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MD BEAUTY, INC. and
8 BIOCEUTIX, INC.

9
10 IN THE UNITED STATES DISTRICT COURT
11 FOR THE NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

13
14 MD BEAUTY, INC. and BIOCEUTIX,
INC.,

15 Plaintiffs,

16 v.

17 DENNIS F. GROSS, M.D. d/b/a M.D.
18 SKINCARE LLC and DENNIS GROSS,
M.D., L.L.P.

19 Defendants.
20

Civil Action No. C 05-01707

FIRST AMENDED COMPLAINT FOR
TRADEMARK INFRINGEMENT,
FALSE DESIGNATION OF ORIGIN
AND UNFAIR COMPETITION

JURY TRIAL REQUESTED

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22 Plaintiffs MD Beauty, Inc. and Bioceutix, Inc. (collectively "Plaintiffs")
23 bring this First Amended Complaint for Trademark Infringement, False Designation of
24 Origin and Unfair Competition against defendant Dennis F. Gross, M.D. d/b/a M.D.
25 Skincare and MD Skincare LLC and against defendant Dennis Gross, M.D., L.L.P.
26 (collectively "Defendants") as a matter of course under Federal Rule of Civil Procedure
27 15(a) and based upon the following allegations:
28

1 FIRST CLAIM FOR RELIEF

2 Trademark Infringement

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4 Plaintiffs' Business and Marks

5 8. Bioceutix offers a line of skin care products under the Marks M.D.
6 FORMULATIONS, M.D. FORMULATIONS & DESIGN, M.D. FORMULATIONS
7 (Stylized) and M.D. FORMULATIONS VIT-A-PLUS (the "M.D. Family of Marks").

8 9. In accordance with the provisions of federal law, Bioceutix, through
9 its predecessor, has registered the M.D. FORMULATIONS, M.D. FORMULATIONS
10 (Stylized) and M.D. FORMULATIONS VIT-A-PLUS Marks with the United States Patent
11 and Trademark Office (the "Registered Marks"). *See* Copies of the Certificates of
12 Registration of the Registered Marks, U.S. Registration Nos. 1,814,683, 1,733,914 and
13 2,241,493, collectively attached hereto as composite Exhibit A.

14 10. Bioceutix, through its predecessor, began to promote its goods under
15 the M.D. FORMULATIONS (Stylized) Mark at least as early as December 22, 1990 and
16 its use of the M.D. FORMULATIONS (Stylized) Mark in interstate commerce has been
17 continuous since that date. M.D. FORMULATIONS (Stylized) has been in use for and is
18 registered for use in connection with "cosmetics and skin and hair care products; namely,
19 moisturizers, cleansers, shampoos, sunscreen preparations, lip balms, nail and cuticle
20 creams, and dead skin removing gels[.]" Bioceutix owns Registration No. 1,733,914 for
21 M.D. FORMULATIONS (Stylized).

22 11. Bioceutix, through its predecessor, began to promote its goods under
23 the M.D. FORMULATIONS Mark at least as early as November 21, 1991 and its use of
24 the M.D. FORMULATIONS Mark in interstate commerce has been continuous since that
25 date. M.D. FORMULATIONS has been in use for and is registered for use in connection
26 with "cosmetics and skin and hair care products; namely skin moisturizers, skin cleansers,
27 shampoos, sunscreen preparations, lip balms, nail and cuticle creams, and dead skin

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1 removing gels[.]" Bioceutix owns Registration No. 1,814,638 for M.D.
2 FORMULATIONS.

3 12. Bioceutix, through its predecessor, began to promote its goods under
4 the M.D. FORMULATIONS VIT-A-PLUS Mark at least as early as June 1995 and has
5 used the M.D. FORMULATIONS VIT-A-PLUS Mark in interstate commerce
6 continuously since at least September 1995. M.D. FORMULATIONS VIT-A-PLUS has
7 been in use for and is registered for use in connection with "skin care lotions and
8 creams[.]" Bioceutix owns Registration No. 2,241,493 for M.D. FORMULATIONS VIT-
9 A-PLUS.

10 13. Bioceutix began to promote its goods under the M.D.
11 FORMULATIONS & DESIGN Mark at least as early as January 2002 and its use of the
12 M.D. FORMULATIONS & DESIGN Mark in interstate commerce has been continuous
13 since that date. The M.D. FORMULATIONS & DESIGN Mark has been in use in
14 connection with cosmetics, skin and hair care products and Bioceutix has applied to the
15 United States Patent and Trademark Office for registration of said use under the M.D.
16 FORMULATIONS & DESIGN Mark, Application Serial No. 76/405006. Copies of the
17 Use Application for Trademark M.D. FORMULATIONS & DESIGN and Filing Receipt
18 for Trademark Application are collectively attached hereto as composite Exhibit B.

19 14. Bioceutix's goods under the M.D. Family of Marks are offered
20 throughout the United States, including the Northern District of California, and revenues
21 from these goods have been significant. Further, Bioceutix has spent substantial time,
22 money and effort promoting its goods under the M.D. Family of Marks.

23 15. As a consequence of the extensive advertising and promotion of the
24 M.D. Family of Marks, and of the widespread use of the M.D. Family of Marks, Bioceutix
25 has developed recognition for its goods and has acquired and now enjoys a valuable
26 reputation and goodwill under the M.D. Family of Marks.

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1 Defendants and Their Activities

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3 16. Defendants offer skin care products under the designations M.D.
4 SKINCARE, M.D. SKIN CARE and M.D. SKINCARE & DESIGN.

5 17. Upon information and belief, Defendants began using and continue to
6 use the M.D. SKINCARE, M.D. SKIN CARE and M.D. SKINCARE & DESIGN
7 designations in connection with their skin care products.

8 18. Upon information and belief, Defendants have promoted and offered
9 and will continue to promote and offer skin care products under the M.D. SKINCARE,
10 M.D. SKIN CARE and M.D. SKINCARE & DESIGN designations.

11 19. Upon information and belief, Defendants had notice of Bioceutix,
12 and/or its predecessors, and the M.D. Family of Marks prior to its adoption of the M.D.
13 SKINCARE, M.D. SKIN CARE and M.D. SKINCARE & DESIGN designations for their
14 skin care products.

15 20. Upon information and belief, Defendants began offering their skin
16 care products under the M.D. SKINCARE, M.D. SKIN CARE and M.D. SKINCARE &
17 DESIGN designations in a deliberate attempt to leverage and trade on the goodwill and
18 reputation established by Plaintiffs and their predecessor under the M.D. Family of Marks.

19 21. Defendants have advertised or have caused to advertise their skin care
20 products in interstate commerce in connection with the M.D. SKINCARE, M.D. SKIN
21 CARE and M.D. SKINCARE & DESIGN designations, and have distributed or caused to
22 be distributed promotional material bearing the M.D. SKINCARE, M.D. SKIN CARE
23 and/or M.D. SKINCARE & DESIGN designations for the identified goods in interstate
24 commerce.

25 22. Upon information and belief, Defendants' skin care products offered
26 or promoted under the M.D. SKINCARE, M.D. SKIN CARE and/or M.D. SKINCARE &
27 DESIGN designations are offered and will continue to be offered through the same
28 channels of trade, are being advertised and will continue to be advertised through the same

1 channels of advertising, and to the same consumers, as the skin care products that are
2 offered and promoted under the M.D. Family of Marks.

3 23. The use of the M.D. SKINCARE, M.D. SKIN CARE and M.D.
4 SKINCARE & DESIGN designations by Defendants for the promotion and sale of
5 Defendants' products is without the consent of Bioceutix.

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7 Likelihood of Confusion; Injury to Plaintiffs

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9 24. The use of the M.D. SKINCARE, M.D. SKIN CARE and M.D.
10 SKINCARE & DESIGN designations for skin care products by Defendants falsely
11 indicates to consumers and to the trade that Defendants and/or their goods are in some
12 manner connected with, sponsored by, affiliated with, or related to Plaintiffs and the goods
13 of Bioceutix.

14 25. The use of the M.D. SKINCARE, M.D. SKIN CARE and M.D.
15 SKINCARE & DESIGN designations by Defendants in connection with Defendants' skin
16 care products allows, and will continue to allow, Defendants to receive a benefit of
17 goodwill built up at great labor and expense by Plaintiffs, and to gain acceptance and
18 recognition for Defendants' goods not based on the merits of those goods, but on the
19 reputation and goodwill of Plaintiffs' goods.

20 26. On or about March 17, 2003, Defendants were notified in writing of
21 the exclusive rights of MD Beauty and its subsidiaries in and to the M.D. Family of Marks
22 for skin care products. At that time, MD Beauty and its subsidiaries demanded that
23 Defendants cease and desist their unlawful activities as described above. Despite multiple
24 communications with Defendants in an attempt to resolve the matter informally,
25 Defendants have remained unwilling to cease their use of the M.D. SKINCARE, M.D.
26 SKIN CARE and M.D. SKINCARE & DESIGN designations in connection with their skin
27 care products and have continued their unlawful conduct. Copies of the parties'
28 correspondence in this regard are collectively attached hereto as composite Exhibit C.

1 WHEREFORE, Plaintiffs pray:

2 (a) For a judgment that Defendants, Defendants' officers, agents,
3 distributors, employees, attorneys, subsidiaries, assigns or related companies, and those in
4 active concert or participation with Defendants, or any of them, who receive actual notice
5 of the judgment by personal service or otherwise, be permanently enjoined from using or
6 employing, directly or indirectly, the M.D. SKINCARE, M.D. SKIN CARE and M.D.
7 SKINCARE & DESIGN designations in connection with the promotion or offering of any
8 skin care products, or any other designation that is confusingly similar to or which is a
9 colorable imitation of any of the M.D. Family of Marks for the identified goods;

10 (b) That Defendants be directed to file with this Court, within thirty (30)
11 days after entry of any injunction in this case, a written statement, under oath, setting forth
12 in detail the manner in which Defendants have complied with the injunction;

13 (c) That an accounting be directed to determine the profits of Defendants
14 resulting from their trademark infringement, false designation of origin and unfair
15 competition, which are the subject of this suit, and that such profits be paid over to
16 Plaintiffs as an equitable remedy;

17 (d) That Plaintiffs recover their damages, in an as yet undetermined
18 amount, resulting from the trademark infringement, false designation of origin and unfair
19 competition of Defendants;

20 (e) That Plaintiffs recover their costs of this action;

21 (f) That Plaintiffs be awarded their reasonable attorneys' fees in
22 accordance with 15 U.S.C. §1117(a);

23 (g) That Plaintiffs be awarded punitive damages in an amount to be
24 determined; and

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(h) That Plaintiffs recover such other and further relief as the Court may deem appropriate.

Dated: June 8, 2005

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By 

MICHELLE J. HIRTH
Attorneys for Plaintiffs
MD BEAUTY, INC. and BIOCEUTIX, INC.

1 DEMAND FOR JURY TRIAL

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3 Plaintiffs hereby demand a jury trial as provided by Rule 38(a) of the Federal
4 Rules of Civil Procedure.

5 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

6
7 By 


8 MICHELLE J. HIRTH
9 Attorneys for Plaintiffs
10 MD BEAUTY, INC. and BIOCEUTIX, INC.
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CERTIFICATION OF INTERESTED ENTITIES OR PERSONS

Pursuant to Civil L.R. 3-16, the undersigned certifies that as of this date, other than the named parties, there is no such interest to report.

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By 
MICHELLE J. HIRTH
Attorneys for Plaintiffs
MD BEAUTY, INC. and BIOCEUTIX, INC.