

TTAB

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

08/07/00 TTAB

WATKINS MANUFACTURING CORPORATION,

Petitioner,

v.

DIMENSION ONE SPAS, INC.,

Respondent.

Cancellation No. 92042109

Registration No. 2,409,926

Mark: WARM SPRINGS SPAS

-7 AM '00



07-25-200

U.S. Patent & TMO/TM Mail Rpt Dt. #22

ANSWER TO PETITION FOR CANCELLATION

Respondent, Dimension One Spas, Inc. ("Respondent") hereby answers the Petition for Cancellation filed by Watkins Manufacturing Corporation ("Petitioner") as follows, wherein numbered paragraphs correspond to the like-numbered paragraphs in the Petition for Cancellation.

1. Respondent admits Petitioner is engaged in the business of marketing and distributing hot tubs and spas. Respondent is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 1, and therefore denies the same.

2. Respondent is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 2, and therefore denies the same.

3. Respondent admits that Petitioner has used the term HOT SPRING in connection with its goods and services. Respondent is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 3, and therefore denies the same.

4. Respondent is without knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 4, and therefore denies the same.

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///

5. Respondent admits that the USPTO has issued a registration for the mark HOT SPRING, Registration No. 1,725,386 and a registration for the mark HOT SPRING & Design, Registration No. 1,644,761. Respondent is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 5, and therefore denies the same.

6. Respondent admits Petitioner uses the term HOT SPRING in connection with its goods and services but has no specific knowledge as to when such use began and therefore lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in paragraph 6, and therefore denies the same.

7. Respondent admits the allegations set forth in paragraph 7.

8. Respondent admits the allegations set forth in paragraph 8.

9. Respondent admits the allegations set forth in paragraph 9.

10. Respondent admits that the application resulting in Registration No. 2,409,926 for WARM SPRINGS SPAS was filed on December 21, 1998, and claims the date of first use in commence and interstate commerce of June 1, 1976. Respondent denies the remaining allegations set forth in paragraph 10.

11. Respondent denies the allegations set forth in paragraph 11.

12. Respondent admits that Registration No. 2,409,926 for WARM SPRINGS SPAS includes a 2(f) notation, however, Respondent denies that the application was accepted for registration based on acquired distinctiveness. Respondent denies all remaining allegations set forth in paragraph 12.

13. Respondent denies the allegations set forth in paragraph 13.

14. Respondent admits that the application for registration for WARM SPRINGS SPAS was initially refused on the basis of geographical misdescriptiveness. Respondent denies the remaining allegations set forth in paragraph 14.

15. Respondent denies the allegations set forth in paragraph 15.

16. Respondent denies the allegations set forth in paragraph 16.

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17. Respondent admits that both Petitioner and Respondent market and sell hot tubs and spas. Respondent denies the remaining allegations set forth in paragraph 17.

18. Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 18, and therefore denies the same.

19. Respondent denies the allegations set forth in paragraph 19.

20. Respondent denies the allegations set forth in paragraph 20.

21. Respondent denies the allegations set forth in paragraph 21.

22. Respondent denies the allegations set forth in paragraph 22.

23. Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 23, and therefore denies the same.

24. Respondent denies the allegations set forth in paragraph 24.

AFFIRMATIVE DEFENSES

25. Respondent asserts that Petitioner has failed to alleged grounds sufficient to establish standing to sustain the present cancellation proceeding.

26. Respondent asserts that Petitioner's requested relief should be denied as Respondent and/or its predecessors used the mark WARM SPRINGS SPAS in interstate commerce before any actual or constructive use of HOT SPRING in interstate commerce by Petitioner.

27. Respondent asserts that Petitioner's requested relief should be denied because such claims are barred due to the knowledge and acquiescence of Petitioner in Respondent's use of the WARM SPRINGS SPA trademark.

28. Respondent asserts that Petitioner's requested relief should be denied because such claims are barred due to laches on the part of Petitioner resulting from Petitioner's knowledge of Respondent's use of the mark WARM SPRINGS SPAS and its inexcusable delay in pursuing its rights as well as the prejudice to Respondent as a result of such delay.

29. Respondent asserts that Petitioner has failed to state grounds sufficient to maintain a cancellation proceeding.

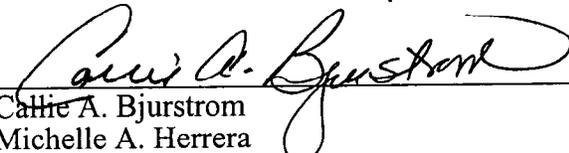
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36. Petitioner obtained the registration of, and/or the incontestable right to use the "Hot Spring" mark, United States Trademark Registration No. 1,725,386, and the "Hot Spring & Design" mark, United States Trademark Registration No. 1,614,761, fraudulently. Said trademark registrations are therefore invalid and unenforceable, and cannot be the basis for this Petition for Cancellation.

WHEREFORE, Respondent requests that the present Petition for Cancellation be dismissed with prejudiced.

DATED: July ~~27~~, 2003

Respectfully submitted,

By: 
Callie A. Bjurstrom
Michelle A. Herrera
LUCE, FORWARD, HAMILTON & SCRIPPS LLP
600 West Broadway, Suite 2600
San Diego, California 92101
Telephone: 619.699.2586
Facsimile: 619.645.5323

Attorneys for Respondent

08/07/0609TTAB

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the ANSWER TO PETITION FOR CANCELLATION is being deposited with Federal Express, Tracking Number 829430976997, in an envelope addressed to: Assistant Commissioner for Trademarks, Box TTAB NO FEE, 2900 Crystal Drive, Arlington, VA 22202-3513, on:

Date: July 24, 2003

By: Bunny Block
Bunny Block

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the ANSWER TO PETITION FOR CANCELLATION was deposited in the United States mail, first class postage prepaid, to Applicant's attorney at the address and on the date indicated below:

Mary Margaret L. O'Donnell, Esq.
Rader, Fishman & Grauer PLLC
39533 Woodward Avenue
Suite 140
Bloomfield Hills, MI 48304

Date: July 24, 2003

By: Bunny Block

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

WATKINS MANUFACTURING
CORPORATION,

Petitioner,

v.

DIMENSION ONE SPAS, INC.,

Respondent.

Cancellation No. 92042109

Registration No. 2,409,926
Mark: WARM SPRINGS SPAS

MOTION BY RESPONDENT DIMENSION
ONE SPAS, INC. TO SUSPEND
PROCEEDINGS PURSUANT TO 37 C.F.R.
§ 2.117(a)

RESPONDENT'S MOTION TO SUSPEND PROCEEDINGS PURSUANT TO 37

C.F.R. § 2.117(a)

Respondent Dimension One Spas, Inc. ("Respondent" or "Dimension One"), by and through its counsel, respectfully moves the Trademark Trial and Appeal Board (the "TTAB") for an Order suspending the instant proceedings before the TTAB pending the outcome of a duplicative civil action previously filed by Petitioner in the United States District Court for the Southern District of California. Specifically, Respondent moves to suspend the proceedings before the TTAB because all issues raised by Petitioner herein will be resolved in the district court proceeding. Respondent's motion is supported by:

1. This Motion to Suspend Proceedings Pursuant to 37 C.F.R. § 2.117(a);
2. Respondent's Memorandum in Support of Motion to Suspend Proceedings Pursuant to 37 C.F.R. § 2.117(a);
3. The Declaration of Callie A. Bjurstrom in Support of Motion to Suspend Proceedings Pursuant to 37 C.F.R. § 2.117(a), including the Exhibit attached thereto; and

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4. The pleadings herein.

DATED: July ~~27~~, 2003

Respectfully submitted,

By: 

Callie A. Bjurstrom
Michelle A. Herrera
LUCE, FORWARD, HAMILTON & SCRIPPS LLP
600 West Broadway, Suite 2600
San Diego, California 92101
Telephone: 619.699.2586
Facsimile: 619.645.5323

Attorneys for Respondent

09/07/2003TTAS

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the MOTION BY RESPONDENT DIMENSION ONE SPAS, INC. TO SUSPEND PROCEEDINGS PURSUANT TO 37 C.F.R. § 2.117(a) is being deposited with Federal Express, Tracking Number 829430976997, in an envelope addressed to: Assistant Commissioner for Trademarks, Box TTAB NO FEE, 2900 Crystal Drive, Arlington, VA 22202-3513, on:

Date: July 24, 2003

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Mary Margaret L. O'Donnell, Esq.
Rader, Fishman & Grauer PLLC
39533 Woodward Avenue
Suite 140
Bloomfield Hills, MI 48304

Date: July 24, 2003

By: Bunny Block
Bunny Block

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

WATKINS MANUFACTURING
CORPORATION,

Petitioner,

v.

DIMENSION ONE SPAS, INC.,

Respondent.

Cancellation No. 92042109

Serial No. 2,409,926

Mark: WARM SPRINGS SPAS

MEMORANDUM IN SUPPORT OF
RESPONDENT DIMENSION ONE SPAS,
INC.'S MOTION TO SUSPEND
PROCEEDINGS PURSUANT TO 37 C.F.R.
§ 2.117(a)



I.

07-25-200

U.S. Patent & TMO/TM Mail Rcpt Dt. #22

INTRODUCTION

Respondent Dimension One Spas, Inc. ("Respondent" or "Dimension One") is the record owner of Registration No. 2,409,926 for the Mark "WARM SPRINGS SPAS." Respondent uses the Warm Springs Spas Mark in commerce in connection with the advertising and sale of its hot tubs, spas, heated pools and related products. Petitioner Watkins Manufacturing Corporation ("Petitioner" or "Watkins") is purportedly the owner of trademarks consisting of iterations of the words "Hot Spring." Petitioner is a competitor of Respondent and claims to use the Hot Spring marks in commerce to advertise its sale of self contained spas in the nature of freestanding heated pools.

Petitioner filed a Petition for Cancellation on or about May 12, 2003. On the same day, Petitioner filed a duplicative civil action in the United States District Court for the Southern District of California entitled Watkins Manufacturing Corporation v. Dimension One Spas, Inc., Case No. 03 CV 00955 JM (JFS). Because the issues raised in Petitioner's Petition for Cancellation will be resolved in the district court action, the instant proceeding before the Trademark Trial and Appeal Board should be suspended pursuant to 37 C.F.R. § 2.117(a).

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II.

ARGUMENT

As set forth above, Petitioner filed an action asserting claims of trademark infringement, dilution, unfair competition and related matters against Respondent in the United States District Court for the Southern District of California on May 12, 2003. The allegations relate directly to Respondent's use of its Registered Mark, "WARM SPRINGS SPAS," the registration at issue in this Cancellation proceeding. (See Declaration of Callie A. Bjurstrom ("Bjurstrom Decl."), ¶ 2, Complaint, and a copy of the Complaint attached thereto as Exhibit A.) Petitioner served Respondent with the Complaint on June 30, 2003. (*Id.*, ¶ 3.)

Petitioner's Petition for Cancellation, filed on May 12, 2003, asserts the following bases for cancellation of Respondent's Registration:

(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.

Petition for Cancellation, pp. 1-2. All issues raised in this Cancellation proceeding will be addressed in the district court action. (See Ex. A to Bjurstrom Decl., Complaint, ¶¶ 36-39 (confusion/mistake/deception claim); ¶¶ 45-49 (dilution claim); ¶¶ 22-26, 32 (fraud claim)). The Code of Federal Regulations recognizes the appropriateness of suspending a Cancellation proceeding in situations such as this:

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.

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37 C.F.R. § 2.117(a). Where a district court action will be dispositive of issues raised in a proceeding before the TTAB, a motion to suspend the TTAB proceedings should be granted. See General Motors Corp. v. Cadillac Club Fashions, Inc., 1992 TTAB LEXIS 7, *11-12 (Apr. 27, 1992).¹

Clearly, the district court action has “a bearing” on this Cancellation proceeding as the same claims are at issue. It would certainly be inefficient and a waste of judicial and administrative resources to have duplicative actions involving the same legal issues proceed simultaneously. Moreover, if both proceedings are allowed to continue there exists the very real possibility that the district court and the TTAB could reach inconsistent results compounding the legal dispute between the parties. The circumstances here fall squarely within section 2.117(a) and Respondent’s motion to suspend should be granted.

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¹ In addition to the district court action and the Cancellation Proceeding, the parties are also involved in a Consolidated Opposition Proceeding before the TTAB in connection with essentially the same dispute (*See* TTAB Opposition No. 91156497). Respondent filed a Motion to Suspend that proceeding also in deference to the district court action on or about July 11, 2003.

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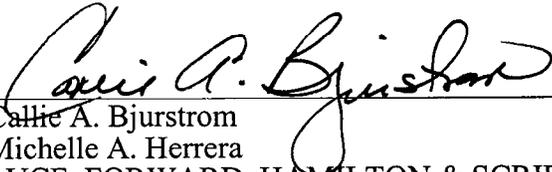
III.

CONCLUSION

Petitioner filed the instant Petition for Cancellation at the same time it filed a district court action that addresses all issues raised in the Petition for Cancellation. The Legislature anticipated that situations such as this would arise and specifically provided a statutory mechanism allowing the TTAB to suspend the proceedings before it in deference to the district court. In the interest of administrative and judicial efficiency, as well as to prevent the unnecessary expense commensurate with battling the same legal dispute in two separate forums, and to prevent the possibility of inconsistent results, Respondent respectfully requests the Board grant this Motion and suspend these proceedings pending the outcome of the district court action.

DATED: July~~24~~, 2003

Respectfully submitted,

By: 

Callie A. Bjurstrom
Michelle A. Herrera
LUCE, FORWARD, HAMILTON & SCRIPPS LLP
600 West Broadway, Suite 2600
San Diego, California 92101
Telephone: 619.699.2586
Facsimile: 619.645.5323

Attorneys for Respondent

08/07/2003TAR

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the MEMORANDUM IN SUPPORT OF RESPONDENT DIMENSION ONE SPAS, INC.'S MOTION TO SUSPEND PROCEEDINGS PURSUANT TO 37 C.F.R. § 2.117(a) is being deposited with Federal Express, Tracking Number 829430976997, in an envelope addressed to: Assistant Commissioner for Trademarks, Box TTAB NO FEE, 2900 Crystal Drive, Arlington, VA 22202-3513, on:

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Date: July 24, 2003

By: Bunny Block
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WATKINS MANUFACTURING CORPORATION,

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v.

DIMENSION ONE SPAS, INC.,

Respondent.

Cancellation No. 92042109

Serial No. 2,409,926

Mark: WARM SPRINGS SPAS

DECLARATION OF CALLIE A. BJURSTROM IN SUPPORT OF RESPONDENT DIMENSION ONE SPAS, INC.'S MOTION TO SUSPEND PROCEEDINGS

I, Callie A. Bjurstrom, declare and state as follows:

1. I am an attorney licensed to practice law before all courts of the State of California and a partner with the law firm of Luce, Forward, Hamilton & Scripps LLP, counsel for Dimension One Spas, Inc. ("Dimension One") in the above-captioned matter. The facts set forth herein are personally known to me and if called upon to do so, I could and would testify competently thereto.

2. Attached hereto as Exhibit A is a true and correct copy of the complaint filed by Watkins Manufacturing Corporation, Petitioner herein, against Dimension One Spas, Inc. on May 12, 2003, in the United States District Court for the Southern District of California, Case No. 03cv0955 JM(JFS).

3. On June 30, 2003, my office accepted service of the above-referenced complaint.

I declare under penalty of perjury under the laws of the State of California and the United States of America, that the foregoing is true and correct and that this declaration is executed on this 24th day of July, 2003, in San Diego, California.


Callie A. Bjurstrom

08/07/2003 11:20:00 AM

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the DECLARATION OF CALLIE A. BJURSTROM IN SUPPORT OF RESPONDENT DIMENSION ONE SPAS, INC.'S MOTION TO SUSPEND PROCEEDINGS is being deposited with Federal Express, Tracking Number 829430976997, in an envelope addressed to: Assistant Commissioner for Trademarks, Box TTAB NO FEE, 2900 Crystal Drive, Arlington, VA 22202-3513, on:

Date: July 24, 2003

By: Bunny Block
Bunny Block

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Rader, Fishman & Grauer PLLC
39533 Woodward Avenue
Suite 140
Bloomfield Hills, MI 48304

Date: July 24, 2003

By: Bunny Block
Bunny Block

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CIVIL COVER SHEET

FILED

(Rev. 07-99)

INSTRUCTIONS (SEE INSTRUCTIONS ON THE SECOND PAGE OF THIS FORM.)

(a) PLAINTIFFS

WATKINS MANUFACTURING CORPORATION

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF San Diego (EXCEPT IN U.S. PLAINTIFF CASES)

DEFENDANTS

DIMENSION ONE SPAS, INC., and DOES 1 through 10, inclusive.

COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT SAN DIEGO COUNTY (IN U.S. PLAINTIFF CASES ONLY)

CLERK U.S. DISTRICT COURT

MAY 12 2003

SAN DIEGO DISTRICT OF CALIFORNIA DEPUTY

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)

Abby B. Silverman (619) 236-1441 BAKER & MCKENZIE 101 West Broadway, Suite 1200 San Diego, CA 92101

ATTORNEYS (IF KNOWN)

'03 CV 00955 JM JFS

II. BASIS OF JURISDICTION (PLACE AN X IN ONE BOX ONLY)

- U.S. Government Plaintiff Federal Question (U.S. Government Not a Party) U.S. Government Defendant Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (PLACE AN X IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

- Citizen of This State Citizen of Another State Citizen or Subject of a Foreign Country Incorporated or Principal Place of Business in This State Incorporated and Principal Place of Business in Another State Foreign Nation

IV. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE. DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY). 15 USC §1114; 15 USC 1125 (a), (c), (d); Infringement and Unfair Competition (Federal and California)

V. NATURE OF SUIT (PLACE AN X IN ONE BOX ONLY)

Table with columns: CONTRACT, REAL PROPERTY, PERSONAL INJURY, CIVIL RIGHTS, PERSONAL INJURY, PRISONER PETITIONS, TORTS, FORFEITURE/PENALTY, LABOR, BANKRUPTCY, FEDERAL TAX SUITS, OTHER STATUTES. Includes checkboxes for various legal categories like Insurance, Real Estate, Personal Injury, etc.

VI. ORIGIN (PLACE AN X IN ONE BOX ONLY)

- Original Proceeding Removal from State Court Remanded from Appellate Court Retested or Reopened Transferred from another district (specify) Multidistrict Litigation Appeal to District Judge from Magistrate Judgment

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER f.r.e.p. 23 DEMAND \$ over \$300,000.00 JURY DEMAND: YES NO

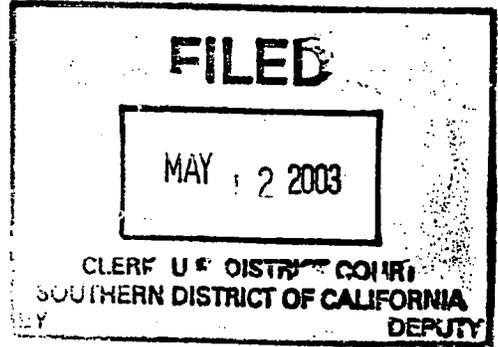
VIII. RELATED CASE(S) IF ANY (See Instructions): JUDGE Docket Number

DATE May 12, 2003 SIGNATURE OF ATTORNEY OF RECORD

03/07/2003 10:10:50

1 Abby B. Silverman, State Bar No. 90405
2 **BAKER & MCKENZIE**
3 101 West Broadway, Suite 1200
4 San Diego, CA 92101
5 (619) 236-1441

6 Attorneys for Plaintiff
7 **WATKINS MANUFACTURING CORPORATION**



8 UNITED STATES DISTRICT COURT

9 SOUTHERN DISTRICT

10 WATKINS MANUFACTURING
11 CORPORATION,

12 Plaintiff,

13 v.

14 DIMENSION ONE SPAS, INC., and DOES 1
15 through 10, inclusive,

16 Defendants.

Case No. **'03 CV 00955 JM JFS**

COMPLAINT AND JURY DEMAND

17 Watkins Manufacturing Corporation ("Watkins"), by and through its attorneys, Baker &
18 McKenzie brings this action against Dimension One Spas, Inc. ("Dimension"), and alleges:

19 **THE PARTIES**

20 1. Watkins, a California corporation with its principal place of business at 1280 Park
21 Center Drive, Vista, California 92083, is the owner of various proprietary rights, including the
22 trademark rights involved in this action, and is conducting business in this District.

23 2. Upon information and belief, Dimension is a California corporation with its principal
24 place of business at 2611 Business Park Drive, Vista, California 92083, and is an applicant of two
25 applications for the marks WARM SPRINGS HOT TUBS and WARM SPRINGS SWIM SPAS,
26 which were filed with the U.S. Patent and Trademark Office on December 12, 2001 (the "WARM
27 SPRINGS Applications"), and the record owner of a registration for the mark WARM SPRINGS
28 SPAS, which was filed with the U.S. Patent and Trademark Office on December 21, 1998 (the

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CV11-00077-AG

1 "WARM SPRINGS Registration"). See excerpts from the U.S. Patent and Trademark Office
2 database at Exhibit A. Upon information and belief, Dimension is conducting business in this
3 District.

4 NATURE OF THE ACTION

5 3. This is a civil action for damages and injunctive relief arising under the federal laws
6 for trademark infringement, unfair competition, dilution, and cybersquatting, under the laws of
7 California for trademark infringement, unfair competition, dilution, unjust enrichment, and
8 misappropriation, and under the California Unfair Competition and Deceptive Trade Practices Act,
9 as a result of Dimension's willful infringement of Watkins' valid rights in Watkins' HOT SPRINGS
10 Marks.

11 JURISDICTION AND VENUE

12 4. This is an action for trademark infringement under 15 U.S.C. § 1114; for unfair
13 competition under 15 U.S.C. §1125(a); for cybersquatting under 15 U.S.C. § 1125(d); for common
14 law unfair competition and misappropriation; for unjust enrichment; and for violation of the
15 California Unfair Competition and Deceptive Trade Practices Act California Business and
16 Professions Code § 17.200, *et seq.*

17 5. This Court has jurisdiction over the subject matter of this action pursuant to 15 U.S.C.
18 § 1121 and 28 U.S.C. §§ 1331 and 1338(a) and (b). Jurisdiction over the state law claims is also
19 appropriate under 28 U.S.C. § 1367(a) and principles of pendent jurisdiction.

20 6. This Court has personal jurisdiction over Dimension. On information and belief,
21 Dimension resides in and conducts business in this District. In addition, Dimension has purposefully
22 availed itself of the privilege of acting in this District by, among other things, advertising and selling
23 goods under the WARM SPRINGS SPAS mark at its various distribution centers, including those
24 within this District, and on its web sites, accessible by Internet users throughout the country,
25 including those in this District. Dimension has intentionally used and registered the WARM
26 SPRINGS SPAS mark, Dimension has intentionally filed and used the marks of the WARM
27 SPRINGS Applications, and has intentionally registered and used the domain names
28 www.warmspringsspas.com, www.warmspringspas.com and www.warmspringshottubs.com (the

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1 "WARM SPRINGS Domain Names"). Such actions are aimed, at least in part, at this District.

2 7. Venue in this District is proper pursuant to 28 U.S.C. § 1391 (b) and (c). On
3 information and belief, Dimension transacts business throughout the entire United States, including
4 in the Southern District of California. The unlawful acts committed by Dimension, as hereinafter
5 alleged, have been and are, in whole or in part, conceived, carried out and made effective within this
6 District, and the damages suffered by Watkins were suffered, at least in part, within this District.
7 The interstate trade or commerce described herein by Dimension is carried out in part within this
8 District. Venue is also proper because Defendant is subject to personal jurisdiction in this district.

9 **GENERAL ALLEGATIONS**

10 **Watkins' Activities And Proprietary Rights**

11 8. Watkins is now and has been extensively engaged in designing, manufacturing,
12 marketing, and distributing hot tubs, spas, and related parts and accessories, as well as collateral
13 products ("Watkins' Goods and Services").

14 9. In connection with the provision of Watkins's Goods and Services, Watkins has used
15 for an extensive period and continues to use various marks incorporating the designation HOT
16 SPRING, including "HOT SPRING," "HOT SPRING SPA," "HOT SPRING SPAS," "HOT
17 SPRINGS," "HOT SPRINGS SPA," and "HOT SPRINGS SPAS" ("Watkins' HOT SPRING
18 Marks").

19 10. Since at least as early as 1978, Watkins has used, and continues to use, one or more of
20 Watkins' HOT SPRING Marks in commerce.

21 11. Watkins' HOT SPRING Marks are used extensively in connection with Watkins'
22 Goods and Services in various advertising and promotional media, including radio and television
23 advertisements, and on Watkins' Internet web sites, including its primary site at
24 www.hotspring.com. Watkins' HOT SPRING Marks are also advertised and promoted via printed
25 materials, videotaped informational segments, picture CDs, automobile signage, showroom displays,
26 sales and training seminars and conferences, trade shows and events, consumer shows and events,
27 and through various other media. Copies of a representative sample of such materials are attached as
28 Exhibit B.

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1 12. As a result of Watkins' extensive and long-term promotional and marketing efforts,
2 and the quality of Watkins' Goods and Services, Watkins' HOT SPRING Marks have become
3 widely and favorably known throughout the United States and are valuable assets of Watkins and
4 symbols of its goodwill. Customers have come to associate and identify Watkins' HOT SPRING
5 Marks exclusively with Watkins.

6 13. By virtue of the inherent strength and acquired distinctiveness of Watkins' HOT
7 SPRING Marks, the extensive nationwide use and promotion of Watkins' HOT SPRING Marks, and
8 the registration of Watkins' HOT SPRING Registrations on the Principal Register, Watkins' HOT
9 SPRING Marks have become famous.

10 14. Watkins is the owner of U.S. trademark registrations for the marks HOT SPRING
11 (Reg. 1,725,386) and HOT SPRING & Design (Reg. 1,614,761) ("Watkins' HOT SPRING
12 Registrations"). Copies of the Certificates of Registration are attached as Exhibit C. Watkins' HOT
13 SPRING Registrations are incontestable and therefore constitute conclusive evidence of Watkins'
14 trademark ownership, Watkins' exclusive right to use the marks throughout the United States, and
15 the validity of the registrations and the marks.

16 15. Watkins is the owner of numerous Internet domain name registrations, including
17 "www.hotspring.com" which was registered on September 28, 1995, and "www.hotspringspa.com"
18 which was registered on November 24, 1997. ("Watkins' HOT SPRING Domain Names").
19 Records from a "WHOIS" database (a searchable database containing information about computer
20 networks, networking organizations, domain names, and the contacts associated with them) for
21 Watkins' HOT SPRING Domain Names are attached as Exhibit D.

22 **The Parties' Prior History**
23 **And Defendant's Wrongful Activities**

24 16. On information and belief, Mr. Ronald Paulsen, one of Dimension's predecessors in
25 interest to the WARM SPRINGS SPAS mark, was a distributor of Watkins' HOT SPRING brand
26 spas.

27 17. On information and belief, Mr. Paulsen's position as a distributor of Watkins' HOT
28 SPRING brand spas was terminated.

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1 18. On information and belief, due to his prior position as a distributor of Watkins' HOT
2 SPRING brand spas, Mr. Paulsen was aware of Watkins' business and Watkins' HOT SPRING
3 Marks.

4 19. On information and belief, on December 21, 1998, the applicant of Registration No.
5 2,409,426, Warm Springs Associates, Inc., another of Dimension's predecessors in interest, filed an
6 application for registration without Watkins' consent of the WARM SPRING SPAS mark, which is
7 substantially identical to Watkins' HOT SPRING Marks, Watkins' HOT SPRING Registrations, and
8 Watkins' HOT SPRING Domain Names.

9 20. Warm Springs Associates, Inc. listed a date of first use of June 1, 1976 in its
10 application for registration of WARM SPRING SPAS for "hot tubs and spas in the nature of heated
11 pools in Class 11."

12 21. On information and belief, due to Watkins' business prominence in the hot tub and
13 spa industry, Warm Springs Associates, Inc. knew of Watkins and Watkins' HOT SPRING Marks
14 prior to filing its application for registration of the WARM SPRINGS SPAS mark.

15 22. In connection with the filing of the application resulting in Registration No.
16 2,409,926, Warm Springs Associates, Inc. fraudulently executed and filed a declaration that, to the
17 best of its knowledge and belief, no other person, firm, corporation or association has the right to use
18 the WARM SPRINGS SPAS mark in commerce either in identical form or in such near resemblance
19 thereto as to be likely to cause confusion, or to cause mistake or to deceive.

20 23. On information and belief, the June 1, 1976 date of first use provided by Warm
21 Springs Associates, Inc. in connection with its application for registration of WARM SPRINGS
22 SPAS resulting in Registration No. 2,409,926 is false because it does not correspond to Warm
23 Springs Associates, Inc.'s first use in commerce of the WARM SPRING SPAS mark in connection
24 with the goods recited in Registration No. 2,409,926.

25 24. Registration No. 2,409,926 was accepted for registration based on a claim of acquired
26 distinctiveness under 25f of the Trademark Act resulting from use of the WARM SPRINGS SPAS
27 mark allegedly beginning on June 1, 1976. As noted above, on information and belief, this date of
28 first use is false. Therefore, the United States Patent and Trademark Office ("USPTO") accepted the

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WARM SPRINGS SPAS mark for registration based on false information provided by Warm Springs Associates, Inc.

25. Upon information and belief, the application for registration of WARM SPRINGS SPAS was refused by the USPTO on the basis of geographical misdescriptiveness. To overcome this refusal, Warm Springs Associates, Inc. stated 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 E, Warm Springs Associates, Inc. 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, Dimension's predecessor submitted false information to the USPTO, which in turn accepted the WARM SPRINGS SPAS mark for registration based on that false information. See attached Exhibit J.

26. Further, Dimension allegedly acquired Registration No. 2,409,926 fraudulently during the pendency of a bankruptcy proceeding. Specifically, on September 6, 2001 the principals of Warm Springs Associates, Inc. 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 as required, and subsequently improperly assigned Registration No. 2,409,926 to Dimension, outside of the bankruptcy proceeding.

27. Dimension manufactures spas and hot tubs ("Dimension's Goods"), and has begun offering such products under the designation WARM SPRING SPAS. A promotional flyer advertising Dimension's use of the WARM SPRINGS SPAS mark is attached as Exhibit F.

28. On information and belief, Dimension registered the domain names "www.warmspringsspas.com" and "www.warmspringshottubs.com" on August 15, 2001, and the domain name "www.warmspringsspas.com" on April 16, 2002. WHOIS records for these registrations are attached collectively as Exhibit G.

29. Notwithstanding Watkins' continuous and exclusive use and its prior rights in Watkins' HOT SPRING Marks, Dimension has appropriated, subsequent to Watkins' first use, the confusingly similar designations WARM SPRINGS SPAS, WARM SPRINGS SWIM SPAS and

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1 WARM SPRINGS HOT TUBS (the "WARM SPRINGS Marks"), as trademarks to identify
2 Dimension's Goods.

3 30. On information and belief, based on Watkins' prominence in the hot tub and spa
4 industry, Dimension was aware of Watkins' business and Watkins' HOT SPRING Marks prior to
5 adopting the WARM SPRINGS Marks, filing the WARM SPRINGS Applications, and registering
6 the WARM SPRINGS Domain Names.

7 31. On information and belief, Dimension's adoption and use of the WARM SPRINGS
8 Marks is an intentional and obvious attempt to trade on Watkins' goodwill established in Watkins'
9 HOT SPRING Marks.

10 32. On information and belief, Dimension conceived of a plan to deceive consumers and
11 to unfairly compete with Watkins by trading on Watkins' goodwill in Watkins' HOT SPRING
12 Marks. As part of this plan, Dimension fraudulently obtained U.S. Trademark Registration No.
13 2,409,926 for WARM SPRINGS SPAS, outside the normal channels of bankruptcy, filed the
14 WARM SPRINGS Applications, registered the WARM SPRINGS Domain Names, and directed the
15 WARM SPRINGS Domain Names to Dimension's web sites. These acts were carried out to confuse
16 or trick consumers as to the source or origin of Dimension's Goods.

17 33. On information and belief, Dimension conceived of a plan to use the WARM
18 SPRINGS Marks for its lower-end hot tubs, in an attempt to tarnish Watkins' HOT SPRING Marks
19 by causing consumers to associate these cheaper products with Watkins. As part of this plan,
20 Dimension formed a "Warm Springs" division for its "budget-conscious" consumers. See press
21 release attached as Exhibit H. This new division was formed so that consumers would not associate
22 the budget "two-seater" hot tubs sold under the WARM SPRINGS Marks with Dimension and
23 Dimension's higher-priced products sold under other marks. Indeed, Dimension's primary web site,
24 located at www.d1spas.com, does not contain any references to Dimension's Warm Springs
25 division or any information regarding products manufactured or sold under the designation WARM
26 SPRING SPAS. Printouts from Dimension's www.d1spas.com web site are attached as Exhibit I.

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1 39. As a direct and proximate result of the actions, conduct, and practices of Dimension
2 alleged above, Watkins has been damaged and will continue to be damaged in an amount to be
3 determined at trial.

4 **COUNT II**

5 **Violation of 15 U.S.C. § 1125(a)**

6 **Federal Unfair Competition**

7 40. Watkins incorporates by reference the allegations of Paragraphs 1 - 39.

8 41. By using the WARM SPRINGS Marks, which are substantially identical to Watkins'
9 HOT SPRING Marks, in connection with goods identical to those goods manufactured and sold by
10 Watkins, and by registering and using the WARM SPRINGS Domain Names, Dimension has made
11 false and misleading representations of fact which are likely to cause the public to mistakenly
12 believe that Dimension's business activities and goods originate from, are sponsored by or are in
13 some way associated with Watkins. These activities constitute false designations of origin or false
14 descriptions or representations, and are likely to cause Watkins' HOT SPRING Marks to lose their
15 significance as indicators of origin. The actions by Dimension constitute unfair competition and
16 violate Watkins' rights under 15 U.S.C. § 1125(a).

17 42. Upon information and belief, Dimension and its predecessors in interest adopted the
18 WARM SPRINGS Marks with full knowledge of Watkins' rights in Watkins' HOT SPRING Marks.
19 Thus, Dimension has willfully violated Watkins' rights under 15 U.S.C. § 1125(a).

20 43. The actions, conduct, and practices of Dimension described above have at all times
21 relevant to this action been willful and/or knowing.

22 44. As a direct and proximate result of the actions, conduct, and practices of Dimension
23 alleged above, Watkins has been damaged and will continue to be damaged in an amount to be
24 determined at trial.

25 **COUNT III**

26 **Violation of 15 U.S.C. §1125(c)**

27 **Federal Dilution**

28 45. Watkins incorporates by reference the allegations of Paragraphs 1 - 44 of this

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Complaint.

46. Watkins' HOT SPRING Marks are distinctive and famous.

47. Dimension's use in commerce of the WARM SPRINGS Marks after Watkins' HOT SPRING Marks have become famous has caused dilution of the distinctive quality thereof, and will inhibit the ability of Watkins' HOT SPRING Marks to identify Watkins' Goods and Services in violation of 15 U.S.C. §1125(c)(1).

48. The actions, conduct, and practices of Dimension described above have at all times relevant to this action been willful and/or knowing.

49. As a direct and proximate result of the actions, conduct, and practices of Dimension alleged above, Watkins has been damaged and will continue to be damaged in an amount to be determined at trial.

COUNT IV

Unjust Enrichment

50. Watkins incorporates by reference the allegations of Paragraphs 1 - 49 of this Complaint.

51. Dimension is being unjustly enriched to the damage and irreparable harm of Watkins in an amount to be determined at trial.

COUNT V

**Violation of The California Unfair Competition
and Deceptive Trade Practices Act
Cal. Bus. & Prof. Code § 17200, et seq.**

52. Watkins incorporates by reference the allegations of Paragraphs 1 - 51 of this Complaint.

53. Dimension, through its above-described conduct, has engaged in unlawful, unfair, and fraudulent business practice and unfair, deceptive, untrue, and misleading advertising under Cal. Bus. & Prof. Code § 17200 et seq. to improperly trade upon the reputation and goodwill of Watkins and impair its valuable rights.

54. The actions, conduct, and practices of Dimension described above have at all times

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1 relevant to this action been willful and/or knowing.

2 55. As a direct and proximate result of the actions, conduct, and practices of Dimension
3 alleged above, Watkins has been damaged and will continue to be damaged in an amount to be
4 determined at trial.

5 **COUNT VI**

6 **Common Law Trademark Infringement, Unfair Competition,**
7 **And Misappropriation**

8 56. Watkins incorporates by reference the allegations of Paragraphs 1 - 55.

9 57. By Dimension's aforesaid conduct calculated to increase business and profits by
10 deceiving and confusing members of the public, Dimension continues to misappropriate the valuable
11 goodwill of Watkins' HOT SPRING Marks and Watkins' HOT SPRING Registrations and other
12 proprietary materials, infringe Watkins' rights therein, and unfairly compete with Watkins' under the
13 laws of California.

14 58. The actions, conduct, and practices of Dimension described above have at all times
15 relevant to this action been willful and/or knowing.

16 **COUNT VII**

17 **Common Law Dilution**

18 59. Watkins incorporates by reference the allegations of Paragraphs 1 - 58.

19 60. Dimension's advertising and sale of products under the WARM SPRINGS Marks is
20 likely to cause injury to the business reputation of Watkins and dilute the distinctive quality of such
21 marks, in violation of California law.

22 61. The actions, conduct, and practices of Dimension described above have at all times
23 relevant to this action been willful and/or knowing.

24 **COUNT VIII**

25 **Violation of 15 U.S.C. § 1125(d)**

26 **Cybersquatting**

27 62. Watkins incorporates by reference the allegations of Paragraphs 1 - 61.

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63. Dimension has a bad faith intent to profit from its WARM SPRINGS Domain Names given that:

(a) Dimension has registered, trafficked in and/or used domain names that are substantially similar to Watkins' HOT SPRING Marks and Watkins' HOT SPRING Registrations;

(b) Dimension has diverted, are diverting and/or planned to divert consumers away from Watkins and its web sites to Dimension's own web sites for commercial gain by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of its web sites and use of the WARM SPRINGS Domain Names; and

(c) Dimension has no valid trademark or other intellectual property rights in the WARM SPRINGS Domain Names.

64. Such registrations, trafficking and/or uses are actionable under the Anticybersquatting Consumer Protection Act, Section 43(d) of the Lanham Act, 15 U.S.C § 1125(d).

65. The actions, conduct, and practices of Dimension described above have at all times relevant to this action been willful and/or knowing.

66. As a direct and proximate result of the actions, conduct, and practices of Dimension alleged above, Watkins has been damaged and will continue to be damaged in an amount to be determined at trial.

DEMAND FOR RELIEF

WHEREFORE, Watkins prays for relief as follows:

A. That this Court enter judgment that declares:

1. Watkins is owner of the entire right, title and interest in and to Watkins' HOT SPRING Marks.

2. Watkins' rights in HOT SPRING Marks are valid, enforceable and infringed by Dimension, and that Dimension has violated and is violating other relevant federal and state laws and regulations.

3. Dimension willfully infringed Watkins' rights.

4. The applicable domain name registrar "unpoint" the WARM SPRINGS Domain Names by deleting the DNS information from the WARM SPRINGS Domain Names as

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1 well as from any other infringing domain names owned by Dimension.

2 5. The fraudulent trademark assignment of the WARM SPRINGS Registration
3 No. 2,409,926 from Warm Springs Associates, Inc. to Dimension One Spas, Inc. be nullified.

4 B. That this Court enter an order which requires that Dimension, its agents, servants,
5 employees, attorneys, and all persons in active concert or participation with them, be preliminarily
6 and permanently enjoined and restrained from (1) using WARM SPRINGS and any other
7 designations which are likely to cause confusion, mistake or deception with respect to Watkins'
8 proprietary rights; and (2) otherwise infringing Watkins' HOT SPRING marks and competing
9 unfairly with Watkins.

10 C. Further, that this Court enter an Order directing Dimension (1) to file with this Court
11 and serve on Watkins' attorneys, within thirty (30) days after the date of entry of any injunction, a
12 report in writing and under oath setting forth in detail the manner and form in which Dimension has
13 complied with the injunction; (2) to transfer the WARM SPRINGS Domain Names, as well as any
14 other infringing domain name owned by Dimension, to Watkins; and (3) to expressly abandon the
15 WARM SPRINGS Applications with prejudice.

16 D. That an Order be issued canceling the WARM SPRINGS Registration No. 2,409,926.

17 E. That this Court enter judgment that Dimension be required to pay to Watkins (1) such
18 damages, statutory or otherwise, together with prejudgment interest thereon, as Watkins has
19 sustained as a consequence of Dimension's wrongful acts; (2) to account for and return to Watkins
20 any monies, profits and advantages wrongfully gained by Dimension; (3) statutory damages in an
21 amount of \$300,000 for the foregoing acts of cybersquatting, in accordance with 15 U.S.C.
22 §1117(c); (4) treble damages on all amounts; (5) punitive and exemplary damages; and (6) all
23 attorney fees, expenses and costs incurred in this action.

24 F. That this Court enter an order that Dimension deliver up for impoundment during the
25 pendency of this action, and for destruction upon entry of judgment, all products, fixtures, writings,
26 signage, artwork and other materials that infringe Watkins' rights, falsely designate source or origin,
27 or otherwise facilitate Dimension's unfair competition with Watkins.

28 G. That Watkins be granted such further relief as this Court may deem appropriate.

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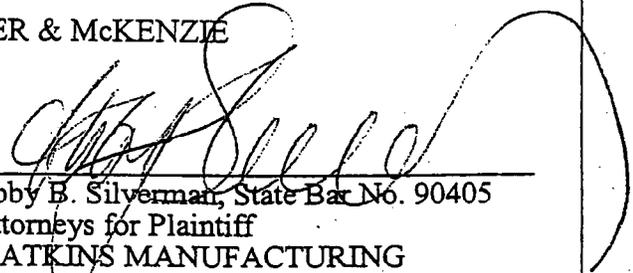
JURY DEMAND

Watkins hereby demands a trial by jury of all issues so triable.

DATE: May 12, 2003

BAKER & MCKENZIE

By:



Abby B. Silverman, State Bar No. 90405
Attorneys for Plaintiff
WATKINS MANUFACTURING
CORPORATION

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Watkins Manufacturing Corporation v. Dimension One Spas, Inc. – USPTO-TTAB

Cancellation No. 92042109

PROOF OF SERVICE BY MAIL

I, Bunny Block, declare as follows:

I am employed with the law firm of Luce, Forward, Hamilton & Scripps LLP, whose address is 600 West Broadway, Suite 2600, San Diego, California 92101-3372. I am readily familiar with the business practices of this office for collection and processing of correspondence for mailing with the United States Postal Service; I am over the age of eighteen years, and am not a party to this action.

On July 24, 2003, I served the following:

1. Answer to Petition for Cancellation;
2. Motion by Respondent Dimension One Spas, Inc. to Suspend Proceedings Pursuant to 37 C.F.R. § 2.117(a);
3. Memorandum in Support of Respondent Dimension One Spas, Inc.'s Motion to Suspend Proceedings Pursuant to 37 C.F.R. § 2.117(a); and
4. Declaration of Callie A. Bjurstrom in Support of Respondent Dimension One Spas, Inc.'s Motion to Suspend Proceedings.

on the below parties in this action by placing a true copy (copies) thereof in a separate envelope(s), addressed as shown, for collection and mailing on the below indicated day pursuant to the ordinary business practice of this office which is that correspondence for mailing is collected and deposited with the United States Postal Service on the same day in the ordinary course of business:

Mary Margaret L. O'Donnell, Esq.
Rader, Fishman & Grauer PLLC
39533 Woodward Avenue
Suite 140
Bloomfield Hills, MI 48304

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

Executed at San Diego, California on July 24, 2003.

Bunny Block
BUNNY BLOCK