

TTAB

Transmittal Memorandum

VIA EXPRESS MAIL NO. EB450681917US

TO : Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451

FROM : Martin E. Hsia, Esq.

DATE : December 11, 2008

RE : Registration No.: 3,512,463
Date of Issue: October 7, 2008
Mark: "KAHALA" and design
Petitioner: Kahala Sportswear Group LLC
Registrant: Kahala Franchise Corp.

77/457,552

We are sending you the following:

ORIG.	COPIES	DATED	DESCRIPTION
1		12/10/08	Petition For Cancellation
1		12/10/08	Filing Fee (\$300.00)
1		12/10/08	Postcard receipt of Petition For Cancellation and Filing Fee

- For your information
- For your files
- Per your request
- Per our conversation
- For necessary action**
- Are returned herewith

- For signature and return
- For signature, forwarding, as noted below & return
- For review & approval
- For distribution
- For recording/filing**

REMARKS:



12-15-2008

U.S. Patent & Trademark Mail Report Form #01

C S

Cades Schutte Building
1000 Bishop Street, Suite 1200
Honolulu, Hawaii 96813
Tel: 808.521-9200
Fax: 808.521-9210
www.cades.com

Kona Office
75-170 Hualalai Road, Suite 303
Kailua Kona, Hawaii 96740
Tel: 808.329-5811
Fax: 808.326-1175

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

In the matter of Registration No. 3,512,463
Mark "KAHALA" and design
Date of Issue: October 7, 2008

KAHALA SPORTSWEAR GROUP LLC,)
a Hawaii limited liability company,)
)
Petitioner,)
)
v.)
)
KAHALA FRANCHISE CORP.,)
a Delaware corporation,)
)
Registrant.)
)

Cancellation No. _____

12/18/2008 SWILSON1 00000002 3512463

01 FC:6401

300.00 OP

PETITION FOR CANCELLATION

Petitioner KAHALA SPORTSWEAR GROUP LLC, a Hawaii limited liability company ("**Petitioner**"), having a place of business at 1334 Moonui Street, Honolulu, Hawaii 96817, believes it will be damaged by U.S. Registration 3,512,463 for the mark "KAHALA" and design (the "**Registration**") for "Restaurant franchising" in International Class 35, and hereby petitions to cancel the same.

As grounds therefor, it is averred as follows:

1. Petitioner and its predecessors have widely and publicly used the mark, "KAHALA", in connection with clothing and other related goods and services since at least as early as 1978.
2. Petitioner and its predecessors have developed valuable trademark and service mark rights in connection with the mark, "KAHALA".

3. Petitioner and its predecessors have used, and Petitioner holds various federal trademark registrations and has filed applications for, “KAHALA” (“**Petitioner’s ‘KAHALA’ Mark**”), in connection with clothing and related goods and services, including (without limitation) the following: (a) U.S. Trademark Registration No. 1,143,473 for “KAHALA” in connection with “Men's and Boy's Shirts, Pants, Shorts and Swimwear; Women’s Dresses, Blouses, Tops, Skirts, Pants, Shorts” in International Class 25, issued December 16, 1980; (b) U.S. Trademark Registration No. 3,013,681 for “KAHALA” in connection with “Perfumes, cologne, toilet water, bath oils, body creams, body oils, bubble bath preparations, cold cream, deodorants, face powder, shower gel, hair conditioners, hand cream, facial lotion, massage oil, night cream, shampoo, pre-moistened cosmetic wipes, skin clarifiers, deodorant soap and fragrance soap for personal use” in International Class 3, issued November 8, 2005; (c) U.S. Trademark Registration No. 3,380,007 for “KAHALA” for “Clothing, namely, shirts, shorts and swimwear” in International Class 25, issued on February 12, 2008; and (d) U.S. Trademark Application Serial No. 76/685399 for “KAHALA” for “surfboards” in International Class 28, filed on December 21, 2007. The above-identified goods of Petitioner are collectively referred to herein as “**Petitioner’s Goods**”.

4. Petitioner’s U.S. Trademark Registration No. 1,143,473 for “KAHALA” is incontestable, and it therefore constitutes “conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce.” 15 USC 1115(b).

5. Petitioner’s above-referenced federal trademark registrations (collectively “**Petitioner’s Registrations**”) do not contain restrictions as to trade channels or purchasers.

6. Petitioner's Registrations are valid and subsisting and remain in full force and effect, as evidence of the validity, and of Petitioner's exclusive ownership of, and the right to use, "KAHALA", or any mark confusingly similar thereto, or which causes the dilution thereof, for the goods and/or services listed in Petitioner's Registrations and all goods and/or services related thereto.

7. Petitioner and its predecessor-in-interest have spent substantial sums in advertising and promoting the mark "KAHALA" in connection with clothing and other goods and/or services related to clothing.

8. Petitioner has acquired from its predecessor-in-interest extensive goodwill with respect to "KAHALA" for clothing and other goods and services related to clothing.

9. On or about October 7, 2008, Registrant KAHALA FRANCHISE CORP. ("**Registrant**") obtained issuance of U.S. Registration No. 3,512,463 (the "**Registration**") for the mark "KAHALA" and design ("**Registrant's Mark**") for "Restaurant franchising", in International Class 35.

10. Registrant's Registration is not restricted as to channels of trade or purchasers.

11. Registrant's "Restaurant franchising" services and Petitioner's Goods are related.

12. As evidence of the relatedness of Registrant's "Restaurant franchising" services and Petitioner's Goods (including Petitioner's clothing goods), Cold Stone Creamery, Inc. holds U.S. Trademark Registration No. 3,103,205 for "COLD STONE CREAMERY" in connection with both "Restaurant franchising" and "retail store services featuring apparel and other merchandise, namely, T-shirts, hats" (among other things).

13. As evidence of the relatedness of Registrant's "Restaurant franchising" services and Petitioner's Goods (including Petitioner's clothing goods), Staatliches Hofbräuhaus in München holds U.S. Trademark Registration No. 3,130,029 for "HOFBRÄUHAUS" in connection with both "Restaurant franchising" and "clothing" (among other things).

14. As evidence of the relatedness of Registrant's "Restaurant franchising" services and Petitioner's Goods (including Petitioner's clothing goods), Seattle's Best Coffee LLC holds U.S. Trademark Registration No. 3,346,344 for "SEATTLE'S BEST COFFEE SMOOTH-ROASTED SINCE 1970" in connection with both "Franchising, namely . . . providing technical assistance in the establishment and/or operation of restaurants" and "clothing" (among other things).

15. As evidence of the relatedness of Registrant's "Restaurant franchising" services and Petitioner's Goods (including Petitioner's clothing goods), Wings to Go, Inc. holds U.S. Trademark Registration No. 3,391,934 for "WINGS TO GO" in connection with both "Restaurant franchising" and "clothing" (among other things).

16. As evidence of the relatedness of Registrant's "Restaurant franchising" services and Petitioner's Goods (including Petitioner's clothing goods), Fosters Freeze International, Inc. holds U.S. Trademark Registration No. 1,873,946 for "FOSTERS FREEZE" in connection with both "franchising services, namely offering technical assistance in the establishment and/or operation of restaurants" and "clothing" (among other things).

17. As evidence of the relatedness of Registrant's "Restaurant franchising" services and Petitioner's Goods (including Petitioner's clothing goods), Hotlicks Franchise Marketing, Inc. holds U.S. Trademark Registration No. 1,828,341 for "HOTLICKS" in

connection with both “Franchising services; namely offering technical assistance in the establishment and/or operation of restaurants” and “clothing” (among other things).

18. The dominant portion of Registrant’s Mark is “KAHALA”.

19. Petitioner’s Mark, “KAHALA”, is identical to Registrant’s Mark, “KAHALA” and design or the dominant portion thereof, in terms of sight, sound, appearance, and commercial impression.

20. Petitioner’s Mark, “KAHALA”, is confusingly similar to Registrant’s Mark, “KAHALA” and design or the dominant portion thereof, in terms of sight, sound, appearance, and commercial impression.

21. Registrant’s Mark so closely resembles Petitioner’s “KAHALA” Mark that, when used in connection with Registrant’s “Restaurant franchising” services, Registrant’s Mark would be likely to cause confusion, mistake, and/or deception of the relevant trade and public to the damage and detriment of Petitioner.

22. The use and continued registration of Registrant’s Mark, as indicated above, would result in confusion, mistake, and/or deception as to the source or origin of Registrant’s “Restaurant franchising” services, leading consumers to believe that they are somehow affiliated with, or approved, sponsored, or licensed by Petitioner.

23. A likelihood of confusion exists under Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), between Petitioner’s “KAHALA” Mark and Registrant’s “KAHALA” and design mark.

24. If the Registration is not cancelled, Registrant would retain the *prima facie* exclusive right to use the mark set forth in the Registration. Such registration would become a source of damage and injury to Petitioner through the generation of confusion, mistake, and/or

deception, the dilution of Petitioner's registered mark, and the diminution of Petitioner's ability to control the quality of goods and/or services sold thereunder.

25. Registrant's Mark, if used in connection with the services listed in the Registration, would likely dilute, and/or would actually dilute, the distinctiveness of Petitioner's "KAHALA" Mark.

26. On information and belief, the services covered by the Registration are or will be offered to the same class of purchasers and users who purchase and use the clothing goods in connection with which Petitioner has used and is using Petitioner's "KAHALA" Mark.

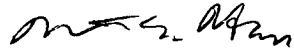
27. There is no issue as to priority. As evidenced by Petitioner's Registrations identified above, Petitioner has been using Petitioner's "KAHALA" Mark since at least as early as the filing date of the application for Petitioner's U.S. Trademark Registration No. 1,143,473 for "KAHALA" – September 12, 1978.

28. On information and belief, and as indicated in Registrant's Registration, Registrant only began using its mark in commerce on or about April 2, 2008.

29. If Registrant is permitted to rely on and/or retain the subject Registration, a cloud will be placed on Petitioner's title in and to Petitioner's Mark, and on its right to enjoy the free and exclusive use thereof in connection with the providing of its goods, all to the damage and harm of Petitioner, who has expended considerable sums and efforts to acquire and promote its "KAHALA" Mark.

WHEREFORE, Petitioner respectfully requests the cancellation of the subject U.S. Registration No. 3,512,463 for "KAHALA" and design, which issued on October 7, 2008, pursuant to 15 U.S.C. § 1064.

DATED: Honolulu, Hawaii, December 11, 2008.



Martin E. Hsia, Reg. No. 32,471
CADES SCHUTTE LLP
A Limited Liability Law Partnership
1000 Bishop Street, Suite 1200
Honolulu, HI 96813
Tel: (808) 521-9200

Attorney for Petitioner
KAHALA SPORTSWEAR GROUP LLC

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

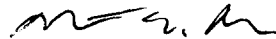
In the matter of Registration No. 3,512,463
Mark "KAHALA" and design
Date of Issue: October 7, 2008

KAHALA SPORTSWEAR GROUP LLC,)	
a Hawaii limited liability company,)	
)	
Petitioner,)	
)	Cancellation No. _____
v.)	
)	
KAHALA FRANCHISE CORP.,)	
a Delaware corporation,)	
)	
Registrant.)	
<hr/>		

PROOF OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the PETITION FOR CANCELLATION was mailed by prepaid U.S. First Class Mail this 11th day of December 2008, to: Renee L. Mitchell, Esq., Ryley Carlock & Applewhite, Suite 1200, One North Central Avenue, Phoenix, Arizona 85004-4417.

DATED: Honolulu, Hawaii, December 11, 2008.



Martin E. Hsia, Reg. No. 32,471
CADES SCHUTTE LLP
A Limited Liability Law Partnership
1000 Bishop Street, Suite 1200
Honolulu, HI 96813
Tel: (808) 521-9200

Attorney for Petitioner
KAHALA SPORTSWEAR GROUP LLC