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

KYMSTA CORP.,
a California corporation,

Petitioner,

vs.

QUIKSILVER, INC.,
a Delaware corporation,

Respondent

CANCELLATION NO. 92041805

I hereby certify that this correspondence and all marked attachments are being deposited with the United States Postal Service as first-class mail in an envelope addressed to: Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-3513 on

March 23, 2004

Date

James D. Nguyen
JAMES D. NGUYEN

**KYMSTA CORP.'S NOTICE OF APPEAL FROM DISTRICT COURT JUDGMENT AND
OPPOSITION TO QUIKSILVER'S REQUEST FOR DECISION
BASED ON RELATED CIVIL ACTION**

Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513
ATT: BOX TTAB NO FEE


03-29-2004
U.S. Patent & TMOtc/TM Mail Rcpt Dt. #22

Petitioner Kymsta Corp. ("Kymsta") hereby opposes the request by Quiksilver, Inc. for a decision based on the judgment entered February 19, 2004 by the United States District Court for the Central District of California in the related civil action between the parties (C.D. Cal. Case No. 02-5497 DT MCx).

Kymsta has appealed the February 19 judgment to the United States Court of Appeal for the Ninth Circuit. Kymsta filed its Notice of Appeal on March 18, 2004, **before** Quiksilver submitted to the Board its notice of the district court judgment and

request for decision. A true and correct copy of Kymsta's Notice of Appeal is attached hereto as Exhibit A. Among the issues that will be the subject of Kymsta's appeal is whether the District Court erred when it found Quiksilver's trademark registration no. 2,427,898 (the subject of this cancellation proceeding) to be "valid and protectable".

In its September 16, 2003 order suspending this proceeding, the Board ordered: the "proceedings herein are suspending pending **final** disposition of the civil action involving the parties". (Emphasis added). Likewise, Trademark Rule of Practice 2.117(a) — 37 C.F.R. § 2.117(a) — provides that proceedings before the Board may be suspended "until termination of the civil action" that has a bearing on the Board proceeding. *See also General Motors Corp. v. Cadillac Club Fashions Inc.*, 22 U.S.P.Q.2d 1933, 1937 (TTAB 1992)(suspending proceedings pending the "final determination" of civil action).

Because of Kymsta's appeal, the parties' civil action is neither final nor terminated. Indeed, it is possible that Quiksilver may itself cross-appeal in response to Kymsta's notice of appeal. Should Kymsta prevail on even some of its appellate issues, the Court of Appeal may remand the civil action for further proceedings (including possibly a new trial) before the District Court. The outcome of Kymsta's appeal certainly has a bearing on the rights of the parties in this proceeding; based on the rationale behind the Board's original decision to suspend, continued suspension remains appropriate. *See Martin Beverage Co. Inc. v. Colita Beverage Company*, 169 U.S.P.Q. 568, 570 (TTAB 1971). Kymsta therefore submits that the Board continue to suspend this cancellation proceeding until resolution of Kymsta's appeal and/or other final resolution of the civil action.

DATED: March 23, 2004

Respectfully submitted,

KYMSTA CORP.

By: 
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William J. Robinson

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14 Attorneys for Kymsta Corp.

15 **UNITED STATES DISTRICT COURT**
16 **CENTRAL DISTRICT OF CALIFORNIA**

17 **QUIKSILVER, INC.**, a Delaware
18 corporation

19 Plaintiff,

20 v.

21 **KYMSTA CORP.**, a California
22 corporation, **ARTHUR PEREIRA**, an
23 individual, **ROXANNE HEPTNER**, an
24 individual

25 Defendants.

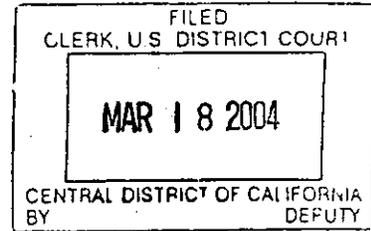
26 **KYMSTA CORP.**, a California
27 corporation,

28 Counterclaim Plaintiff,

v.

QUIKSILVER, INC., a Delaware
corporation, **ROBERT MCKNIGHT**, an
individual,

Counterclaim Defendants.



No. _____

District Court No.
CV-02-5497 DT (MCx)

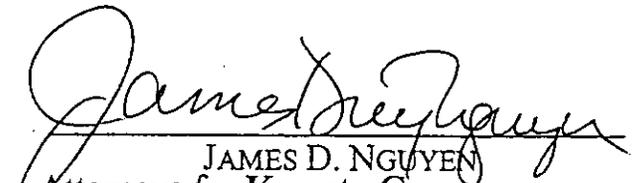
**DEFENDANT/COUNTERCLAIM
PLAINTIFF KYMSTA CORP.'S NOTICE
OF APPEAL TO THE UNITED STATES
COURT OF APPEALS FOR THE NINTH
CIRCUIT**

Trial Date: Jan. 27, 2004

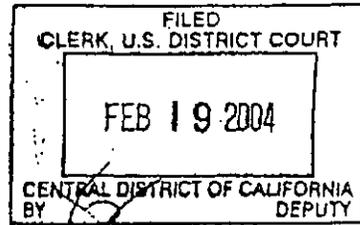
1 Kymsta Corp., the defendant and counter-claim plaintiff herein, appeals to
2 the United States Court of Appeals for the Ninth Circuit from the final judgment of
3 the district court, entered in this case on February 19, 2004 (a copy of which is
4 attached hereto).

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7 DATED: MARCH 18, 2004

FOLEY & LARDNER LLP
WILLIAM J. ROBINSON
JAMES D. NGUYEN

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12 JAMES D. NGUYEN
13 Attorneys for Kymsta Corp.
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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

QUIKSILVER, INC., a Delaware corporation,
 Plaintiff,
 vs.
 KYMSTA CORP., a California corporation,
 Defendant.

CASE NO. CV 02-5497 DT (Mcx)
 JUDGMENT BY THE COURT

AND RELATED COUNTERCLAIMS

This Judgment pertains to the claims by plaintiff and counterclaim defendant Quiksilver, Inc. ("Quiksilver") against defendant and counterclaim plaintiff Kymsta Corp. ("Kymsta") and the claims by Kymsta against Quiksilver asserted in the above-captioned action.

Quiksilver's First (Federal Trademark Infringement), Second (False Designation of Origin), Third (Federal Trademark Dilution), Fourth (Statutory Unfair Competition), Fifth (Common Law Trademark Infringement), Sixth (Common Law Unfair Competition) and Seventh (State Trademark Dilution) Claims for Relief set forth in Quiksilver's Complaint and Kymsta's First (False

1 Designation of Origin), Second (Statutory Unfair Competition) and Third
2 (Common Law Unfair Competition) Claims for Relief set forth in Kymsta's
3 Answer and Counterclaim came on regularly for trial by jury on January 27, 2004,
4 in the United States District Court for the Central District of California, the
5 Honorable Dickran Tevrizian presiding. On January 27, 2004, a jury of 8 persons
6 was regularly examined, impaneled and sworn.

7 On February 6, 2004, at the close of evidence on Kymsta's case,
8 Quiksilver moved for judgment as a matter of law under Federal Rule of Civil
9 Procedure 50 on: (i) Kymsta's First, Second and Third Claims for Relief against
10 Quiksilver; and (ii) Kymsta's Third (Innocent Adoption), Fourth (Priority of
11 Trademark Rights) and Fifth (Fraud) Affirmative Defenses to Quiksilver's Claims
12 for Relief. At the same time, Kymsta renewed its motion for judgment as a matter
13 of law under Federal Rule of Civil Procedure 50 on Quiksilver's First, Second,
14 Third, Fourth, Fifth, Sixth and Seventh Claims for Relief and on Kymsta's Second
15 (Laches) and Third (Innocent Adoption) Affirmative Defenses to Quiksilver's
16 Claims for Relief. After hearing oral argument, the Court granted Quiksilver's
17 motion for judgment as a matter of law in Quiksilver's favor as to: (i) Kymsta's
18 First, Second and Third Claims for Relief; and (ii) Kymsta's Third, Fourth and
19 Fifth Affirmative Defenses to Quiksilver's Claims for Relief. The Court further
20 granted Kymsta's motion for judgment as a matter of law in Kymsta's favor as to
21 Quiksilver's Third and Seventh Claims for Relief.

22
23 WHEREFORE, by virtue of law, IT IS HEREBY ORDERED,
24 ADJUDGED AND DECREED AS FOLLOWS:

25
26 1. Quiksilver's federal registered trademarks – QUIKSILVER
27 ROXY, no. 2,083,400; ROXY, no. 2,225,688; ROXY, no. 2,255,435; and ROXY,
28 no. 2,427,898 – are deemed valid and protectable trademarks;

1 2. Quiksilver's common law trademarks - ROXY BY QUIKSILVER and
2 ROXY QUIKSILVER - are deemed valid and protectable trademarks;

3 3. Quiksilver is deemed the senior user and owner of the QUIKSILVER
4 ROXY mark; the ROXY marks; the ROXY BY QUIKSILVER mark and the
5 ROXY QUIKSILVER mark;

6 4. Quiksilver has the full right to the use and enjoyment of the
7 QUIKSILVER ROXY mark, the ROXY marks, the ROXY BY QUIKSILVER
8 mark and ROXY QUIKSILVER mark, and Kymsta is barred from precluding or
9 circumscribing any use by Quiksilver of said marks;

10 5. With reference to Kymsta's Second Affirmative Defense (Laches),
11 Quiksilver is barred from precluding or circumscribing Kymsta's present and
12 current use of Kymsta's common law unregistered trademarks - "Roxywear by
13 Roxanne Heptner," "Roxywear by Roxx," "Roxywear by Roxx" with the Asian
14 characters "Think Happy" and "Roxywear by Kymsta" (the "Roxywear marks");

15 6. With respect to Kymsta's use of its Roxywear marks, Kymsta and its
16 directors, officers, employees and agents are hereby permanently enjoined and
17 restrained from using, or permitting the use of, any of the Roxywear marks to
18 market, advertise or identify any of Kymsta's clothing products in any manner
19 other than as presently and currently used by Kymsta. Specifically, to designate
20 the source and origin of the product and to avoid confusion in the marketplace,
21 *inter alia*:

22 a. the term "Roxywear" must be displayed, presented, shown or
23 otherwise used as one word, with all letters in the same font,
24 same type-size, same color and same format;

25 b. one of the following identifiers must be conspicuously
26 displayed whenever the term "Roxywear" is displayed,
27 presented, shown or otherwise used: "by Roxanne Heptner,"
28 "by Roxx," "by Roxx" with the Asian characters "Think

1 Happy" or "by Kymsta";

- 2 c. the Roxywear marks shall not be displayed, presented, shown
3 or otherwise used on any product classes other than clothing;
- 4 d. the Roxywear marks shall only be displayed, presented, shown
5 or used on the interior labels affixed to the inside of any article
6 of clothing, and specifically shall not be displayed, presented,
7 shown or used on the outside of any article of clothing, such as
8 imprinting on or incorporating in the design of the fabric any of
9 the Roxywear marks as a logo or brand or using any of the
10 Roxywear marks on any badging, tags or labels affixed to the
11 outside of any article of clothing;
- 12 e. clothing bearing any of the Roxywear marks shall only be sold
13 though Kymsta's current channels of distribution. There are no
14 limitations on the customers, wholesale or retail, to whom
15 Kymsta can sell clothing using the Roxywear marks as set forth
16 herein through Kymsta's current channels of distribution;
- 17 f. clothing bearing the Roxywear marks shall not be advertised or
18 promoted to consumers, except through co-op advertisements
19 placed directly by retailers;
- 20 g. the Roxywear marks shall not be displayed, presented, shown
21 or otherwise used on any clothing product that is confusingly
22 similar to or a knock-off of any ROXY clothing product sold
23 by Quiksilver;
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h. Kymsta shall not sell or license to any third party any of the
Roxywear marks; and,

7. Each party shall bear its own costs and attorneys' fees.

DATED: FEB 19, 2004

Dick Tevrian
DICKRAN TEVRIZIAN
United States District Judge

CERTIFICATE OF SERVICE

I hereby certify that this **Kymsta Corp.'s Notice of Appeal from District Court Judgment and Opposition to Quiksilver's Request for Decision Based on Related Civil Action** and all marked attachments have been served upon the attorney for the trademark owner and respondent, Quiksilver, Inc., on March 23, 2004, by depositing same in the United States mail, first class postage prepaid, in an envelope addressed as follows:

Jeffrey L. Van Hoosear, Esq.
KNOBBE, MARTENS, OLSON & BAER, LLP
2040 Main Street, 14th Floor
Irvine, CA 92614


James D. Nguyen
Date of Signature: March 23, 2004