

# CALIFORNIA Apparel News

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## NEWS

### Judge Settles Roxy Case

Both David and Goliath came out winners in the trademark trial over the Roxy label.

A U.S. District Court judge ruled that surfwear giant **Quiksilver Inc.**, which makes the **Roxy** label, must coexist with **Kymsta Corp.**, a small private-label juniors apparel company that manufactures the **Roxywear** label.

On Feb. 6, U.S. District Court Judge Dickran Tevzian ruled that Huntington Beach, Calif.-based Quiksilver had established first-use rights to its Roxy trademark, which generates \$200 million a year. But the judge also ruled that Los Angeles-based Kymsta may continue using the Roxywear label, which generated \$2 million in 2002.

Quiksilver, which had revenues totaling \$975 million in 2003, filed a lawsuit in May 2002 against Kymsta, claiming that Roxywear, Kymsta's juniors label, was causing brand confusion among specialty store and department store retailers that carried both labels.

A 10-day trial began on Jan. 27 at the Edward R. Roybal Building and Courthouse in downtown Los Angeles. Just days before the jury considered the case, both parties filed a motion asking that a judge, not a jury, decide the case. The motion was granted, and Tevzian decided both labels can coexist.

Although the court found that Quiksilver was first to use the trademark, it barred Quiksilver's claim against Roxywear. The judge based the decision on the doctrine of laches—a legal term stating that a party has waited too long to assert its legal right. Quiksilver had known since 1994 that the Roxywear brand existed. Kymsta owners Arthur Pereira and Roxanne Heptner maintained that Roxywear had been in existence since 1991.

Quiksilver based its first-use claim to the Roxy trademark on evidence

showing the company had used the name on its hang tags before 1991. Even though Quiksilver's Roxy hang tags have had multiple trademarks and artwork over the years, the court concluded that Quiksilver's use of the label started before 1991.

In addition, the judge ruled that Kymsta could continue to use its trademark under certain limitations. Kymsta must develop a new hang tag that reads **Roxywear by Roxanne Heptner**. The company may continue to sell its juniors apparel line through its present distribution channels as long as it does not license or sell the name to other manufacturers or large retailers, said James Nguyen, Kymsta's attorney.

"My clients are very pleased and satisfied because they can continue using the brand name as they have been and continue selling their product to whom-ever they want," Nguyen said.

Quiksilver Chief Executive Officer Bob McKnight was also pleased with the court's decision. "This case was about first use of the Roxy trademark, and the court found no evidence to support Kymsta's claims," he said. "In fact, it supported Quiksilver's common law rights."

The case pointed out how important it is for apparel manufacturers to take legal action quickly when it comes to trademarks, said copyright and trademark attorney Crystal Zarpas of **Mann & Zarpas** in Sherman Oaks, Calif.

"This case shows the importance of not only policing your mark but immediately acting on any alleged infringement," Zarpas said. "Otherwise, although you may have superior rights based on first use, you may lose those rights to another party."

—Claudia Figueroa