

Exhibits

TTAB

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

WATKINS MANUFACTURING CORPORATION,

Petitioner,

v.

Cancellation No.:

Registration No.: 2,409,926

Mark: WARM SPRINGS SPAS

DIMENSION ONE SPAS, INC.,

Respondent.



05-15-2003

U.S. Patent & TMOfo/TM Mail Ropt. Dt. #40

PETITION FOR CANCELLATION

Box TTAB/FEE
Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513

03 JUN 11 AM 9:31

TRADEMARK TRIAL AND APPEAL BOARD

Petitioner, WATKINS MANUFACTURING CORPORATION, a California corporation, having a principal place of business at 1280 Park Center Drive, Vista, California 92083 ("Petitioner"), believes that it will be damaged by Registration No. 2,409,926 for WARM SPRINGS SPAS by Dimension One Spas, Inc. and hereby petitions to cancel the same on the grounds that (1) Respondent's registration is void *ab initio* based on Respondent's fraud on the United States Patent and Trademark Office ("USPTO"); (2) the mark is likely to cause confusion, or to cause mistake or to deceive with respect to (a) Petitioner's prior use of various marks formed by or incorporating the terms "HOT SPRING," "HOT SPRING SPA," "HOT SPRING SPAS," "HOT SPRINGS," "HOT SPRINGS SPA," or "HOT SPRINGS SPAS"

(“Petitioner’s HOT SPRING Marks”); and (b) registrations for Petitioner’s HOT SPRING Marks, as identified below; (3) Respondent’s registration dilutes the distinctiveness of Petitioner’s famous HOT SPRING Marks by tarnishing them and by blurring the distinctiveness thereof; and (4) that use of the registered mark was discontinued with no intent to resume use by Respondent’s predecessor in interest.

1. Petitioner is extensively engaged in the business of designing, manufacturing, marketing, and distributing hot tubs, spas, and related products (“Petitioner’s Goods and Services”).

2. In connection with the above-stated activities, Petitioner has used, and continues to use, Petitioner’s HOT SPRING Marks in commerce since at least as early as 1978.

3. Petitioner has spent substantial sums promoting Petitioner’s Goods and Services under Petitioner’s HOT SPRING Marks, including advertising via radio, television, on Petitioner’s Internet web sites at www.hotspring.com and www.hotspringspa.com, and numerous other sites, through newspapers, brochures, trade and business magazines, at trade shows and events, at consumer shows and events, and through various other media.

4. As a result of the quality of Petitioner’s Goods and Services and the widespread promotion thereof under Petitioner’s HOT SPRING Marks, the goods and services have met with substantial commercial success and widespread customer recognition. In addition, Petitioner’s HOT SPRING Marks have become symbols of Petitioner, its quality products and services, and its goodwill.

5. In recognition of the valuable rights in and to Petitioner's HOT SPRING Marks, the USPTO has issued Registration No. 1,725,386 for the mark HOT SPRING and Registration No. 1,614,761 for the mark HOT SPRING & Design, both for "*self contained spas in the nature of freestanding heated pools*" in Class 11 ("Petitioner's HOT SPRING Registrations"). Petitioner's HOT SPRING Registrations are incontestable, and thus constitute conclusive evidence of the validity of the marks, the registrations therefor, Petitioner's ownership of the marks, and Petitioner's exclusive right to use the marks in commerce. Copies of the Certificates of Registration for Petitioner's HOT SPRING Registrations are attached as Exhibit A.

6. Petitioner's HOT SPRING Marks were used prior to the filing date of the application resulting in Registration No. 2,409,926. In addition, the applications resulting in Petitioner's HOT SPRING Registrations were filed prior to the filing date of Registration No. 2,409,926.

7. On information and belief, Dimension One Spas, Inc. is a California corporation with an address of 2611 Business Park Dr., Vista, California 92083.

8. On information and belief, Respondent allegedly acquired ownership of the WARM SPRINGS SPAS Mark (hereinafter "Respondent's Mark" or "Respondent's WARM SPRINGS Mark") from Warm Springs Associates, Inc. ("Respondent's Predecessor in Interest").

9. On information and belief, Respondent manufactures spas and hot tubs ("Respondent's Goods").

10. Notwithstanding Petitioner's prior use of Petitioner's HOT SPRING Marks and Petitioner's HOT SPRING Registrations, Respondent's Predecessor in Interest filed its WARM SPRINGS Mark for registration for "*hot tubs and spas in the nature of heated pools.*" The application resulting in Registration No. 2,409,926 for WARM SPRINGS SPAS was filed on December 21, 1998 and claims a date of first use in commerce and in interstate commerce of June 1, 1976. A printout of such registration from the USPTO database is attached as Exhibit B.

11. On information and belief, the June 1, 1976 date of first use listed in Registration No. 2,409,926 is false because it does not correspond to use of the mark in commerce for the goods specified therein. This false information constitutes fraud on the USPTO, thereby rendering Registration No. 2,409,926 void.

12. Registration No. 2,409,926 was accepted for registration based on a claim of acquired distinctiveness resulting from use of Respondent's Mark allegedly beginning on June 1, 1976. As noted above, on information and belief, this date of first use is false. Therefore, the USPTO accepted Respondent's Mark for registration based on false information provided by Respondent's Predecessor in Interest, rendering Registration No. 2,409,926 void.

13. In connection with the filing of the application resulting in Registration No. 2,409,926, Respondent's Predecessor in Interest executed and filed a declaration that, to the best of its knowledge and belief, no other person, firm, corporation or association has the right to use Respondent's WARM SPRINGS Mark in commerce either in identical form or in such near resemblance thereto as to be likely to cause confusion, or to cause mistake or to deceive. Because Respondent's Predecessor in Interest was aware of Petitioner's HOT SPRING Marks prior to filing the application resulting in Registration No. 2,409,926, this act constitutes fraud on the USPTO and renders Registration No. 2,409,926 void.

14. The application for registration of WARM SPRINGS SPAS was refused by the U.S. Patent and Trademark Office on the basis of geographical misdescriptiveness. To overcome this refusal, Respondent's Predecessor in Interest stated that that the phrase "WARM SPRINGS" in the mark WARM SPRING SPAS "is being used in an arbitrary manner...". However, in a letter to Watkins' parent company dated November 16, 1995, a copy of which is attached as Exhibit C, Respondent's Predecessor in Interest acknowledged that "the name [WARM SPRINGS] is a derivative from the warm springs which populate the area and from Warm Springs Avenue which is one of Boise's major thoroughfares." As such, the USPTO accepted Respondent's Mark for registration based on false information verified by Respondent's Predecessor in Interest, rendering Registration No. 2,409,926 void.

15. On information and belief, Respondent acquired Registration No. 2,409,926 fraudulently during the pendency of a bankruptcy proceeding. Specifically, on September 6, 2001 the principals to Respondent's Predecessor in Interest filed a Voluntary Petition for Bankruptcy under Chapter 7 of the Bankruptcy Code. They failed to disclose the existence of Registration No. 2,409,926 in the Voluntary Petition, and subsequently assigned Registration No. 2,409,926, outside of the bankruptcy proceeding, to Respondent. This fraudulent transfer renders Registration No. 2,409,926 void.

16. On information and belief, Respondent's Mark is substantially similar to Petitioner's HOT SPRING Marks. Specifically, like Petitioner's HOT SPRING Marks, Respondent's Mark incorporates and is dominated by a "SPRING" or "SPRINGS" formative. In addition, Respondent's Mark incorporates the prefix "WARM" which is highly similar in meaning and connotation to the "HOT" prefix in Petitioner's HOT SPRING Marks. As publicly conceded by Respondent in a Response filed with the USPTO on January 20, 2000, "[a] warm

spring is like a hot spring.” Accordingly, the marks are substantially identical in sight, sound and meaning.

17. Further, Respondent’s Goods provided under Respondent’s WARM SPRINGS Mark are legally identical to Petitioner’s Goods and Services.

18. In addition, the specific goods and services offered by Petitioner and Respondent overlap, with such goods being provided in the same marketing channels and to the same purchasers. Further, both Petitioner’s Goods and Services and Respondent’s Goods are advertised through the same media, including on the Internet. Samples of Petitioner’s marketing materials are attached as Exhibit D and samples of Respondent’s marketing materials are attached as Exhibit E. In sum, Petitioner’s Goods and Services and Respondent’s Goods are directly competitive.

19. In view of the foregoing, purchasers are likely to mistakenly assume that Respondent’s Goods as set forth in Registration No. 2,409,926 originate from, are sponsored by, or are in some way associated with Petitioner. Respondent’s WARM SPRINGS Mark so resembles Petitioner’s HOT SPRING Marks and Petitioner’s HOT SPRING Registrations as to be likely to cause confusion, or to cause mistake or to deceive. Accordingly, Petitioner is likely to be damaged by the continued registration of Respondent’s Mark.

20. Moreover, Petitioner’s HOT SPRING Marks are famous. Continued registration of Respondent’s WARM SPRINGS Mark will dilute the distinctiveness of Petitioner’s HOT SPRING Marks by tarnishing the Marks and blurring the distinctiveness thereof.

21. On information and belief, Respondent’s adoption of the WARM SPRINGS Mark was an obvious attempt to trade on Petitioner’s goodwill established in Petitioner’s HOT SPRING Marks.

22. On information and belief, Respondent and Respondent's Predecessor in Interest were aware of Petitioner's HOT SPRING Marks prior to filing the application resulting in Registration No. 2,409,926 and thus willfully adopted Respondent's WARM SPRINGS Mark with the intent to create confusion *vis-à-vis* Petitioner's HOT SPRING Marks, and to trade off Petitioner's goodwill in Petitioner's HOT SPRING Marks.

23. On information and belief, Respondent's Predecessor in Interest, an Idaho corporation, was administratively dissolved on February 17, 2000. An excerpt from the Idaho Secretary of State's web site evidencing the dissolution is attached as Exhibit F.

24. Petitioner further believes that it is or will be damaged by Registration No. 2,409,926 and petitions to cancel the registration based on abandonment. On information and belief, Respondent's Predecessor in Interest abandoned the WARM SPRINGS Mark by discontinuing use of the mark with no intent to resume use.

WHEREFORE, PETITIONER PRAYS THAT Registration No. 2,409,926 be cancelled for the goods recited in the registration and that this Petition for Cancellation be sustained in favor of Petitioner.

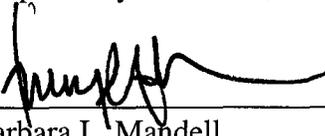
The Commissioner is authorized to charge the \$300.00 filing fee for this Petition for Cancellation to Deposit Account No. 18-0013. Any additional fees required should be charged to the same account.

Duplicate copies of this Petition and exhibits are submitted herewith.

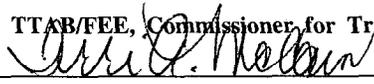
Respectfully submitted,

Dated: May 12, 2003

By: _____


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Attorneys for Opposer

I hereby certify that this correspondence is being deposited with the United States Postal Service as First Class Mail, postage prepaid, in an envelope addressed to Box TTAB/FEE, Commissioner for Trademarks, 2900 Crystal Drive, Arlington, Virginia 22202-3513, on May 12, 2003 by  Terri A. McCain.

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