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

Proceeding	92050363
Party	Defendant Kahala Franchise Corp.
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Attachments	KAHALA design 2008 Answer to Petition for Cancellation.pdf (6 pages)(31425 bytes)

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

KAHALA SPORTSWEAR GROUP, LLC,

Petitioner,

v.

KAHALA FRANCHISE CORP.,

Registrant.

Cancellation No.: 92,050,363

Registration No.: 3,512,463

Mark: KAHALA design

ANSWER TO PETITION FOR CANCELLATION

Kahala Franchise Corp., a Delaware corporation (“Registrant”) by and through undersigned counsel, hereby answers the Petition for Cancellation (“Petition”) filed by Kahala Sportswear Group, LLC (“Petitioner”) as follows:

1. Answering the allegations in the first unnumbered paragraph of the Petition, Registrant is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning Petitioner’s entity status and place of business and denies that Petitioner will be damaged by Registrant’s Registration.

2. Answering the allegations in Paragraph 1 of the Petition, Registrant avers that the records of the United States Patent and Trademark Office (“USPTO”) speak for themselves and is without knowledge or information sufficient to form a belief as to the truth of truth of the allegations contained therein.

3. Answering the allegations in Paragraph 2 of the Petition, Registrant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained therein.

4. Answering the allegations in Paragraphs 3 - 6 of the Petition, Registrant avers that the records of the USPTO speak for themselves.

5. Answering the allegations in Paragraphs 7 and 8 of the Petition, Registrant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained therein.

6. Answering the allegations in Paragraphs 9 and 10 of the Petition, Registrant avers that the records of the USPTO speak for themselves.

7. Answering the allegations in Paragraph 11 of the Petition, Registrant denies the allegations contained therein.

8. Answering the allegations in Paragraph 12 of the Petition, Registrant avers that the records of the USPTO speak for themselves and denies the remaining allegations contained therein.

9. Answering the allegations in Paragraphs 13 - 17 of the Petition, Registrant avers that the records cited in these paragraphs are inapplicable in this proceeding and should be given no weight, that the records of the USPTO speak for themselves and denies the remaining allegations contained therein.

10. Answering the allegations in Paragraph 18 of the Petition, Registrant avers that "Kahala" is the word portion of Registrant's mark and denies the remaining allegations contained therein.

11. Answering the allegations in Paragraphs 19 - 26 of the Petition, Registrant denies the allegations contained therein.

12. Answering the allegations in Paragraph 27 of the Petition, Registrant avers that the records of the USPTO speak for themselves and denies the remaining allegations contained therein.

13. Answering the allegations in Paragraph 28 of the Petition, Registrant avers that the records of the USPTO speak for themselves and that Registrant has using a mark containing the word “Kahala” in connection with restaurant franchising since at least January, 2001.

14. Answering the allegations in Paragraph 29 of the Petition, Registrant denies the allegations contained therein.

15. Registrant denies each and every allegation not expressly admitted herein.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

16. Petitioner’s claims are barred, in whole or in part, because Petitioner has failed to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

17. Petitioner’s claims are barred, in whole or in part, based on laches.

THIRD AFFIRMATIVE DEFENSE

18. Petitioner’s claims are barred, in whole or in part, based on Petitioner’s acquiescence and Registrant’s reliance thereon.

FOURTH AFFIRMATIVE DEFENSE

19. Petitioner's claims are barred, in whole or in part, because Registrant's KAHALA design mark ("Registrant's Mark") is not likely to be confused with Petitioner's 'KAHALA' Mark and is incapable of diluting Petitioner's 'KAHALA' Mark due to the differences in appearance, commercial impression and the good and services offered under Registrant's Mark and Petitioner's 'KAHALA' Mark.

FIFTH AFFIRMATIVE DEFENSE

20. The USPTO did not cite Petitioner's 'KAHALA' Mark, nor any other registration or pending application, against Registrant's Application Serial No. 77/457,552 for Registrant's Mark.

SIXTH AFFIRMATIVE DEFENSE

21. Registrant has used the word "Kahala" in connection with restaurant franchising since at least January, 2001 without any actual confusion with Petitioner's 'KAHALA' Mark.

SEVENTH AFFIRMATIVE DEFENSE

22. Petitioner's claims are barred, in whole or in part, by Petitioner's failure to achieve fame for Petitioner's 'KAHALA' Mark.

EIGHTH AFFIRMATIVE DEFENSE

23. Petitioner approached Registrant beginning in 2007 concerning the negotiation of a Co-Existence Agreement.

NINTH AFFIRMATIVE DEFENSE

24. Registrant reserves each and every other affirmative defense identified in Rules 8(c) and 12 Fed.R.Civ.P., and each and every other matter that constitutes an avoidance or affirmative defense that may prove through discovery to be supported by the evidence in this proceeding.

WHEREFORE, Registrant prays that Petitioner's Petition be dismissed.

Dated: March 2, 2009.

Respectfully submitted,

RYLEY CARLOCK & APPLEWHITE

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CERTIFICATE OF SERVICE

I hereby certify that on March 2, 2009, a true and correct copy of the foregoing Answer to Petition for Cancellation was served on counsel for Petitioner by electronic mail and First Class Mail, postage pre-paid, addressed as follows:

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