



DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

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HEARINGS OFFICE

BUSINESS REGISTRATION DIVISION
OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

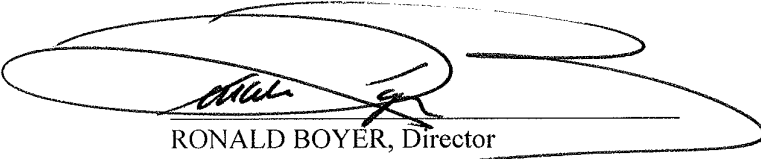
In the Matter of the Trade Name) TN-2009-5
)
"KOOLINA ACTIVITIES.COM") DIRECTOR'S FINAL
) ORDER
)
_____)

DIRECTOR'S FINAL ORDER

On November 5, 2010, the duly appointed Hearings Officer submitted his Findings of Fact, Conclusions of Law and Recommended Order in the above-captioned matter to the Director of the Department of Commerce and Consumer Affairs ("Director"). Copies of the Hearings Officer's recommended decision were also transmitted to the parties. The parties were subsequently provided with an opportunity to file exceptions; however, no exceptions were filed.

Upon review of the entire record of this proceeding, the Director adopts the Hearings Officer's recommended decision as the Director's Final Order. The Director hereby finds and concludes that Petitioner Ko Olina Intangibles, LLC has established its ownership of the trade name, "Ko Olina" by a preponderance of the evidence, and accordingly, orders that Certificate of Registration No. 4076593 for the trade name, "Koolina Activites.com" issued to Respondent Nimiety Group LLC on September 12, 2009 shall be revoked pursuant to HRS §482-8.

DATED: Honolulu, Hawaii: 04 DEC 10



RONALD BOYER, Director
Department of Commerce and
Consumer Affairs



DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

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BUSINESS REGISTRATION DIVISION
OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of the Trade Name) TN-2009-5
)
"KOOLINA ACTIVITIES.COM") HEARINGS OFFICER'S
) FINDINGS OF FACT,
) CONCLUSIONS OF LAW,
) AND RECOMMENDED
) ORDER; EXHIBIT "A"
_____)

HEARINGS OFFICER'S FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND RECOMMENDED ORDER

I. INTRODUCTION

On December 4, 2009, Ko Olina Intangibles, LLC ("Petitioner"), filed a petition requesting the revocation of the trade name registration for "Koolina Activities.com". The matter was scheduled for hearing and a Notice of Hearing and Pre-hearing Conference was duly transmitted to the parties.

On July 27, 2010, the hearing in the above-captioned matter was convened by the undersigned Hearings Officer. Petitioner was represented by its attorney, H. Shan Wirt, Esq. Respondent Nimiety Group LLC ("Respondent") failed to appear.

At the conclusion of the hearing, the Hearings Officer directed Petitioner to file proposed findings of fact and conclusions of law. Petitioner's proposed findings and conclusions were filed on the same date and are attached hereto as Exhibit "A".

Having reviewed and considered the evidence and arguments presented at the hearing, together with the entire record of this proceeding, the Hearings Officer

hereby adopts the proposed findings of fact and conclusions of law submitted by Petitioner, as follows:

II. FINDINGS OF FACT

Upon review of the entire record of this proceeding, the Hearings Officer hereby adopts Petitioner's Proposed Findings of Fact Nos. 1 through 20 as the Hearings Officer's Findings of Fact.

III. CONCLUSIONS OF LAW

Upon review of the entire record of this proceeding, the Hearings Officer hereby adopts Petitioner's Proposed Conclusions of Law as the Hearings Officer's Conclusions of Law.

The Hearings Officer further concludes that Petitioner has proven by a preponderance of the evidence that it is the owner of the trade name, "Ko Olina", and that "Koolina Activities.com" is confusingly similar to Petitioner's trade name.

IV. RECOMMENDED ORDER

For the reasons set forth above, the Hearings Officer recommends that the Director of the Department of Commerce and Consumer Affairs find and conclude that Petitioner has established its ownership of the trade name, "Ko Olina" by a preponderance of the evidence, and revoke Certificate of Registration No. 4076593 for the trade name, "Koolina Activites.com" pursuant to HRS §482-8, issued to Respondent on September 12, 2009.

Dated at Honolulu, Hawaii: _____ NOV - 5 2010



CRAIG H. UYEHARA
Administrative Hearings Officer
Department of Commerce
and Consumer Affairs

*Hearings Officer's Findings of Fact, Conclusions of Law, and Recommended Order;
In Re "Koolina Activities.com"; TN-2009-5.*

BUSINESS REGISTRATION DIVISION
OFFICE OF ADMINISTRATIVE HEARINGS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of the Trade Name

TN – 2009-5

“Koolina Activities.com”

HEARINGS OFFICER’S FINDINGS OF
FACT, CONCLUSIONS OF LAW, AND
RECOMMENDED ORDER

HEARINGS OFFICER’S FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND RECOMMENDED ORDER

I. INTRODUCTION

On December 4, 2009, Ko Olina Intangibles, LLC (“Petitioner”) filed the above-captioned petition requesting the revocation of the trade name registration for “Koolina Activities.com”, as well as any and all existing and possible future registration and/or use of the “Ko Olina” trade name and similar iteration of the words¹ by Nimiety Group, LLC (“Respondent”) and individuals and/or entities related to Respondent. The matter was scheduled for hearing, and a Notice of Hearing and Pre-hearing Conference was duly transmitted to the parties.

On June 28, 2010, the pre-hearing conference was convened by the undersigned Hearings Officer. Petitioner was represented by its attorney, H. Shan Wirt, Esq. Respondent did not appear at the pre-hearing conference or otherwise contact this Office.

¹ As used herein, the phrase “similar iteration” includes, but is not limited to, variations of words through capitalization, use of lowercase letters, use of punctuation such as the ‘okina and/or deletion or insertion of spaces between words. “Similar iteration” also includes the “Koolina Activities.com” cross-referenced name of “Ko Olina Activities.com”.

EXHIBIT “A”

On July 27, 2010, the hearing was convened by the undersigned Hearings Officer. Petitioner was represented by its attorney H. Shan Wirt, Esq. Respondent [was represented by _____ OR did not appear at the hearing or otherwise contact this Office].

At the conclusion of the hearing, the Hearings Officer directed the parties to submit proposed findings of fact and conclusions of law. Petitioner submitted its proposed findings and conclusions forthwith.

Having reviewed and considered the evidence and arguments presented at the hearing, together with the entire record of this proceeding, the Hearings Officer hereby adopts the proposed findings of fact and conclusions of law submitted by Petitioner, as modified and set forth below.

II. FINDINGS OF FACT

1. On December 9, 1985, West Beach Estates registered the trade name “Ko Olina” with the Department of Commerce and Consumer Affairs (“DCCA”).

2. In 1998, Petitioner purchased certain assets from West Beach Estates, including that certain resort, residential, and commercial real property situated in West Oahu commonly known as the Ko Olina Resort, along with the registered trade name “Ko Olina”.

3. The Ko Olina Resort is a resort community consisting of hotels, condominiums, businesses, private residences, and a marina.

4. On August 20, 1998, West Beach Estates assigned the “Ko Olina” trade name to Petitioner.

5. On April 26, 1999, Petitioner renewed and registered the trade name “Ko Olina” and was issued Certificate of Registration of Trade Name No. 227259. The certificate was issued for a term of ten (10) years from May 8, 1999 to May 7, 2009.

6. On January 14, 2009, Petitioner renewed and registered the trade name “Ko Olina” for the term of five (5) years from May 8, 2009 to May 7, 2014.

7. The “Ko Olina” name was coined by West Beach Estates specifically for the Ko Olina Resort. “Ko Olina” was derived from the Hawaiian word “olina,” which means, among other things, “Joy”. “Ko Olina” is intended to mean, “Place of Joy”.

8. The term “Ko Olina” had no commercial or other use prior to its use in connection with the development and operation of the Ko Olina Resort.

9. The term “Ko Olina” is neither a Hawaiian word nor a geographic location.

10. West Beach Estates and Petitioner, as assignee, have continuously and actively used the trade name “Ko Olina” since 1985 in connection with the development and operation of the Ko Olina Resort.

11. Since 1985, the “Ko Olina” trade name has been used in reference to and has become synonymous with the Ko Olina Resort.

12. The “Ko Olina” trade name, as applied in connection with the development and operation of the Ko Olina Resort, is well known through long, continuous and exclusive use, as well as extensive promotion, advertising, and publicity relating to the Ko Olina Resort.

13. Petitioner has established a valuable reputation and achieved enormous goodwill of great value in the “Ko Olina” trade name. Ko Olina Resort also has an active presence on the Internet, including operating the website available at koolina.com, which is devoted exclusively to the promotion of the Ko Olina Resort. The website has become a valuable tool in promoting and offering information about the Ko Olina Resort.

14. Petitioner has actively controlled, limited, and restricted use of the “Ko Olina” trade name since its assignment in August of 1998.

15. Jeffrey R. Stone is President of Commercial Property Advisors, Inc., a Hawaii corporation, which is the manager of Petitioner.

16. Ralph F. Harris is Vice President and Asset Manager for Petitioner.

17. Jeffrey R. Stone and Ralph F. Harris are the only two people who have authority on behalf of Petitioner to allow other persons and/or entities to use and/or license the trade name “Ko Olina”.

18. Over the years, Jeffrey R. Stone and/or Ralph F. Harris have authorized and/or licensed the use of the “Ko Olina” trade name to various persons and/or entities, including, but not limited to, Ko Olina Resort Activities, LLC and Ko Olina Activities, LLC, which are both Hawaii limited liability companies.

19. Neither Petitioner, Jeffrey R. Stone nor Ralph F. Harris authorized Nimiety Group, LLC to use and/or register the “Ko Olina” trade name or any similar iteration of the words.

20. On September 12, 2009, without Petitioner’s permission and knowledge, Respondent registered the trade name “Koolina Activities.com”, and was issued Certificate of Registration No. 4076593.

III. CONCLUSIONS OF LAW

Petitioner requests the revocation of the trade name “Koolina Activities.com” and any similar iteration of the words pursuant to the provisions of Hawaii Revised Statutes (“HRS”) § 482-8 (prior ownership) and, alternatively, § 482-6 (non-use).

In *Stout v. Laws*, 37 Haw. 382, 477 P.2d 166 (1946), the Hawaii Supreme Court

stated:

Trade names may be established without registration under the Acts of Congress relating to trademarks or copyrights and without registration under the local law pertaining to trademarks and trade names. They are acquired by adoption and use for a period of time sufficiently long for the public to associate the name with the business to which it is applied. They belong to the one who first uses them and gives them value.

Id. at 385.

According to the principles outlined in *Stout*, ownership rights to trade names are acquired through their adoption by a viable business entity within the stream of commerce. The registration of a trade name or trademark is a reflection of purported ownership rather than proof of ownership, and the continued registration of a mark is only as good - when challenged - as the underlying basis upon which it rests. *Out of the Blue Productions*, TN-94-5 (DFO August 16, 1995); *Kona Gold Coffee Drink*, TN-89-23 (DFO April 10, 1990). It is well-settled that the ownership right to a trade name is developed through continuous and active use in the market place and not by mere registration. *Waikiki Surf Club*, TN-89-19 (DFO January 9, 1991).

The trade name at issue here is based upon and derived from the “Ko Olina” name. “Ko Olina” was coined by West Beach Estates specifically and exclusively as the name for its resort development and community and subsequently assigned to Petitioner. Under these circumstances, the Hearings Officer must first determine whether Petitioner is the owner of the “Ko Olina” trade name and, if so, whether there is a likelihood of confusion among consumers from Respondent’s use of “Koolina Activities.com” and/or similar iteration of the words.

There is no dispute that, in 1998, Petitioner acquired the interests of West Beach Estates in the resort, including the “Ko Olina” trade name, and since then has actively and continuously used the name and operated the Ko Olina Resort under the name. On the other hand, Respondent did not use “Koolina Activities.com” and/or any similar iteration of the words until 2009. Based on this record, the Hearings Officer concludes that Petitioner has established its ownership of “Ko Olina”. As the owner of the trade name, Petitioner must now prove that there is a likelihood of confusion from Respondent’s use of “Koolina Activities.com” and/or similar iteration of the words.

The test for determining whether trade names are confusingly similar is “whether there is a likelihood of confusion in the mind of a reasonably prudent buyer.” *In re Kona’s Something Special*, TN-84-4 (DFO August 8, 1984). “A likelihood of confusion exists when consumers would be likely to assume that the source of the products or services is the same as or associated with the source of a different product or service identified by a similar mark.” *Carrington v. Sears Roebuck & Company*, 5 Haw. App. 194, 683 P.2d 1220 (1984).

In *In re Kona’s Something Special*, the Director adopted standards for determining the likelihood of confusion, modifying the factors set forth by the Intermediate Court of Appeals in *Carrington*. The Director condensed the eight factors set forth in *Carrington* into six factors which are: (1) similarity of the names; (2) similarity of businesses; (3) channels of trade; (4) evidence of actual confusion; (5) respondent’s intent in adopting the name; and (6) the strength of the name.

In *Carrington*, the Court articulated the test for evaluating the similarity of trade names:

The similarity of the marks is tested on three levels: sight, sound, and meaning (*citation omitted*). The marks are considered as they are encountered in the marketplace (*citation omitted*), and are examined as entities. Similarities are given more weight than

differences (*citations omitted*). If the marks appear in conjunction with a clearly displayed name or logo of the manufacturer, there is less likelihood of confusion, although the marks might be similar. (*citations omitted*).

Additionally, in *In re "Hawaii Waterbed Warehouse"*; TN-78-4 (DFO August 22, 1978), the Director held that in determining the similarity between contested trade names, the dominant portions of the names must be examined.

Here, "Koolina Activities.com" and its cross-referenced name "Ko Olina Activities.com" contain the core term "Ko Olina" and/or a similar iteration of the words. Moreover, the dominant portion of the trade names are undoubtedly "Ko Olina" and/or a similar iteration of the words. Consequently, the names appear to have similar looks and sounds and, as a result, convey similar meaning.

According to the evidence, Respondent is in the business of booking activities in or around the Ko Olina Resort community. Respondent's services are complementary to Ko Olina's resort business and are sold to the same class of purchasers, including but not limited to the Ko Olina Resort's hotels and their guests. Moreover, Respondent's services compete with the activities booking services offered by Ko Olina Resort Activities, LLC and/or Ko Olina Activities, LLC, both of which are Hawaii limited liability companies authorized by Petitioner to use the "Ko Olina" trade name. These circumstances lead to the possibility that the public will assume that the provider of the activities booking services is Petitioner, Ko Olina Resort, Ko Olina Resort Activities, LLC and/or Ko Olina Activities, LLC rather than Respondent. As the *Carrington* Court explained:

If the goods on which the marks appear are similar in nature, there is a danger that the public will mistakenly assume an association between their producers or manufacturers. (*citation omitted*). Therefore, where the goods are complementary, or are sold to the same class of purchasers, or are similar in use and function, a

deceptive trade practice or trademark infringement may occur, even though the trademarks are not entirely similar. (*citations omitted*).

It was also evident from the record that Respondent: (1) was well aware of Petitioner's long-standing and well-known use of "Ko Olina" as the name of its resort community, as well as Petitioner's ownership of the "Ko Olina" trade name; (2) registered "Koolina Activities.com" and the cross-referenced name "Ko Olina Activities.com" despite the fact that Ralph F. Harris, Vice President and Asset Manager for Petitioner, had spoken with a representative of Respondent, and followed up with a letter, reiterating Petitioner's ownership of the "Ko Olina" trade name and request to immediately cease and desist use of the name "Koolina Activities.com", similar iteration of the words, and related domain name; (3) received multiple cease and desist letters from Petitioner and/or its attorneys prior to Petitioner's filing of the instant petition; and (4) even offered to "sell" the "Koolina Activities.com" trade name, similar iteration of the words, and/or related domain name to Petitioner for a substantial five-figure amount despite knowledge of the above.

On this record, the Hearings Officer concludes that Respondent adopted the trade name "Koolina Activities.com" and/or similar iteration of the words in order to capitalize on Petitioner's goodwill and reputation.

Finally, evaluating the strength of the trade name determines the level of protection that will be provided to a trade name. The appellate court in *Carrington* stated:

[A] strong mark is one which is distinctive and used in a fictitious, arbitrary and fanciful manner, and is entitled to the widest ambit of protection from infringing uses.

A "descriptive" mark is one which tells something about the product and will only be protected where a secondary meaning is shown. Suggestive marks lie in between strong marks and descriptive ones and encompass marks which subtly connote

something about the products with which they are associated. A suggestive mark is less distinctive than an arbitrary or fanciful mark, and is considered as a comparatively weak mark. However, it will be protected without proof of a secondary meaning. Descriptive and suggestive marks are considered weak marks and only where the marks are quite similar and the goods are closely related will infringement be found.

5 Haw. App. 203, 204 (citations omitted).

Applying the criteria used by the appellate court, the Hearings Officer finds that “Ko Olina” is a term that was coined specifically for the purpose of functioning as the name of Ko Olina’s resort community and, as such, is best categorized as fanciful. “Ko Olina” is, therefore, entitled to the widest ambit of protection without proof of secondary meaning.

Based on all of these considerations, the Hearings Officer concludes that “Koolina Activities.com” and “Ko Olina Activities.com” are confusingly similar to “Ko Olina”. Having arrived at this determination, the Hearings Officer also concludes that Respondent has failed to prove by a preponderance of the evidence that it is the owner of the trade name “Koolina Activities.com” and/or similar iteration of the words insofar as HRS § 482-4 prohibits the adoption or use of trade names that are confusingly similar to any registered trade name.

The conclusions herein are consistent with findings and holdings issued in previous revocation matters regarding the “Ko Olina” trade name. *See, e.g., State of Hawaii Department of Commerce and Consumer Affairs Hearings Officer’s Findings of Fact, Conclusions of Law, and Recommended Order*, filed October 16, 2006, *In the Matter of the Trade Names KO OLINA RESORT TRANSPORTATION, LLC, et al.*, TN-2006-1 and TN-2006-3 (“Hearings Officer’s Findings”), at 8, ¶ 1 (submitted by Petitioner as Exhibit “7” in this matter), and *Director’s Final Order*, filed February 20, 2007, at 2, ¶ 1 (submitted by Petitioner as Exhibit “8” in this matter), adopting the Hearing Officer’s recommended decision.

IV. RECOMMENDED ORDER

For the reasons set forth above, the Hearings Officer recommends that the DCCA Director find and conclude as follows:

1. That Petitioner has proven by a preponderance of the evidence that it is the owner of the trade name “Ko Olina”;
2. That “Koolina Activities.com” (cross-referenced as “Ko Olina Activities.com”) and similar iteration of the words are confusingly similar to “Ko Olina”; and
3. That Respondent has failed to prove by a preponderance of the evidence that it is the owner of the trade name “Koolina Activities.com” (cross-referenced as “Ko Olina Activities.com”) and similar iteration of the words.

Based on the foregoing findings and conclusions, the Hearings Officer further recommends that the Director: (1) revoke Certificate of Registration No. 4076593 for the trade name, “Koolina Activities.com” (cross-referenced as “Ko Olina Activities.com”), issued to Respondent on September 12, 2009, and (2) revoke any and all other existing and possible future registration and/or use of the trade name “Ko Olina” and any similar iteration of the words by Respondent and/or individuals and/or entities related to Respondent.

DATED: Honolulu, Hawaii, _____.

CRAIG H. UYEHARA
Administrative Hearings Officer
Department of Commerce and Consumer Affairs