

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

CLERK OF DISTRICT COURT  
NORTHERN DISTRICT OF TX  
2010 OCT 18 PM 12:57

PERENNIALS, INC.

*Plaintiff,*

v.

THE HERSHEY COMPANY

*and*

**HERSHEY CHOCOLATE &  
CONFECTIONARY CORPORATION,**

*Defendants.*

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CIVIL ACTION NO.

**8-10 CV-2103 M**  
44229

**COMPLAINT FOR DECLARATORY JUDGMENT**

Plaintiff Perennials, Inc. ("Perennials" or "Plaintiff"), by and through its undersigned counsel, and in support of its Complaint for Declaratory Judgment against defendants, The Hershey Company and Hershey Chocolate & Confectionary Corporation (collectively, "Defendants"), alleges as follows:

**I. PARTIES**

1. Plaintiff Perennials, Inc. is a corporation organized and existing under the laws of the State of Texas and having a principal place of business at 140 Regal Row, Dallas, Texas 75247.

2. Upon information and belief, defendant The Hershey Company is a corporation organized and existing under the laws of the State of Delaware and having a principal place of business at 100 Crystal A Drive, Hershey, Pennsylvania 17033.

3. Upon information and belief, defendant Hershey Chocolate & Confectionary Corporation is a wholly owned and controlled subsidiary of defendant, The Hershey Company,

and a corporation organized and existing under the laws of the State of Delaware with a principal place of business at 480 Robb Street, Suite 204, Wheat Ridge Colorado 80033.

## **II. NATURE OF ACTION**

4. This is an action for declaratory and injunctive relief pursuant to 28 U.S.C. § 2201 and 2202. Plaintiff seeks (i) a declaratory judgment from this Court that its use of the color descriptor Chocolate Kiss for its fabric lines is not an infringement or other violation of the trademark rights of Defendants and (ii) an injunction preventing Defendants from threatening Plaintiff or Plaintiff's customers to sue them for infringement or violation of alleged trademark rights of Defendants by reason of Plaintiff's sale and distribution, and/or such customers' purchase and resale or redistribution, of fabrics of Plaintiff having the color descriptor "Chocolate Kiss" associated therewith.

## **III. JURISDICTION AND VENUE**

5. This Court has subject matter jurisdiction over this action pursuant to the Declaratory Judgment provisions of 28 U.S.C. §§ 2201 and 2202, and the original jurisdiction provisions of 15 U.S.C. § 1121, 28 U.S.C. §§ 1331, 1338(a) and (b), as well as the principles of pendent jurisdiction. As alleged herein, an actual and justiciable controversy exists between Plaintiff and Defendants regarding Defendants' claim of infringement and dilution of Defendants' alleged trademark rights, and by reason of Defendants' actual and implied threats to bring and threaten litigation against Plaintiff and Plaintiff's customers, by reason of the use of the color descriptor "Chocolate Kiss" in connection with the sale and offering for sale of Plaintiff's designer-class fabric products.

6. This Court has personal jurisdiction over Defendants because, upon information and belief, Defendants have been systematically and continuously conducting business in this State and in this judicial district, as well as, upon information and belief, by reason of

Defendants' monitoring, enforcement and/or licensing of trademark rights, and threats of litigation against others, including Plaintiff, in this State and judicial district. Upon information and belief, Defendant, The Hershey Company, has also sought and obtained a license to conduct business in the State of Texas and has appointed CT Corporation System at 350 N. St. Paul St., Ste. 2900, Dallas, Texas 75201, in this judicial district, as its registered agent for service of process.

7. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b) and 1391(c).

#### IV. FACTUAL BACKGROUND

8. Plaintiff Perennials is a national distributor of designer-class fabrics for discriminating consumers ("Fabric Products") and uses the term "Chocolate Kiss" as a color descriptor ("CK Descriptor") for certain ones of its lines of Fabric Products.

9. For approximately seven years, specifically since 2004, Perennials has been conspicuously and continuously using the CK Descriptor in connection with the sale and offering for sale of its Fabric Products to the trade and public throughout the United States.

10. Notwithstanding this long time open and continuous use by Perennials, on October 4, 2010, Defendants, through its legal counsel, directed to Perennials at its principal office in Dallas, Texas, a letter accusing Plaintiff of infringing or diluting Defendants' trademark rights and demanding, among other things, that Plaintiff immediately cease and desist all use of the CK Descriptor and identify all of its customers that had purchased any of the Fabric Products with which the CK Descriptor had been used. A copy of this October 4, 2010 letter is attached as Exhibit A.

11. Defendants' October 4, 2010 letter further threatened that failure by Plaintiff Perennials to fully comply with all of Defendants' demands, including the identification of all of

Perennials' customers that had purchased the allegedly infringing Fabric Products, by the close of business on October 18, 2010, would be "interpreted to mean that you intend to continue selling infringing merchandise in violation of the law." Under such circumstances, Defendants listed their options as including a federal lawsuit seeking, among other things, preliminary and permanent injunctive relief, monetary damages, including Perennials' profits and treble damages, and corrective advertising damages. Defendants also reserved their trademark rights and remedies under state law.

12. Outside counsel for Plaintiff responded by way of a letter that was e-mailed to Defendants' counsel on October 11, 2010, requesting additional information and time to investigate Defendants' allegations. A copy of this letter is attached as Exhibit B.

13. On October 13, 2010, upon learning that Plaintiff Perennials had been openly and continuously using the CK Descriptor in connection with its fabric lines offered for sale and sold to the trade and public for the preceding seven years, Plaintiff's counsel immediately advised Defendants' counsel by letter of such long time use, and forwarded evidence in support of such. Given Defendants' well-known monitoring of the marketplace, and the now apparent applicability of limitations and laches, it was presumed that Defendants' counsel would recognize that such long time and conspicuous use would be dispositive of their claim and bar any further action against Perennial or Perennials' customers. Thereafter, upon receiving an e-mail reply from Defendants' counsel asking why Perennials' long time and open use would be dispositive of Defendants' claims, Plaintiff's counsel responded by e-mail on October 14, 2010, pointing out that such use would entitle Perennials to dismissal of any claim by reason of limitations as well as laches. A copy of the October 13 letter and October 14 e-mail from Plaintiff's counsel are attached hereto as Exhibits C and D.

14. However, Defendants' counsel, instead of withdrawing the allegations of trademark infringement and dilution against Plaintiff and Plaintiff's customers, advised by e-mail

on October 15, 2010, that Defendants were “moving full steam ahead.” A copy of Defendants’ counsel’s October 15, 2010 e-mail is attached hereto as Exhibit E.

15. An actual and justiciable controversy thereby exists between Plaintiff and Defendants regarding Defendants’ allegations of infringement and dilution of Defendants’ trademark rights and the actual and implied threats, respectively, to bring litigation against Plaintiff and Plaintiff’s customers for the use of “Chocolate Kiss” as a color descriptor for Fabric Goods. Plaintiff is currently under reasonable apprehension that at some indeterminate time in the future, Defendants will file suit against Plaintiff and/or sue or threaten to sue Plaintiff’s customers, for alleged violations of Defendants’ trademark rights, to the irreparable damage of Plaintiff.

16. Accordingly, in order to remove the uncertainty that has arisen due to Defendants’ allegations and threats, Plaintiff has filed this Complaint seeking relief in the form of a conclusive, judicial declaration of non-infringement and non-dilution of Defendants’ alleged trademark rights, and that any claims by Defendants are, in any event, time barred.

17. Particularly due to Defendants’ active monitoring of the marketplace for infringements of their trademark rights, as clearly evidenced in part by the plethora of trademark infringement enforcement actions instituted by the Defendants, and because of Plaintiff’s open and conspicuous use of its CK Descriptor for the last seven years in connection with Plaintiff’s Fabric Products, upon information and belief, Defendants knew, and at the very least should have known, of such use by Plaintiff. Notwithstanding, Defendants, without excuse, delayed in asserting any claim of infringement or dilution of their trademark rights against Plaintiff until October 4, 2010. Such delay has unduly prejudiced Plaintiff.

18. Defendants' aforementioned delay precludes Defendants from obtaining any judicial relief against Plaintiff and/or Plaintiff's customers by reason of their use of Plaintiff's CK Descriptor, due to limitations.

19. Defendants' aforementioned delay precludes Defendants from obtaining any judicial relief against Plaintiff and/or Plaintiff's customers by reason of their use of Plaintiff's CK Descriptor, due to the doctrine of laches.

**COUNT I**  
**DECLARATORY JUDGMENT OF NON-INFRINGEMENT**

20. The allegations of Paragraphs 1-19 are hereby re-alleged and incorporated by reference herein as the initial factual allegations in support of this count.

21. Upon information and belief, neither the designation "Kiss", nor the designation "Chocolate Kiss", is recognized in the trade as exclusively indicating all products or services, particularly fabrics, originating from Defendants.

22. There is no likelihood that the relevant consumers or trade would associate Perennials' CK Descriptor "Chocolate Kiss" for fabrics with Defendants or with any products or services offered by Defendants, and the use of such CK Descriptor for fabrics would not otherwise be likely to cause confusion, mistake, or deception as to the affiliation, connection or association with Defendants, or as to the origin, sponsorship, or approval by Defendants of fabrics sold and offered for sale by Plaintiff.

23. Plaintiff's use of the CK Descriptor "Chocolate Kiss" for fabrics has not resulted in any intended or actual association with Defendants, with any of Defendants' trademarks, or with any product or service associated with Defendants.

24. Plaintiff alleges and seeks a judicial declaration pursuant to 28 U.S.C. §§ 2201 and 2202 that Plaintiff has not infringed and does not infringe, under federal, state, or common law, any alleged trademarks owned by Defendants.

**COUNT II**  
**DECLARATORY JUDGMENT OF NON-DILUTION OF DEFENDANTS'**  
**TRADEMARKS**

25. The allegations of Paragraphs 1-24 are hereby re-alleged and incorporated by reference herein as the initial factual allegations of this count.

26. Neither the designation "Kiss" nor the designation "Chocolate Kiss" is a famous mark owned by either of the Defendants.

27. The use by Plaintiff of the color descriptor "Chocolate Kiss" for fabrics does not result in the dilution, by blurring or tarnishment, of any of Defendants' trademarks, nor in any manner injure the reputation of either of the Defendants or of the Defendant's trademarks.

28. Plaintiff alleges and seeks a judicial declaration pursuant to 28 U.S.C. §§2201 and 2202 that Plaintiff's use of the CK Descriptor does not result in any dilution of Defendants' trademarks, under federal, state statutory, or the common law.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays that after hearing the Court enter judgment:

(a) declaring that Plaintiff has not infringed, and does not infringe, under federal, state statutory, or the common law, any alleged trademark rights of Defendants, and that any such claim of infringement is, in any event, barred by the statute of limitations and the doctrine of laches;

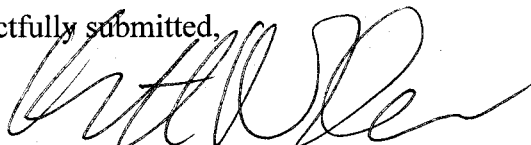
(b) declaring that Plaintiff has not diluted, under federal, state statutory, or the common law, any alleged trademark rights of Defendants; or otherwise injured Defendants, and that any such claim of dilution or injury is, in any event, barred by the statute of limitations and the doctrine of laches;

(c) entering an injunction against Defendants, and all agents of Defendants, enjoining such parties temporarily, and thereafter permanently, from threatening any litigation against

Plaintiff, or against any of Plaintiff's customers, by reason of either of their use of the Chocolate Kiss color descriptor for fabrics;

- (d) that Plaintiff recover its reasonable attorneys' fees and the costs of this action; and
- (e) granting Plaintiff such other and further relief as the Court deems just and proper.

Respectfully submitted,



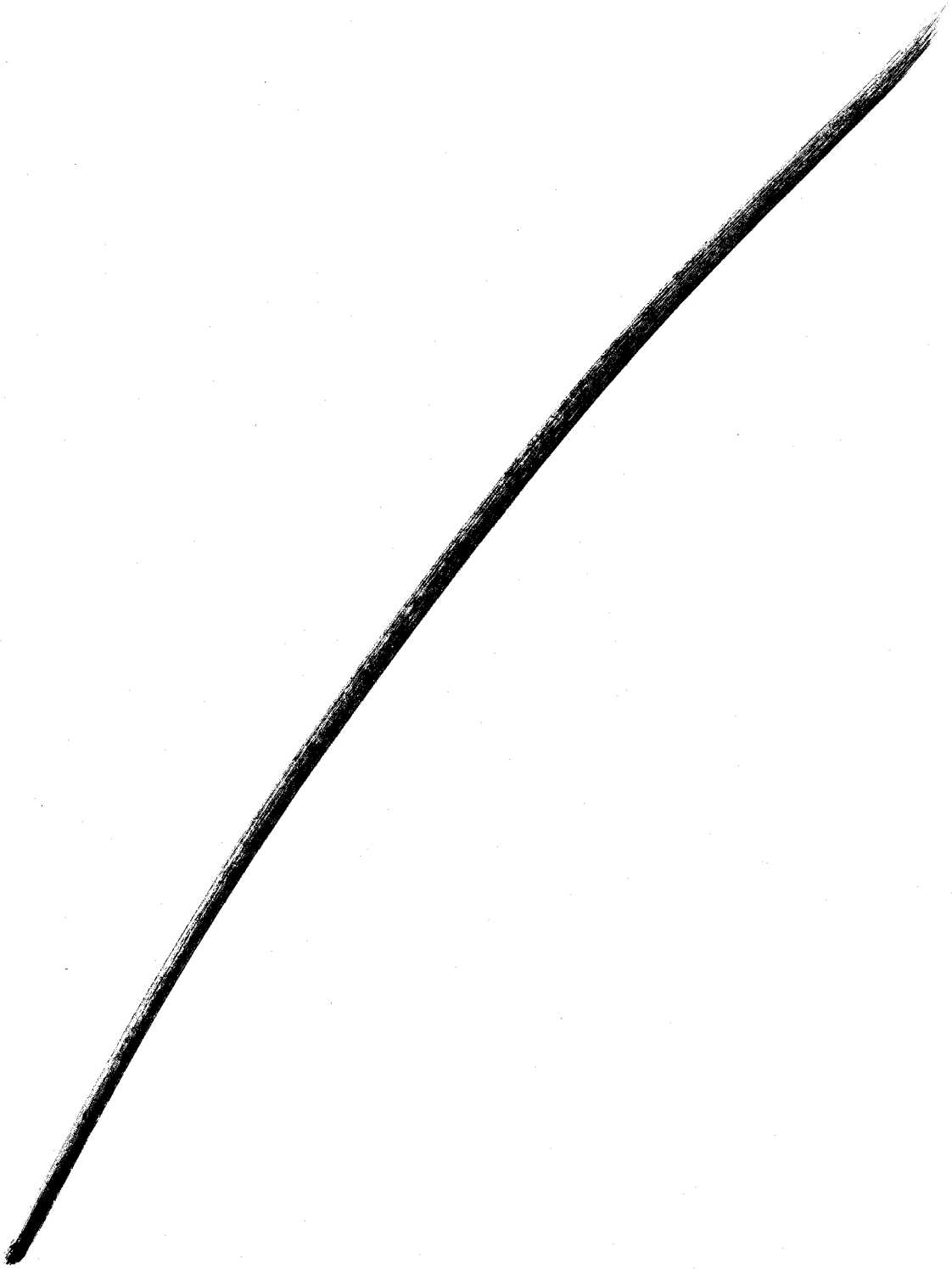
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**ATTORNEYS FOR PLAINTIFF  
PERENNIALS, INC.**





# Taft/

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AMY L. WRIGHT  
317-713-3500  
awright@taftlaw.com

October 4, 2010

***Via Certified Mail  
Return Receipt Requested  
7009 0820 0001 4677 1426***

Anne Sutherland  
Perennials, Inc.  
140 Regal Row, Ste. 140A  
Dallas, TX 75247

***Re: Perennials, Inc.'s Unauthorized Use of the KISSES® Trademark  
Ref. No. 12459-01529***

Dear Ms. Sutherland:

This firm represents The Hershey Company and its trademark management subsidiary, Hershey Chocolate & Confectionery Corporation, which hereinafter shall together be referred to as "Hershey." Hershey is the owner of a family of KISS and KISSES trademarks, the most famous of which is the KISSES® trademark, which has been used in commerce by Hershey for more than 100 years in connection with chocolate and related products, particularly Hershey's KISSES® chocolates, which are also identified by consumers by the mark HERSHEY'S KISS or KISS (hereinafter, referred to as the "KISSES® Trademark").

The KISSES® Trademark is protected by a variety of state, federal, and common laws. Furthermore, Hershey has extensively used and promoted its KISSES® Trademark at considerable expense and consequently, it has acquired significant goodwill and public recognition, especially in connection with chocolate.

It has recently come to our attention that you are distributing products which incorporate the term CHOCOLATE KISS. Specifically, through your website, [www.perennialsfabrics.com](http://www.perennialsfabrics.com), you are advertising and selling Twenty One varieties of "Chocolate Kiss" fabric, evidence of which is hereto attached as **Exhibit A** and **Exhibit B** (hereinafter, collectively the "Infringing Merchandise").

Use of the term KISS, in connection with a reference to chocolate, by persons or entities not affiliated with Hershey can result in a likelihood of confusion for consumers and can dilute the value of our client's trademark rights. Your use of CHOCOLATE KISS constitutes an illegal infringement and dilutes our client's valuable intellectual property rights. Even if the public is not confused as to the source of the Infringing Merchandise, your use of CHOCOLATE KISS in this manner undoubtedly will cause dilution of these assets.

Anne Sutherland  
October 4, 2010  
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Due to the fame associated with the KISSES® Trademark, we assume that you were aware of such rights when you began selling the Infringing Product. Therefore, this appears to be a blatant attempt to profit from our client's proprietary rights.

Our client has several options to enforce its legal rights. For example, it could choose to file a federal lawsuit against you seeking: (i) preliminary and permanent injunctive relief; (ii) money damages; (iii) treble money damages; (iv) compensation equal to all of your profits; (v) reimbursement for all of its attorney's fees, which can quickly become significant; (vi) corrective advertising damages based on your total advertising expenditures to date; and/or (vii) statutory damages.

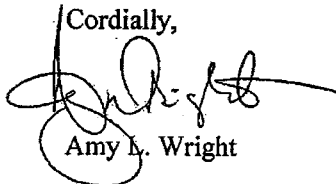
However, at this time our client wishes to resolve this matter amicably without resorting to litigation. In order for an amicable resolution to be possible, we require that the following be delivered to our offices by no later than the end of business on **October 18, 2010**:

- (1) your written agreement that you will immediately cease and desist all use of the mark CHOCOLATE KISS;
- (2) your written agreement that you will not use the term CHOCOLATE KISS, or any other intellectual property owned by Hershey or its subsidiaries, or anything confusingly similar thereto, at any time in the future;
- (3) your agreement to cooperate in the investigation of any other parties with which you have or have had a business relationship involving the Infringing Merchandise;
- (4) copies of all records pertaining to the procurement and sale of the Infringing Merchandise, including the names of all parties that may have manufactured, imported, exported, distributed or purchased the Infringing Merchandise;
- (5) surrender all infringing items in your possession (i.e., anything bearing the term CHOCOLATE KISS, including but not limited to derivative works or imitations thereof); and
- (6) a full accounting of all profits made from any and all Infringing Merchandise, and a full accounting of any other merchandise sold by you that utilizes the term CHOCOLATE KISS or any other trademark owned by Hershey or its subsidiaries.

Be advised that any response which provides anything short of an immediate and voluntary delivery of the above items shall be deemed insufficient and shall be interpreted to mean that you intend to continue selling the Infringing Merchandise in violation of the law.

Nothing in this letter should be construed as a waiver, relinquishment or election of rights or remedies by The Hershey Company or any of its related companies. The Hershey Company and its related companies expressly reserve all rights and remedies under all applicable federal and state laws.

Cordially,

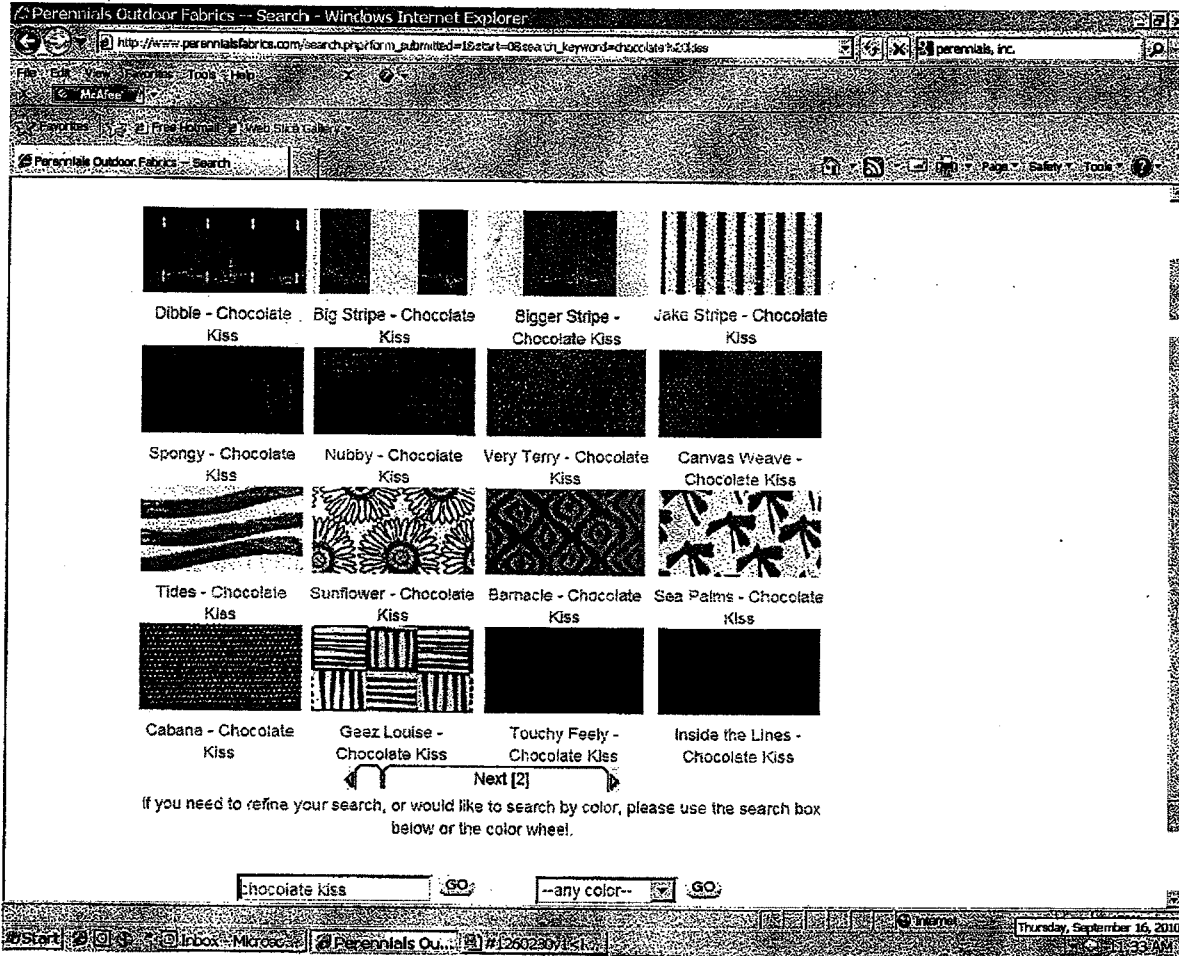


Amy L. Wright

ALW/jap

Anne Sutherland  
October 4, 2010  
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**Exhibit A**



Anne Sutherland  
October 4, 2010  
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**Exhibit B**

Perennials Outdoor Fabrics -- Search - Windows Internet Explorer

http://www.perennialsfabrics.com/search.php?form\_submitted=1&start=1&search\_keyword=chocolate%20kiss

perennials, inc.

Perennials Outdoor Fabrics -- Search

Below are the results of your search (out of 23 total).  
Click on a thumbnail below to view more details and a larger image.

Outside the Box - Chocolate Kiss

Geez Veez - Chocolate Kiss

Hopsack - Chocolate Kiss

NO PICTURE AVAILABLE

Mini Sample Book - Complete Set of 18 (USA)

NO PICTURE AVAILABLE

Chocolate Kiss Imiti Sample Book

Plushy - Chocolate Kiss

Posh - Chocolate Kiss

Back [1]

If you need to refine your search, or would like to search by color, please use the search box below or the color wheel.

chocolate kiss GO

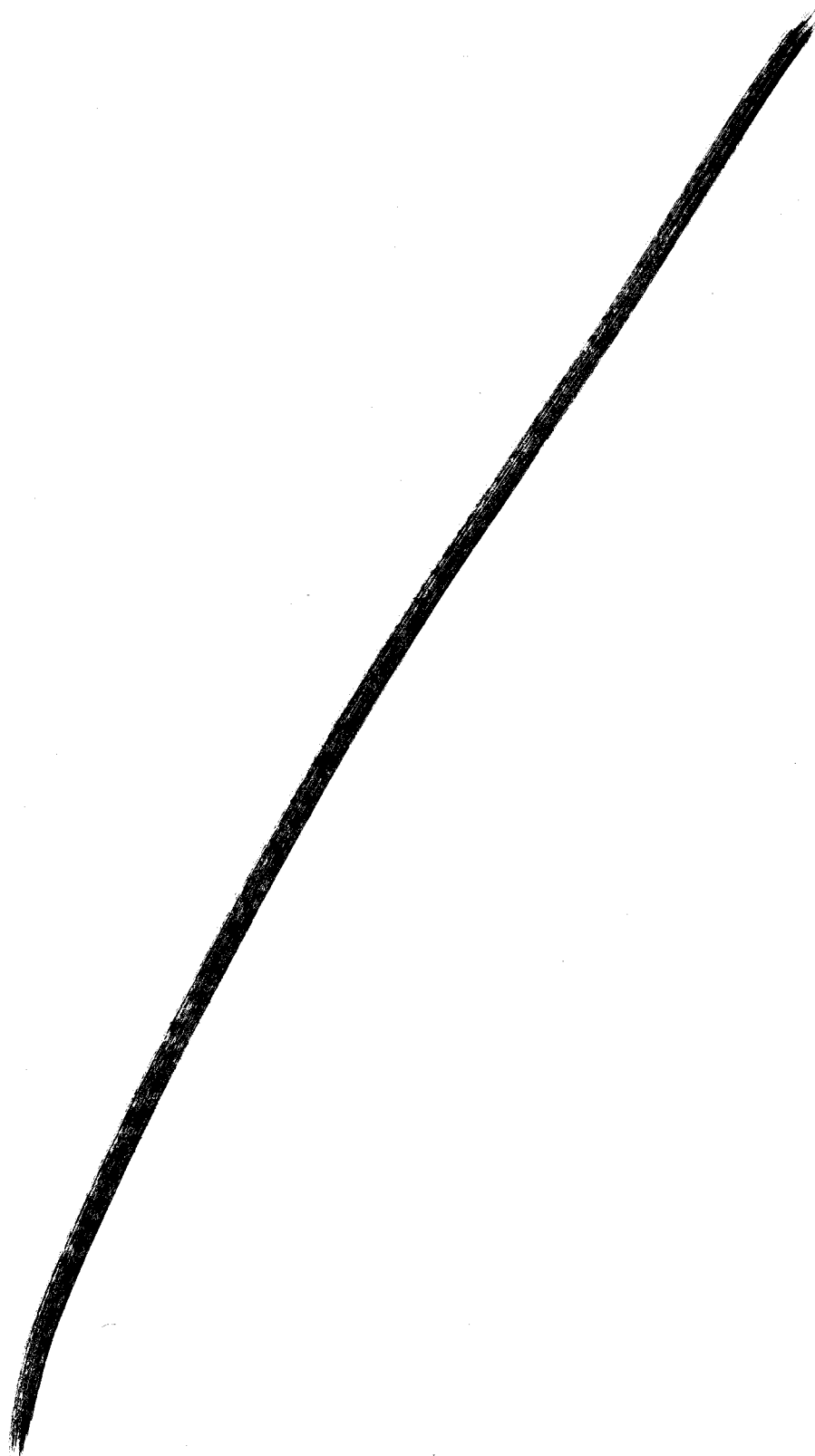
--any color-- GO

Done

Start

Perennials Outdoor Fabrics #126023015

Thursday, September 16, 2010



**GARDERE**

*attorneys and counselors ■ www.gardere.com*

Kenneth R. Glaser  
Direct: 214-999-4352  
Direct Fax: 214-999-3352  
kglaser@gardere.com

**VIA E-MAIL AND CONFIRMATION BY MAIL**

October 11, 2010

Ms. Amy L. Wright, Esq.  
Taft Stettinius & Hollister LLP  
One Indiana Square, Suite 3500  
Indianapolis, IN 46204-2023

Re: Your Client - The Hershey Company; Our Client - Perennials, Inc.; Chocolate  
Kiss

Dear Ms. Wright:

This Firm represents Perennials, Inc. of Dallas, Texas, particularly on trademark and other intellectual property matters. As a consequence, your correspondence of October 4, 2010 to our client, raising concern about its use of the term "Chocolate Kiss" to identify one of its fabric lines, has been referred to us for review and reply.

Initially, it is important for your client to know that Perennials, and its companion company Sutherland, Inc., are highly regarded and well-known for their respective design and production of designer-class fabrics and furniture for the discriminating consumer. As such, I can assure you that Perennials has always had respect for the valid intellectual property rights of others and, of course, its own. I enclose for your ready reference, and with the confirmation copy of this letter, typical examples of Perennials and Sutherland product literature.

Turning now to your October 4 letter, I am sure that you can appreciate that we will need time in which to investigate the background facts underlying your client's concern, in order to competently advise our client on this matter. However, please be assured that we will proceed diligently with such investigation and will provide a substantive response to your requests at our first opportunity. In that regard, you could aid us in expediting this investigation by furnishing factual support for certain ones of your contentions.

For example, given the complete disparity of goods offered by our respective clients, I trust you would agree that dilution, not likelihood of confusion, should be your client's principal concern. Therefore, we would appreciate if you would furnish us whatever evidence you have (i) that the term "Kiss" is a "famous mark", (ii) that

October 11, 2010

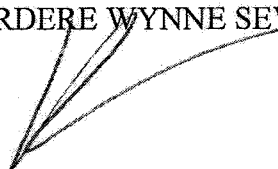
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litigation or other enforcement measures have been taken by The Hershey Company to maintain the word "Kiss" as a famous mark, and (iii) as to how "Chocolate Kiss" for fabrics would dilute the famous mark status, if any, of "Kiss". Given the criticality of such requirements, your providing factual evidence in support of same would facilitate our ability to correctly advise our client.

I look forward to hearing from you at your first opportunity with the above-information. Thank you in advance for your courtesies and cooperation.

Yours truly,

GARDERE WYNNE SEWELL LLP

A handwritten signature in black ink, appearing to read "Kenneth R. Glaser", is written over the typed name and firm name.

Kenneth R. Glaser

KRG/kb  
Enclosures