter-Claimant's consent, Counter-Defendants have used, in connection with the sale, offering for sale, distribution or advertising of Counter-Defendants' goods and services that infringe upon the KOI Marks.

40. These acts of trademark infringement have been committed with the intent to cause confusion, mistake, or deception, and are in violation of 15 U.S.C. Section 1114.

41. As a direct and proximate result of Counter-Defendants' infringing activities as alleged herein, Counter-Claimant has suffered substantial damages.

42. Counter-Defendants' infringement of Counter-Claimant's KOI Marks as alleged herein is an exceptional case and was intentional. Such exceptional and intentional infringement has damaged Counter-Claimant as described herein, entitling Counter-Claimant to treble damages and to an award of attorneys' fees under 15 U.S.C. Sections 1117(a) and (b).

SECOND CLAIM

FEDERAL UNFAIR COMPETITION

(False Designation of Origin and False Designation)

(15 U.S.C. §§ 1125; Lanham Act § 43(a))

(Against All Counter-Defendants)

43. Counter-Claimant realleges and incorporates by reference each and every allegation contained in the preceding paragraphs of this Counter-Claim as though fully set forth herein.

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FOURTH CLAIM

CANCELLATION OF THE “KOI PALACE” TRADEMARKS

(U.S. REGISTRATION NOS. 3602567, 3596729 and U.S. Serial No. 77966557)

(15 U.S.C. §§ 1119 and 1052(d))

(Against Counter-Defendant Magic Brothers)

50. Counter-Claimant realleges and incorporates by reference each and every allegation contained in the preceding paragraphs of this Counter-Claimant as though fully set forth herein.

51. Counter-Claimant’s family of famous and distinctive “KOI” trademarks, service marks, and trade names is represented by several registered and pending marks with the United States Patent and Trademark Office (“USPTO”), including without limitation: (a) KOI RESTAURANT, U.S. Registration No. 2,950,303 (restaurant services); (b) KOI, design logo, U.S. Registration No. 2,946,808 (restaurant services); (c) KOI RESTAURANT & LOUNGE, U.S. Registration No. 2,961,393 (restaurant services); (d) KOI, U.S. Registration No. 2,976,272 (clothing); and (e) KOI DAIGINJO SAKE, U.S. Registration No. 2,970,473 (sake beverages).

52. Counter-Claimant has continuously used the KOI Marks in commerce since at least 2002, and the USPTO registered the KOI Marks in 2005.

53. The registration for the KOI Marks is valid and constitutes prima facie evidence of the validity of the KOI Marks and Counterross-Complainant’s exclusive right to use the KOI Marks in commerce.

54. When Counter-Claimant’s KOI Marks were registered by the USPTO in 2005, Counter-Defendant did not have a single registered or pending trademark with the USPTO.

55. In addition, when Counter-Claimant’s KOI Marks were registered by the USPTO in 2005, the only restaurant that Counter-Defendants had established was Koi Palace in Daly City, California. In fact, Koi Palace in Daly City was the

1 only restaurant established by Counter-Defendants from 1996 to 2006. Therefore,
2 Koi Palace in Daly City should be the only “Koi” restaurant that Counter-
3 Defendants are entitled to operate. Where a junior user applies for registration, such
4 as Counter-Claimant, the extent of the senior user’s territory, such as Counter-
5 Defendants, is **frozen as of the date of actual registration to the junior user.** (*See*
6 *e.g., Credit One Corp. v. Credit One Financial*, 661 F.Supp.2d 1134, 1137-1138
7 (C.D. Cal. 2009); *Allard Enterprises, Inc. v. Advanced Programming Resources*,
8 249 F.3d 564, 572 (6th Cir. 2001)).

9 56. After Counter-Claimant’s KOI Marks became famous throughout the
10 United States, Counter-Defendants began expanding beyond their initial Koi Palace
11 restaurant located in Daly City.

12 57. When the Parties began negotiating the terms for a Concurrent Use
13 Agreement, Counter-Defendants opened the Infringing Koi Restaurants.

14 58. In 2009, Magic Brothers obtained a registered trademark for “Koi
15 Palace” in connection with restaurant services (U.S. Registration No. 3602567) (the
16 “Koi Palace Mark”) and a registered trademark for the Fish Logo in connection with
17 restaurant services and food products (namely, moon-cakes and dragon candy) (U.S.
18 Registration No. 3596729).

19 59. Neither Counter-Claimant nor the goods and services marketed, sold,
20 distributed, and offered for sale by Counter-Claimant under the KOI Marks are
21 associated with or connected to Counter-Defendants, or licensed, authorized,
22 sponsored, endorsed, or approved by Counter-Claimants in any way.

23 60. Counter-Defendants’ use of the KOI Marks in direct competition with
24 Counter-Claimant for the identical class of goods and services, and distributed
25 through the same channels of trade, is likely to confuse consumers. The similar use
26 by Counter-Defendants of Counter-Claimant’s KOI Marks will lead consumers to
27 conclude that the Infringing Koi Restaurants and the Infringing KOI Marks were
28 exclusively or jointly developed, licensed, or certified by, or are otherwise

1 associated or affiliated with, Counter-Claimant. Consumers are likely to be misled
2 as to the source, sponsorship, or affiliation of the Infringing Koi Restaurants' goods
3 and services and the Infringing KOI Marks.

4 61. Accordingly, Counter-Claimant requests that the Court order the
5 USPTO to cancel Magic Brothers' registered and pending Infringing KOI Marks
6 (*i.e.* (U.S. Registration No. 3602567, U.S. Registration No. 3596729, and U.S.
7 Serial No. 77966557).

8 **FIFTH CLAIM**

9 **CALIFORNIA UNFAIR COMPETITION**

10 **(Cal. Bus. & Prof. Code §§ 17200, *et seq.*)**

11 **(Against All Counter-Defendants)**

12 62. Counter-Claimant realleges and incorporates by reference each and
13 every allegation contained in the preceding paragraphs of this Counter-Claimant as
14 though fully set forth herein.

15 63. Counter-Defendants' infringement of Counter-Claimant's KOI Marks
16 constitutes unlawful, unfair or fraudulent business acts or practices, and unfair,
17 deceptive, untrue or misleading advertising within the meaning of California
18 Business and Professions Code Sections 17200, *et seq.*

19 64. As a consequence of Counter-Defendants' actions, Counter-Claimant is
20 entitled to injunctive relief and an order that Counter-Defendants disgorge all profits
21 on the manufacture, use, display or sale of infringing goods.

22 **SIXTH CLAIM**

23 **COMMON LAW UNFAIR COMPETITION**

24 **(Against All Counter-Defendants)**

25 65. Counter-Claimant realleges and incorporates by reference each and
26 every allegation contained in the preceding paragraphs of this Counter-Claimant as
27 though fully set forth herein.

28 66. The actions of Counter-Defendants complained of herein constitute

1 unfair competition under the common law of the State of California.

2 67. Counter-Defendants' actions have caused and will likely to continue to
3 cause confusion, mistake, and deception among consumers.

4 68. Counter-Defendants' unfair competition has caused and will continue
5 to cause damage to Counter-Claimant, including irreparable harm for which there is
6 no adequate remedy at law.

7 69. As a consequence of Counter-Defendants' unfair competition, Counter-
8 Claimant is entitled to damages and preliminary and permanent injunctive relief
9 ordering Counter-Defendant to cease this unfair competition.

10 **SEVENTH CLAIM**

11 **COMMON LAW FOR ACCOUNTING**

12 **(Against All Counter-Defendants)**

13 70. Counter-Claimant realleges and incorporates by reference each and
14 every allegation contained in the preceding paragraphs of this Counter-Claimant as
15 though fully set forth herein.

16 71. Counter-Defendants activities, as alleged above, have violated Counter-
17 Claimant's rights in the KOI Marks under the common law.

18 72. As a direct result of its infringing activities, Counter-Defendants have
19 been unjustly enriched through fraudulent conversion of Counter-Claimant's
20 goodwill and rights in the KOI Marks into its own profits through the sale of the
21 infringing products and has caused Counter-Claimant to lose sales of its genuine
22 goods and services.

23 73. As a direct result of Counter-Defendants' misconduct, Counter-
24 Defendants have received substantial profits to which Counter-Claimant is entitled
25 to under common law.

26 74. The amounts of such profits is unknown to Counter-Claimant and
27 cannot be ascertained without an accounting.

28

1 **PRAYER FOR JUDGMENT**

2 WHEREFOR, Counter-Claimant prays for judgment against the Counter
3 Defendants as follows:

4 1. Find that Counter-Claimant's KOI Marks have been infringed by
5 Counter-Defendants;

6 2. Find that Counter-Defendants have competed unfairly with Counter-
7 Claimant;

8 3. Find that Counter-Defendants' actions are likely to, or have, diluted
9 Counter-Claimant's famous KOI Marks;

10 4. Find that Counter-Defendants be enjoined or restrained permanently
11 from infringing on Counter-Claimant's rights or unfairly competing with Counter-
12 Claimant;

13 5. Order the USPTO to cancel Magic Brothers' registered and pending
14 Infringing KOI Marks (i.e. U.S. Registration No. 3602567, U.S. Registration No.
15 3596729, and U.S. Serial No. 77966557);

16 6. An award of compensatory damages and costs, treble damages,
17 punitive damages, and attorneys fees and costs;

18 7. Such other and further relief as the Court shall find just and proper.
19

20 DATED: July 19, 2010

WEISSMANN WOLFF BERGMAN
COLEMAN GRODIN & EVALL LLP

21
22
23 By: 
24 _____
Marvin Gelfand
25 Attorneys for Defendant and
26 Counter-Claimant Koi Group, Inc.
27
28

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

3 At the time of service, I was over 18 years of age and **not a party to this action**. I
4 am employed in the County of Los Angeles, State of California. My business address is
9665 Wilshire Boulevard, Ninth Floor, Beverly Hills, California 90212.

5 On July 19, 2010, I served true copies of the following document(s) described as **KOI
GROUP, INC.'S COUNTER-CLAIM FOR:**

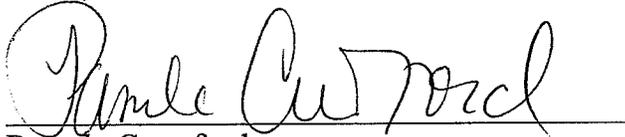
- 6
- 7 **1. Trademark Infringement in Violation of § 32 of the Lanham Act;**
 - 8 **2. Unfair Competition, False Designation of Origin, Passing Off False Advertising
in Violation of § 32 of the Lanham Act;**
 - 9 **3. Federal Trademark Dilution in Violation of § 43(c) of the Lanham Act;**
 - 10 **4. Cancellation of the "Koi Palace" Trademark (U.S. Registration No. 2950303);**
 - 11 **5. Unfair Competition in Violation of Bus. & Prof. Code §§ 17200, et seq;**
 - 12 **6. Common Law Unfair Competition; and**
 - 13 **7. Accounting on the interested parties in this action as follows:**

14 **SEE ATTACHED SERVICE LIST**

15 **BY MAIL:** I enclosed the document(s) in a sealed envelope or package addressed
16 to the persons at the addresses listed in the Service List and placed the envelope for
collection and mailing, following our ordinary business practices. I am readily familiar
17 with Weissmann Wolff Bergman Coleman Grodin & Evall LLP's practice for collecting
and processing correspondence for mailing. On the same day that the correspondence is
18 placed for collection and mailing, it is deposited in the ordinary course of business with the
United States Postal Service, in a sealed envelope with postage fully prepaid.

19 I declare under penalty of perjury under the laws of the State of California that the
20 foregoing is true and correct.

21 Executed on July 19, 2010, at Beverly Hills, California.

22 
23
24
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28
Pamela Crawford

SERVICE LIST

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EXHIBIT 4

TO APPLICANT'S MOTION TO SUSPEND PROCEEDINGS

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17 *Attorneys for Plaintiff and Counter-Defendant*
18 *Magic Brothers Associate, Inc.*

19 UNITED STATES DISTRICT COURT
20 CENTRAL DISTRICT OF CALIFORNIA

21 MAGIC BROTHERS ASSOCIATE, INC.
22
23 Plaintiff,
24 v.
25 KOI GROUP INC.
26 Defendant.

No. 2:10-cv-00973-VBF-JC
Hon. Valerie Baker Fairbank

**MAGIC BROTHERS
ASSOCIATE, INC.’S ANSWER
TO KOI GROUP INC.’S
COUNTERCLAIM**

27 KOI GROUP INC.,
28 Counter-Claimant,
v.
MAGIC BROTHERS ASSOCIATE,
INC., UNITED AUBURN INDIAN
COMMUNITY d/b/a THUNDER
VALLEY CASINO; and MAGIC
ULFERTS, LLC,
Counter-Defendants.

1 Plaintiff Magic Brothers Associate, Inc. (“MB”) hereby responds to
2 Defendant Koi Group’s Inc.’s (“KG”) counterclaim as follows:

3 **NATURE OF THE ACTION**

4 1. MB admits that KG has sued in this action as KG alleges.
5 Except as so admitted, MB denies the allegations contained in Paragraph 1.

6 2. MB denies the allegations contained in Paragraph 2.

7 **JURISDICTION AND VENUE**

8 3. Paragraph 3 states a legal conclusion to which no answer is
9 required. To the extent an answer is deemed to be required, MB denies the
10 allegations contained in Paragraph 3.

11 4. Paragraph 4 states a legal conclusion to which no answer is
12 required. To the extent an answer is deemed to be required, MB denies the
13 allegations contained in Paragraph 4.

14 5. Paragraph 5 states a legal conclusion to which no answer is
15 required. To the extent an answer is deemed to be required, MB denies the
16 allegations contained in Paragraph 5.

17 **THE PARTIES**

18 6. MB, upon information and belief, admits that KG is a
19 corporation duly organized and existing under the laws of the State of Nevada, and
20 has an address at 3565 Las Vegas Blvd., South #311, Las Vegas, NV 89109.
21 Except as so admitted, MB is without knowledge or information sufficient to form
22 a belief as to the truth of the remaining allegations contained in Paragraph 6 and
23 therefore denies the allegations therein to the extent that a response is required.

24 7. MB admits the allegations contained in Paragraph 7.

25 8. MB, upon information and belief, admits the allegations
26 contained in Paragraph 8.

27 9. MB, upon information and belief, admits the allegations
28 contained in Paragraph 9.

ALLEGATIONS COMMON TO ALL CLAIMS

1
2 10. MB is without knowledge or information sufficient to form a
3 belief as to the truth of the allegations contained in Paragraph 10 and therefore
4 denies the allegations therein to the extent that a response is required.

5 11. MB is without knowledge or information sufficient to form a
6 belief as to the truth of the allegations contained in Paragraph 11 and therefore
7 denies the allegations therein to the extent that a response is required.

8 12. MB is without knowledge or information sufficient to form a
9 belief as to the truth of the allegations contained in Paragraph 12 and therefore
10 denies the allegations therein to the extent that a response is required.

11 13. MB is without knowledge or information sufficient to form a
12 belief as to the truth of the allegations contained in Paragraph 13 and therefore
13 denies the allegations therein to the extent that a response is required.

14 14. MB is without knowledge or information sufficient to form a
15 belief as to the truth of the allegations contained in Paragraph 14 and therefore
16 denies the allegations therein to the extent that a response is required.

17 15. MB is without knowledge or information sufficient to form a
18 belief as to the truth of the allegations contained in Paragraph 15 and therefore
19 denies the allegations therein to the extent that a response is required.

20 16. MB is without knowledge or information sufficient to form a
21 belief as to the truth of the allegations contained in Paragraph 16 and therefore
22 denies the allegations therein to the extent that a response is required.

23 17. MB is without knowledge or information sufficient to form a
24 belief as to the truth of the allegations contained in Paragraph 17 and therefore
25 denies the allegations therein to the extent that a response is required.

26 18. MB is without knowledge or information sufficient to form a
27 belief as to the truth of the allegations contained in Paragraph 18 and therefore
28 denies the allegations therein to the extent that a response is required.

1 19. MB admits the allegations contained in Paragraph 19.

2 20. MB admits that, in 2005, the Koi Palace restaurant in Daly
3 City, California was the only restaurant that MB operated. Except as so admitted,
4 MB is without knowledge or information sufficient to form a belief as to the truth
5 of the remaining allegations contained in Paragraph 20 and therefore denies the
6 allegations therein to the extent that a response is required.

7 21. MB admits that it did not have any registered trademarks or
8 pending trademark applications with the USPTO in 2005. MB further admits that
9 it has held common law rights in the KOI PALACE Mark since 1996 when it
10 opened the Koi Palace restaurant in Daly City, California. Except as so admitted,
11 MB is without knowledge or information sufficient to form a belief as to the truth
12 of the remaining allegations contained in Paragraph 21 and therefore denies the
13 allegations therein to the extent that a response is required.

14 22. MB admits the allegations contained in Paragraph 22.

15 23. MB admits the allegations contained in Paragraph 23.

16 24. MB admits the allegations contained in Paragraph 24.

17 25. MB admits that at some point after it filed its trademark
18 applications for “Koi Palace” and its Fish Logo, KG first accused MB of infringing
19 KG’s purported trademarks rights in the mark “KOI.” MB further admits that it
20 denied infringing any trademark rights purportedly owned by KG. Except as so
21 admitted, MB is without knowledge or information sufficient to form a belief as to
22 the truth of the remaining allegations contained in Paragraph 25 and therefore
23 denies the allegations therein to the extent that a response is required.

24 26. MB admits that the parties discussed the possibility of entering
25 a Concurrent Use Agreement and that the parties exchanged multiple drafts of such
26 an agreement. Except as so admitted, MB denies the allegations contained in
27 Paragraph 26.

1 27. MB admits that, in 2007, Magic Ulferts opened a restaurant
2 called “Just Koi” in Dublin, California pursuant to a license agreement between
3 MB and Magic Ulferts. MB further admits that Dublin is a city in Alameda
4 County in the San Francisco Bay Area. Except as so admitted, MB is without
5 knowledge or information sufficient to form a belief as to the truth of the
6 remaining allegations contained in Paragraph 27 and therefore denies the
7 allegations therein to the extent that a response is required.

8 28. MB admits that, in 2008, Magic Ulferts opened a restaurant
9 called “Koi Garden” in Dublin, California. Except as so admitted, MB is without
10 knowledge or information sufficient to form a belief as to the truth of the
11 remaining allegations contained in Paragraph 27 and therefore denies the
12 allegations therein to the extent that a response is required.

13 29. MB admits that the Koi Palace restaurant in Daly City,
14 California and the restaurants Just Koi and Koi Garden in Dublin, California are
15 located in the San Francisco Bay Area. MB further admits that the Koi Palace
16 restaurant in Lincoln, California is located in the Sacramento Valley of California.
17 Except as so admitted, MB denies the allegations contained in Paragraph 29.

18 30. MB denies the allegations contained in Paragraph 30.

19 31. MB admits the allegations contained in Paragraph 31.

20 32. MB admits that in March 2010 MB filed an application (S/N
21 77966557) with the USPTO to register “Koi Palace” as a mark in International
22 Class 29 for “prepared, frozen, canned and dried foods; shellfish; frozen or
23 prepared meals in the nature of dim sum consisting primarily of meat, poultry,
24 game, seafood, vegetables and/or fruit; frozen or prepared soup” and International
25 Class 30 for “cakes; frozen or prepared meals in the nature of dim sum consisting
26 primarily of pasta, rice, bread, cereals, noodles and/or pastries; tea.”

27 33. MB denies that the Koi Palace Mark, the Fish Logo or Magic
28 Brothers’ application S/N 77966557 infringe any rights of KG.

1 34. MB denies the allegations contained in Paragraph 34.

2 35. MB denies the allegations contained in Paragraph 35.

3 36. MB denies the allegations contained in Paragraph 36.

4 37. MB denies the allegations contained in Paragraph 37.

5 **FIRST CLAIM**

6 38. MB repeats and incorporates by reference its responses to
7 Paragraphs 1 through 37.

8 39. MB denies the allegations contained in Paragraph 39.

9 40. MB denies the allegations contained in Paragraph 40.

10 41. MB denies the allegations contained in Paragraph 41.

11 42. MB denies the allegations contained in Paragraph 42.

12 **SECOND CLAIM**

13 43. MB repeats and incorporates by reference its responses to
14 Paragraphs 1 through 42.

15 44. MB denies the allegations contained in Paragraph 44.

16 **THIRD CLAIM**

17 45. MB repeats and incorporates by reference its responses to
18 Paragraphs 1 through 44.

19 46. MB denies the allegations contained in Paragraph 46.

20 47. MB denies the allegations contained in Paragraph 47.

21 48. MB denies the allegations contained in Paragraph 48.

22 49. MB denies the allegations contained in Paragraph 49.

23 **FOURTH CLAIM**

24 50. MB repeats and incorporates by reference its responses to
25 Paragraphs 1 through 49.

26 51. MB denies that KG's "KOI" trademarks are famous and
27 distinctive. Except as so denied, MB is without knowledge or information
28 sufficient to form a belief as to the truth of the remaining allegations contained in

1 Paragraph 51 and therefore denies the allegations therein to the extent that a
2 response is required.

3 52. MB is without knowledge or information sufficient to form a
4 belief as to the truth of the allegations contained in Paragraph 52 and therefore
5 denies the allegations therein to the extent that a response is required.

6 53. Paragraph 53 states a legal conclusion to which no answer is
7 required. To the extent an answer is deemed to be required, MB denies the
8 allegations contained in Paragraph 53.

9 54. MB admits that it did not have any registered trademarks or
10 pending trademark applications with the USPTO in 2005. MB further admits that
11 it has held common law rights in the KOI PALACE Mark since 1996 when it
12 opened the Koi Palace restaurant in Daly City, California. Except as so admitted,
13 MB denies the allegations contained in Paragraph 54.

14 55. MB admits that, in 2005, the Koi Palace restaurant in Daly
15 City, California was the only restaurant that MB operated. MB further admits that
16 the Koi Palace restaurant was the only restaurant MB operated between 1996 and
17 2006. Except as so admitted, Paragraph 55 states a legal conclusion to which no
18 answer is required. To the extent an answer is deemed to be required, MB denies
19 the allegations contained in Paragraph 55.

20 56. MB denies the allegations contained in Paragraph 56.

21 57. MB admits that at some point after it filed its trademark
22 applications for “Koi Palace” and its Fish Logo, the parties began discussing the
23 possibility of entering a Concurrent Use Agreement. MB further admits that, in
24 2007, Magic Ulferts opened a restaurant called “Just Koi” in Dublin, California
25 pursuant to a license agreement between MB and Magic Ulferts. MB further
26 admits that, in 2008, Magic Ulferts opened a restaurant called “Koi Garden” in
27 Dublin, California. Except as so admitted, MB denies the allegations contained in
28 Paragraph 57.

1 58. MB admits the allegations contained in Paragraph 58.

2 59. MB admits the allegations contained in Paragraph 59.

3 60. MB denies the allegations contained in Paragraph 60.

4 61. MB denies the allegations contained in Paragraph 58.

5 **FIFTH CLAIM**

6 62. MB repeats and incorporates by reference its responses to
7 Paragraphs 1 through 61.

8 63. MB denies the allegations contained in Paragraph 63.

9 64. MB denies the allegations contained in Paragraph 64.

10 **SIXTH CLAIM**

11 65. MB repeats and incorporates by reference its responses to
12 Paragraphs 1 through 64.

13 66. MB denies the allegations contained in Paragraph 66.

14 67. MB denies the allegations contained in Paragraph 67.

15 68. MB denies the allegations contained in Paragraph 68

16 **SEVENTH CLAIM**

17 69. MB repeats and incorporates by reference its responses to
18 Paragraphs 1 through 68.

19 70. MB denies the allegations contained in Paragraph 70.

20 71. MB denies the allegations contained in Paragraph 71.

21 72. MB denies the allegations contained in Paragraph 72.

22 73. MB denies the allegations contained in Paragraph 73.

23 74. MB denies the allegations contained in Paragraph 74.

24 **AFFIRMATIVE DEFENSES**

25 **FIRST AFFIRMATIVE DEFENSE**

26 The Counterclaim fails to state a claim against MB upon which relief
27 can be granted.

TENTH AFFIRMATIVE DEFENSE

MB specifically reserves the right to assert such other and further affirmative defenses as are revealed in the course of discovery.

WHEREFORE, MB requests that this Court:

1. Dismiss KG’s Counterclaim and each cause of action against MB alleged herein;
2. Deny KG the relief that it seeks;
3. Grant MB its reasonable costs and attorneys’ fees incurred in defending against KG’s Counterclaim; and
4. For such other and further relief as the Court may deem just and proper.

DATED: August 12, 2010

Bingham McCutchen LLP

By: _____ /s/
 Jeffrey Rosenfeld
 Attorneys for Plaintiff and Counter-
 Defendant Magic Brothers Associate, Inc.

A/73460781.3