

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS
2012 MAR 23 P 1: 21
HEARINGS OFFICE

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

In the Matter of the) TN-2011-6
)
Trade Name) DIRECTOR'S FINAL ORDER
)
"KAMEHAMEHA GARMENT)
COMPANY")
_____)

DIRECTOR'S FINAL ORDER

On January 31, 2012, the duly appointed Hearings Officer issued her Findings of Fact, Conclusions of Law and Recommended Order in the above-captioned matter to the parties. The parties were given an opportunity to file written exceptions and on February 22, 2012, Martin Sanders ("Respondent") filed exceptions to the Hearings Officer's recommended decision. Oral argument was not requested. Petitioner did not file a response to the exceptions.

Upon review of the entire record of this proceeding, including Respondent's exceptions, the Director adopts the Hearings Officer's recommended decision as the Director's Final Order and grants Petitioner's petition to revoke the trade name "Kamehameha Garment Company". Accordingly, the Director orders that Certificate of Registration No. 4095117 issued to Respondent on May 17, 2011, be revoked on the basis of prior ownership pursuant to HRS § 482-8.

DATED: Honolulu, Hawai'i,

March 22, 2012

KEALII S. LOPEZ

Director
Department of Commerce
and Consumer Affairs



DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2012 JAN 31 A 11: 34

HEARINGS OFFICE

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

In the Matter of the)	TN-2011-6
)	
Trade Name)	HEARINGS OFFICER'S FINDINGS OF
)	FACT, CONCLUSIONS OF LAW AND
"KAMEHAMEHA GARMENT)	RECOMMENDED ORDER
COMPANY")	
_____)	

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

I. INTRODUCTION

On August 4, 2011, Johnston Bradley Walker ("Petitioner") filed a petition requesting that the certificate of registration for the trade name "Kamehameha Garment Company" issued by the Department of Commerce and Consumer Affairs as certificate of registration no. 4095117 to Martin Sanders ("Respondent") be revoked. Notice of the hearing and prehearing conference was duly transmitted to the parties. Respondent received a copy of the Petition and Notice by certified mail. On October 5, 2011, Petitioner authorized Tim Smith of Pacific Clothing Company to act on his behalf at the pre-hearing conference and the hearing.

On November 17, 2011, a hearing was conducted by the undersigned Hearings Officer. Mr. Smith appeared on behalf of Petitioner and Respondent appeared *pro se*.

Having reviewed and considered the evidence and argument presented at the hearing, together with the entire record of this proceeding, the Hearings Officer renders the following findings of fact, conclusions of law and recommended order.

II. FINDINGS OF FACT

1. On October 31, 1991, Watkins Pacific Corporation, former owner of the dissolved Kamehameha Garment Company gave constructive notice that it had given up its claim to the mark Kamehameha Garment Company and had no objection to the registration of that mark by Petitioner.

2. Petitioner commenced business under the name Kamehameha Garment Company, Inc. in 1994.

3. U.S. Trademark Registration No. 2,035,318 for the trademark “Kamehameha” was issued to Kamehameha Garment Company, Inc. on February 4, 1997. According to the registration, “Kamehameha” was first used in commerce by Kamehameha Garment Company, Inc. in May 1994 for “clothing, namely, men’s shirts, pants, shorts and t-shirts; women’s shirts, pants, shorts, skirts, dresses, blouses and t-shirts; and children’s shirts, pants, shorts, skirts, dresses, blouses and t-shirts; hats and belts, in class 25 (U.S. CLS 22 and 39).” This registration was renewed December 4, 2007 with Petitioner as the registration owner.¹

5. Starting about January 2007, Petitioner licensed “Kamehameha Garment Company” to Pacific Clothing Company who continues to make men and women’s clothing under that license. Every garment sold has hang tag with “Kamehameha Garment Company” and references a “Kamehameha” aloha shirt.

4. On May 17, 2011, the Department of Commerce and Consumer Affairs issued Certificate of Registration No. 4095117 to Respondent for the trade name “Kamehameha Garment Company”. According to the Application for Registration of Trade Name, the nature of the business for which the trade name was to be used was “manufacture, and wholesale and retail distribution, of clothing, general merchandise, and related items and goods and services.”

5. On June 8, 2011, Respondent sent “Tim” of Pacific Clothing Company an e-mail confirming a meeting the previous day where Respondent informed Pacific Clothing Company the its licensing agreement with the prior “licensor” (Petitioner) was no longer valid and that Respondent intended that Pacific Clothing Company’s licensing of the label “Kamehameha Garment Company” label to “continue seamlessly and comfortably for you.”

¹ Kamehameha Garment Company, Inc. was dissolved in 2006.

6. Respondent was issued 100 shares of Kamehameha Garment Company, Inc. on May 10, 1996. These shares represented 10% of the shares that were paid for by Petitioner.

III. CONCLUSIONS OF LAW

Petitioner seeks revocation of the trade name “Kamehameha Garment Company” on the basis of prior ownership under Hawaii Revised Statutes (“HRS”) § 482-8, which provides in part:

§ 482-8 Revocation of trade name registration. (a) Any person claiming to be the owner of a trade name or mark whose common law rights are infringed upon, or any entity registered or authorized to transact business under the laws of this State whose common law right to its entity name are infringed upon, by a trade name for which a certificate of registration pursuant to this chapter has been issued to any other person may file a petition in the office of the director for the revocation of the registration of that trade name. The petition shall set forth the facts and authority supporting the claim that the petitioner has common law rights of ownership of the trade name, mark or entity name, that these rights are being infringed upon by the other registered trade name that is confusingly similar to the petitioner’s trade name, mark, or entity name, and that the certificate of registration should be revoked.

The evidence presented established that Petitioner registered “Kamehameha” with the U.S. Patent and Trademark Office on February 4, 1997 and the trademark was to be used for clothing. Federal registration is *prima facie* evidence that the registrant is the owner of the mark and the registrant is granted a presumption of ownership, dating to the filing date of the application for federal registration. *See, Sengoku Works Ltd, v. RMC Intern., Ltd.* 96 F.3d 1217 (9th Cir., 1996). However, the non-registrant can rebut this presumption by a showing that he used the mark in commerce first. *Id.* Based on the record in this case, it is clear that Petitioner must be granted a presumption of ownership for “Kamehameha” in conjunction with clothing, as no evidence was presented by Respondent to rebut the presumption that Petitioner owns “Kamehameha” by virtue of its federal registration.

Notwithstanding the federal registration, as this is only for “Kamehameha”, the evidence presented also showed that Petitioner was the owner of Kamehameha Garment


Company, Inc. and that it started business in 1994 until it was dissolved in 2006, and that in 2007, Petitioner licensed “Kamehameha Garment Company” to Pacific Clothing Company which has used “Kamehameha Garment Company” on its merchandise continuously since that time. Respondent asserts his right to “Kamehameha Garment Company” as an owner of the dissolved corporation Kamehameha Garment Company, Inc. However, except to contact Pacific Clothing Company, Respondent has not used the name in the marketplace.

Ownership rights to trade names are developed through continuous and active use in the marketplace and not by mere registration. *In re Opal of the Sea*, TM 82-19 (Director’s Final Order December 3, 1982). Based on the record in this case, it is clear that Petitioner, who began using the name in 1994, has continuously and actively used “Kamehameha Garment Company” since that time.² Accordingly, the Hearings Officer finds that Petitioner has established by a preponderance of the evidence that he is the owner of “Kamehameha Garment Company”.

IV. RECOMMENDED ORDER

For the reasons set forth above, the Hearings Officer recommends that the Director grant Petitioner’s Petition for Revocation and order that Certificate of Registration No. 4095117 issued to Respondent on May 17, 2011, be revoked on the basis of prior ownership pursuant to HRS § 482-8.

DATED: Honolulu, Hawaii, JAN 31 2012.



SHERYL LEE A. NAGATA
Administrative Hearings Officer
Department of Commerce
and Consumer Affairs

² The apparent gap between the dissolution of Kamehameha Garment Company, Inc. and Petitioner’s licensing of “Kamehameha Garment Company” is found to be *de minimus*. In addition, there was no showing that Respondent used the name during that time.