

EXHIBIT C

1 MARK E. AVSEC* (Ohio State Bar No. 0064472)
2 JENNY L. SHEAFFER* (Ohio State Bar No. 0069950)
3 ANGELA R. GOTT* (Ohio State Bar No. 0082198)
4 BENESCH, FRIEDLANDER, COPLAN & ARONOFF LLP
5 200 Public Square, Suite 2300
6 Cleveland, Ohio 44114-2378
7 Tel: (216) 363-4500
8 Fax: (216) 363-4588
9 E-Mail: mavsec@beneschlaw.com
10 jsheaffer@beneschlaw.com
11 agott@beneschlaw.com

12 **Pro Hac Vice Applications Pending*

13 DAVID M. GIVEN (State Bar No. 142375)
14 FEATHER D. BARON (State Bar No. 252489)
15 PHILLIPS, ERLEWINE & GIVEN LLP
16 50 California Street, 35th Floor
17 San Francisco, CA 94111
18 Tel: (415) 398-0900
19 Fax: (415) 398-0911
20 E-Mail: dmg@phillaw.com
21 fdb@phillaw.com

22 Attorneys for Defendants/Counterclaim-Plaintiffs
23 BLACK FLAG BRANDS, LLC and THE HOMAX GROUP, INC.

24 **IN THE UNITED STATES DISTRICT COURT**
25 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

26 GREEN PRODUCTS COMPANY,

27 Plaintiff,

28 v.

29 BLACK FLAG BRANDS, LLC, THE
30 HOMAX GROUP, INC., and LOWE'S HIW,
31 INC.,

32 Defendants.

Case No. 10 CV-02121-JCS

**ANSWER, AFFIRMATIVE DEFENSES,
AND COUNTERCLAIMS OF
DEFENDANTS BLACK FLAG BRANDS,
LLC AND THE HOMAX GROUP, INC.**

DEMAND FOR JURY TRIAL

1
2 BLACK FLAG BRANDS, LLC and THE
HOMAX GROUP, INC.,

3
4 Counterclaim-Plaintiffs,

5 v.

6 GREEN PRODUCTS COMPANY,

7 Counterclaim-Defendant.
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10 Defendants Black Flag Brands, LLC (“Black Flag”) and The Homax Group, Inc.
11 (“Homax” and, together with Black Flag, the “Black Flag Defendants”), through their counsel,
12 hereby respond to the claims of the First Amended Complaint for Injunctive Relief and Damages
13 (the “Complaint”) of Green Products Company (“Plaintiff”), as follows:

14 1. The Black Flag Defendants admit that Plaintiff asserts violations of the Lanham
15 Act, 15 U.S.C. § 1051 *et seq.* (the “Lanham Act”), including claims for trademark infringement
16 and false designation of origin, but deny that any such claims are cognizable claims under the
17 relevant statutes, and assert that such claims are without any bases in fact or in law. The Black
18 Flag Defendants admit that Plaintiff purports to base jurisdiction on 28 U.S.C. §§ 1331 and 1338,
19 aver that these allegations constitute legal conclusions that are not properly admitted or denied,
20 but for the purposes of answering only, deny these allegations. The Black Flag Defendants deny
21 all of the remaining allegations contained in paragraph 1 of the Complaint.

22 2. The Black Flag Defendants admit that Plaintiff asserts various state law claims,
23 including a claim under the California Business and Professions Code § 17200 *et seq.* and claims
24 for unfair competition, but deny that any of these claims asserted against them are cognizable
25 claims. The Black Flag Defendants admit that Plaintiff purports to base supplemental
26 jurisdiction over such claims under 28 U.S.C. §§ 1338(b) and 1367 and/or under the California
27 Business and Professions Code § 17200 *et seq.*, aver that these allegations constitute legal

1 conclusions that are not properly admitted or denied, but for the purposes of answering only,
2 deny these allegations. The Black Flag Defendants deny all of the remaining allegations
3 contained in paragraph 2 of the Complaint.

4 3. The Black Flag Defendants aver that the allegations contained in paragraph 3 of
5 the Complaint constitute legal conclusions that are not properly admitted or denied. For the
6 purposes of answering only, the Black Flag Defendants admit that they do business in the
7 Northern District of California, and deny all of the remaining allegations contained in paragraph
8 3 of the Complaint.

9 4. The Black Flag Defendants aver that the allegations contained in paragraph 4 of
10 the Complaint constitute legal conclusions that are not properly admitted or denied, but for the
11 purposes of answering only, deny the allegations contained in paragraph 4 of the Complaint.

12 5. The Black Flag Defendants are without knowledge or information sufficient to
13 form a belief as to the truth of the allegations contained in paragraph 5 of the Complaint and, on
14 that basis, deny those allegations.

15 6. The Black Flag Defendants admit that Black Flag is a limited liability company
16 with its principal place of business in Bellingham, Washington. The Black Flag Defendants
17 admit that Black Flag is in the business of producing and selling wood preservatives, among
18 other products. The Black Flag Defendants deny the remaining allegations of paragraph 6 of the
19 Complaint.

20 7. The Black Flag Defendants admit that Homax is a Delaware corporation with a
21 principal place of business in Bellingham, Washington, and admit that Homax is in the business
22 of promoting, distributing, selling and/or assisting in the manufacture, promotion, distribution
23 and sale of wood preservative products, among other things. The Black Flag Defendants admit
24 that the names of both Homax and Black Flag together appear on certain products. The Black
25 Flag Defendants admit that Plaintiff refers to Black Flag and Homax collectively as the “Black
26 Flag Defendants” in the Complaint. The Black Flag Defendants deny the remaining allegations
27 of paragraph 7 of the Complaint.

1 **Answer to First Claim for Relief: Federal Service Mark Infringement**

2 24. The Black Flag Defendants incorporate herein by reference all allegations,
3 statements, denials, and admissions contained in the previous paragraphs.

4 25. The Black Flag Defendants deny the allegations contained in paragraph 25 of the
5 Complaint.

6 26. The Black Flag Defendants deny the allegations contained in paragraph 26 of the
7 Complaint.

8 **Answer to Second Claim for Relief: Unfair Competition and False Designation of Origin**
9 **15 U.S.C. § 1125(a)**

10 27. The Black Flag Defendants incorporate herein by reference all allegations,
11 statements, denials, and admissions contained in the previous paragraphs.

12 28. The Black Flag Defendants deny the allegations contained in paragraph 28 of the
13 Complaint.

14 29. The Black Flag Defendants deny the allegations contained in paragraph 29 of the
15 Complaint.

16 **Answer to Third Claim for Relief: Unfair Competition**
17 **California Bus. And Prof. Code § 17200 et. seq.**

18 30. The Black Flag Defendants incorporate herein by reference all allegations,
19 statements, denials, and admissions contained in the previous paragraphs.

20 31. The Black Flag Defendants deny the allegations contained in paragraph 31 of the
21 Complaint.

22 32. The Black Flag Defendants deny the allegations contained in paragraph 32 of the
23 Complaint.

24 **Answer to Fourth Claim for Relief: Common Law Trademark Infringement**

25 33. The Black Flag Defendants incorporate herein by reference all allegations,
26 statements, denials, and admissions contained in the previous paragraphs.

1 34. The Black Flag Defendants deny the allegations contained in paragraph 34 of the
2 Complaint.

3 35. The Black Flag Defendants deny the allegations contained in paragraph 35 of the
4 Complaint.

5 36. The Black Flag Defendants deny the allegations contained in paragraph 36 of the
6 Complaint.

7 **Answer to Fifth Claim for Relief: Common Law Unfair Competition**

8 37. The Black Flag Defendants incorporate herein by reference all allegations,
9 statements, denials, and admissions contained in the previous paragraphs.

10 38. The Black Flag Defendants deny the allegations contained in paragraph 38 of the
11 Complaint.

12 39. The Black Flag Defendants deny the allegations contained in paragraph 39 of the
13 Complaint.

14 40. The Black Flag Defendants deny the allegations contained in paragraph 40 of the
15 Complaint.

16 **Answer to Sixth Claim for Relief: Intentional Interference with Prospective Economic**
17 **Relations**

18 41. The Black Flag Defendants incorporate herein by reference all allegations,
19 statements, denials, and admissions contained in the previous paragraphs.

20 42. The Black Flag Defendants are without knowledge or information sufficient to
21 form a belief as to the truth of the allegations contained in paragraph 42 of the Complaint and, on
22 that basis, deny those allegations.

23 43. The Black Flag Defendants deny the allegations contained in paragraph 43 of the
24 Complaint.

25 44. The Black Flag Defendants deny the allegations contained in paragraph 44 of the
26 Complaint.

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FIFTH DEFENSE

53. Plaintiff's recovery is barred because any damages to Plaintiff were not proximately caused by the Black Flag Defendants.

SIXTH DEFENSE

54. Plaintiff's recovery is barred because any disruption or damages to Plaintiff's relationship with Lowe's, as complained of herein, was proximately caused by Plaintiff's own acts, including, without limitation, by the nature, quality, and/or costs of Plaintiff's products and/or by suing Lowe's.

SEVENTH DEFENSE

55. Plaintiff's recovery is barred because Plaintiff has unclean hands.

EIGHTH DEFENSE

56. Plaintiff is not entitled to receive attorneys' fees or statutory damages.

NINTH DEFENSE

57. The Black Flag Defendants respectfully reserve the right to amend their Answer to the Complaint to add such additional defenses, cross-claims, counterclaims, and/or third-party complainants as may be disclosed during the discovery of this matter.

COUNTERCLAIMS OF THE BLACK FLAG DEFENDANTS

58. Capitalized terms not hereafter defined will have the meanings ascribed to them in paragraphs 1-57 above. Defendants/Counterclaim-Plaintiffs Black Flag and Homax (hereinafter collectively referred to as "Counterclaim-Plaintiffs"), by and through the undersigned counsel, assert the following counterclaims against Plaintiff/Counterclaim-Defendant Green Products Company (hereinafter "Green Products"):

Parties

59. Counterclaim-Plaintiffs incorporate by reference paragraphs 1-58 above as if rewritten herein.

60. Black Flag is a limited liability company organized and existing under the laws of the State of New York. Black Flag maintains its principal place of business at 200 Westerly

1 Road, Bellingham, Washington. Black Flag is in the business of producing and selling pest
2 control and wood preservative products, among other things.

3 61. Homax is a corporation organized and existing under the laws of the State of
4 Delaware. Homax maintains its principal place of business at 200 Westerly Road, Bellingham,
5 Washington. Homax is a leader in DIY and home improvement products.

6 62. On information and belief, Green Products is a California corporation with its
7 principal place of business in Richmond, California, and is in the business of producing and
8 selling wood preservatives, among other products.

9 **Jurisdiction**

10 63. This Court has original subject matter jurisdiction over the counterclaims asserted
11 herein pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, pursuant to
12 28 U.S.C. §§ 1331 and 1338, and pursuant to 15 U.S.C. § 1119.

13 64. This Court has personal jurisdiction over Green Products because, on information
14 and belief, Green Products does business in this judicial district, and because the claims asserted
15 herein arose in this judicial district.

16 **Venue**

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

18 **Facts Common to All Claims for Relief**

19 66. For more than 20 years, Homax sold wood preservative products under the
20 JASCO brand, including, without limitation, Termin-8 “copper brown” wood preservatives,
21 Termin-8 “copper clear” wood preservatives, and Termin-8 “green” wood preservatives.

22 67. The JASCO Termin-8 “green” wood preservative, with its copper green color,
23 was the standard for the construction industry. Its copper green color was the result of a
24 combination of the active ingredient Copper Naphthenate and a colorant. Among the JASCO
25 wood preservative products, the Termin-8 “green” wood preservative was the leading seller, far
26 outselling JASCO’s Termin-8 “copper brown” and “copper clear” counterparts.

1 68. Homax sold the paint stripper portion of the JASCO business to a third party in
2 July 2008 and, as part of the transaction, agreed to relinquish the JASCO brand.

3 69. Homax retained the wood preservatives business and, in 2009, decided to market
4 wood preservatives under the BLACK FLAG® brand.

5 70. Because the Termin-8 “green” wood preservative was the biggest seller under the
6 JASCO brand in the past, Counterclaim-Plaintiffs discontinued the “copper brown” and “copper
7 clear” colors and produced and sold BLACK FLAG® TERMIN-8 wood preservative exclusively
8 in “copper green.”

9 71. Just as had been done with Homax’s “copper brown” and “copper clear” wood
10 preservative products, Counterclaim-Plaintiffs identified the copper green color of the BLACK
11 FLAG® TERMIN-8 wood preservative product on the label.

12 72. Copper green is a particular, recognized shade of green in the construction
13 industry.

14 73. The National Bureau of Standards’ *Dictionary of Color Names* identifies and
15 defines the color “copper green” as NBS Centroid 136, which is a moderate yellowish green
16 corresponding to Munsell 0.5g 5.5 4.8 and RGB #657F4B. See David A. Mundie, *The*
17 *NBS/ISCC Color System* (1995), <http://www.anthus.com/Colors/NBS.html>. A true and correct
18 copy of the relevant portions of Mr. Mundie’s website is attached hereto as Exhibit A.

19 74. The term “copper green” dates to 1843 and is defined in *A Dictionary of Color*.
20 A. Maerz and M. Rea Paul, *A Dictionary of Color* 192 (2d ed. 1950). The color “copper green”
21 is identified as the “name of a pigment or paint used by artists and structural painters”. *Id.* at
22 145. A true and correct copy of the relevant portions of *A Dictionary of Color* is attached hereto
23 as Exhibit B.

24 75. The term “copper green” is defined in the *Dictionary of Architecture and Building*
25 *Construction*, in pertinent part, as “a shade of green which takes its name from the colour of the
26 patina which occurs on weathered copper.” Nikolas Davies and Erkki Jokiniemi, *Dictionary of*
27 *Architecture and Building Construction* 96 (Elsevier/Architectural Press 2008).

1 83. On information and belief, Green Products registered COPPER-GREEN with the
2 United States Patent & Trademark Office (“USPTO”), U.S. Registration No. 1,850,495, on
3 August 23, 1994 for “preservatives against the deterioration of wood.”

4 84. Copper green is a generic term in the construction industry that corresponds to a
5 particular color.

6 85. On information and belief, a true and correct copy of a picture of one SKU of
7 Green Products’ COPPER-GREEN wood preservative product in the copper green color is
8 attached hereto as Exhibit F.

9 86. Green Products’ COPPER-GREEN wood preservative product is green in color.

10 87. Green Products’ COPPER-GREEN wood preservative product is copper green in
11 color.

12 88. On information and belief, the active ingredient in Green Products’ COPPER-
13 GREEN wood preservative product is a copper-based ingredient.

14 89. In selecting a name for the product, Green Products decided to use the term
15 “copper green” as a product designation.

16 90. Green Products’ “copper green” designation does not appear along with any other
17 house mark for its wood preservative product.

18 91. Green Products’ COPPER-GREEN trademark corresponding to Trademark
19 Registration No. 1,850,495 is a generic term for the color of the claimed goods, “preservatives
20 against the deterioration of wood,” and should not be entitled to protection.

21 92. U.S. Trademark Registration No. 1,850,495 for the mark COPPER-GREEN is
22 subject to cancellation because Green Products’ COPPER-GREEN mark is a generic
23 designation. 15 U.S.C. §§ 1064(3), 1119.

24 93. Counterclaim-Plaintiffs are entitled to declaratory relief that the mark COPPER-
25 GREEN is a generic designation and that U.S. Trademark Registration No. 1,850,495 is canceled
26 from the Principal Register.

COUNT II

DECLARATORY JUDGMENT OF NON-INFRINGEMENT

(28 U.S.C. § 2201)

94. Counterclaim-Plaintiffs incorporate by reference paragraphs 1-93 above as if rewritten herein.

95. Counterclaim-Plaintiffs are entitled to judgment, pursuant to 28 U.S.C. § 2201 and Fed. R. Civ. P. 57, declaring that Counterclaim-Plaintiffs’ use of the term “copper green” does not constitute trademark infringement or false designation of origin under the Lanham Act, 15 U.S.C. § 1051 *et seq.* and does not violate California law.

PRAYER FOR RELIEF

WHEREFORE, Counterclaim-Plaintiffs pray that this Court:

- (A) Dismiss Green Products’ claims with prejudice;
- (B) Cancel U.S. Registration No. 1,850,495;
- (C) Enter an Order declaring that Counterclaim-Plaintiffs’ use of the term “copper green” does not constitute trademark infringement or false designation of origin;
- (D) Award Counterclaim-Plaintiffs their costs and attorneys’ fees; and
- (E) Grant such other relief as the Court deems just and appropriate.

Dated: July 21, 2010

By: _____/s/_____
Mark E. Avsec (*Pro Hac Vice Pending*)
BENESCH, FRIEDLANDER, COPLAN
& ARONOFF LLP

David M. Given
PHILLIPS, ERLEWINE & GIVEN LLP

Attorneys for Defendants/Counterclaim-
Plaintiffs BLACK FLAG BRANDS, LLC
and THE HOMAX GROUP, INC.

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DEMAND FOR JURY TRIAL

Counterclaim-Plaintiffs Black Flag Brands, LLC and The Homax Group, Inc. demand a jury trial pursuant to Fed. R. Civ. P. 38 as to all issues so triable in this action.

Dated: July 21, 2010

By: _____/s/_____

Mark E. Avsec (*Pro Hac Vice Pending*)
BENESCH, FRIEDLANDER, COPLAN
& ARONOFF LLP

David M. Given
PHILLIPS, ERLEWINE & GIVEN LLP

Attorneys for Defendants/Counterclaim-
Plaintiffs BLACK FLAG BRANDS, LLC
and THE HOMAX GROUP, INC.

CERTIFICATE OF SERVICE

I, Greg Gheorghiu, declare that I am over the age of eighteen and not a party to this action. My business address is Phillips, Erlewine & Given LLP, 50 California Street, 35th Floor, San Francisco, California 94111, which is located in the City and County of San Francisco where the service described below took place

On the date below, at my place of business at San Francisco, California, a copy of the following document(s):

**ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIMS OF DEFENDANTS
BLACK FLAG BRANDS, LLC AND THE HOMAX GROUP**

was sent to

Lowe's HIW, Inc.
101 Andover Park E. Ste 200
Wukwila, WA 98118
Attn: Legal Department

BY U.S. MAIL: I placed the above document(s) in a sealed envelope for deposit in the United States Postal Service, with first class postage fully prepaid, and that envelope was placed for collection and mailing on that date following ordinary business practices as indicated

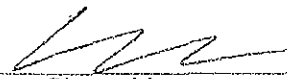
BY FACSIMILE TRANSMISSION: I transmitted the above documents to counsel as indicated by facsimile transmission to the FAX telephone number listed for each party and obtained confirmation of complete transmittal thereof.

BY CAUSING PERSONAL SERVICE: I placed the above documents in a sealed envelope I caused such envelope(s) to be delivered by messenger to the address(es) as indicated.

BY OVERNIGHT EXPRESS: I placed the above documents in a sealed envelope. I caused such envelope(s) to be delivered to the address(es) listed by overnight express.

BY ELECTRONIC MAIL: I sent the above documents by electronic mail to the following e-mail addresses: berkolaw@sbcglobal.net; roburch1236@att.net

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct Executed on July 21, 2010, at San Francisco, California.



Greg Gheorghiu