Digital Chocolate, Inc v. Zynga Game Network, Inc.

Doc. 1

1. Plaintiff Digital Chocolate, Inc. ("Digital Chocolate") is a leading developer and publisher of innovative games played by individuals in more than 53 countries on mobile devices, online social networks, and other platforms. Since 2004, Digital Chocolate has offered for sale a popular action game under the mark MAFIA WARS. Notwithstanding Digital Chocolate's well-known and longstanding use of the MAFIA WARS mark, in September 2008 Defendant Zynga Game Network Inc. ("Defendant" or "Zynga") introduced a competing game under the mark MAFIA WARS.

- 2. Digital Chocolate has repeatedly objected to Zynga's ongoing use of the MAFIA WARS mark, but despite Digital Chocolate's notices and demands, Zynga has persisted in offering its game under the MAFIA WARS mark. Although in May 2009 Zynga expressly assured Digital Chocolate, in writing, that "Zynga does not claim trademark rights in MAFIA WARS," just two months later Zynga filed an application with the United States Patent and Trademark Office ("USPTO") seeking to register MAFIA WARS as its trademark. Despite being on notice of Digital Chocolate's senior rights and infringement claim, Zynga repeatedly misrepresented to the USPTO that no other entity owned or claimed rights in the MAFIA WARS mark.
- 3. Through duplicity and bad faith, Zynga has effectively hijacked the MAFIA WARS mark from Digital Chocolate and is aggressively marketing its games under the MAFIA WARS mark to Digital Chocolate's substantial detriment. To protect its intellectual property rights and prevent Zynga from benefitting from its wrongful conduct, Digital Chocolate has initiated this action.

THE PARTIES

4. Plaintiff Digital Chocolate, Inc. ("Digital Chocolate") is a Delaware corporation having its principal place of business at 1855 South Grant Street, San Mateo, California 94402-7017.

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5. Digital Chocolate is informed and believes, and based thereon alleges that Defendant Zynga Game Network Inc. is a Delaware corporation having its principal place of business at 365 Vermont Street, San Francisco, California 94103.

JURISDICTION AND VENUE

- 6. This Court has jurisdiction of this action under 15 U.S.C. §§ 1119, 1121, and 1125, and 28 U.S.C. §§ 1331, 1338, and 1367. This action is filed, *inter alia*, under the United States Trademark Act of July 5, 1946, as amended, 15 U.S.C. § 1501 *et seq*. (the "Lanham Act").
- 7. This Court has personal jurisdiction over Defendant because, *inter alia*, Defendant maintains its principal place of business in California.
- 8. Venue is proper in this District pursuant to 28 U.S.C. § 1391, as both parties maintain their principal place of business in this District and a substantial part of the events giving rise to the claims alleged herein occurred in this District.

INTRA-DISTRICT ASSIGNMENT

9. This is an Intellectual Property Action within the meaning of Civil Local Rule 3-2(c), and is to be assigned on a District-wide basis accordingly.

GENERAL ALLEGATIONS

DIGITAL CHOCOLATE AND ITS MAFIA WARS MARK

10. Digital Chocolate is a developer and publisher of popular mass market games and social networking applications which are made available to consumers through a variety of platforms, including mobile phones, the Internet, social networking services, and game consoles. Founded in 2003, Digital Chocolate rapidly developed a reputation as a producer of high-quality and popular multi-platform games. Via partnerships with leading distributors, Digital Chocolate's products are available throughout the United States and around the world. Digital Chocolate has engaged in strategic acquisitions to expand its distribution and product offerings and, in June 2004, acquired Sumea Interactive Ltd. ("Sumea"), a premier game developer based in Finland. That acquisition expanded Digital Chocolate's reach to 110 distribution partners in more than 53 countries on 5 continents.

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11. In 2004, Digital Chocolate adopted and began using the mark MAFIA WARS in the United States and throughout the world in connection with a new game developed by its wholly owned subsidiary, Digital Chocolate, Ltd. MAFIA WARS is a story-driven action game in which the player takes on the character of an aspiring member of a fictional crime syndicate. The game requires players to complete gangster-related tasks and assignments (known as "missions") in order to advance their standing within the criminal organization. Digital Chocolate's MAFIA WARS game quickly became popular and developed a reputation for offering a rich game playing environment, compelling storyline, and rewarding challenges. Digital Chocolate's MAFIA WARS game also has been highly rated and favorably reviewed in the industry press. (See, e.g., June 27, 2005 review by IGN Entertainment, a true and correct copy of which is attached as Exhibit A and incorporated by reference as though set forth herein.)

- 12. Given the early success of its initial MAFIA WARS game, Digital Chocolate subsequently released a number of sequels under the MAFIA WARS brand. These include MAFIA WARS "Scarlotti's War," launched in July 2005; MAFIA WARS "Yakuza Wars," launched in January 2007; and MAFIA WARS NEW YORK, launched in April 2009. The sequels are also story-driven action games where the player takes on the role of a figure in a fictional organized crime syndicate. The games have enjoyed success comparable to that of the original, and have been widely downloaded throughout the United States and the world.
- 13. Indeed, nearly two million consumers worldwide have downloaded Digital Chocolate's MAFIA WARS games, including hundreds of thousands of users in the United States.
- 14. As a result of the consumer appeal and popularity of its MAFIA WARS game series, Digital Chocolate's MAFIA WARS mark has come to embody the reputation and goodwill Digital Chocolate has earned in the marketplace for producing high quality products. The MAFIA WARS mark is therefore a valuable asset of Digital Chocolate.

ZYNGA GAME NETWORK'S INFRINGING MAFIA WARS MARK

15. Digital Chocolate is informed and believes, and based thereon alleges that Defendant is a developer and distributor of games available through various computer, online,

and mobile phone platforms. Defendant was founded in 2007 and has subsequently produced several game products. In or about September 2008, well after Digital Chocolate introduced three game titles in its MAFIA WARS series, Defendant introduced and began selling a game under the mark MAFIA WARS and subsequently expanded its use of the MAFIA WARS mark to related products and services. As it has grown in dominance in the game industry, Zynga has garnered a reputation for its predatory business and suspect marketing tactics. (See, e.g., Zynga's Secret To Success: Steal Great Ideas!, http://www.businessinsider.com/how-zynga-is-just-like-microsoft-2010-1; Zynga Guerilla Marketing Ploy Gets Legal Response, http://www.sfgate.com/cgi-bin/blogs/cityinsider/detail?entry_id=70526&tsp=1, true and correct copies of which are attached as Exhibit B and incorporated by reference as though set forth herein.)

- 16. Defendant's MAFIA WARS game is similar to Digital Chocolate's MAFIA WARS game in that players must complete various tasks and activities in order to advance their status (or level) within a fictional crime organization. Subsequent versions of Defendant's game have taken place in a number of virtual "locales" including Bangkok, where users can join the Yakuza crime syndicate (similar to Digital Chocolate's MAFIA WARS "Yakuza Wars" game), and New York (similar to Digital Chocolate's MAFIA WARS NEW YORK game).
- 17. Since introducing its game in 2008, Defendant has utilized its substantial financial resources to market its MAFIA WARS games broadly and also has introduced and marketed associated virtual goods and other related products and services via a variety of platforms, including social game networks, mobile phone platforms, and the Internet. Defendant's marketing has expanded well beyond these platforms however, and in June 2010 Defendant launched a multi-million dollar marketing campaign with 7-Eleven, whereby its MAFIA WARS games were promoted throughout over 7,000 convenience stores nationwide. Customers were invited to redeem codes found on MAFIA WARS branded products available at those stores for limited edition MAFIA WARS virtual goods and merchandise. True and correct copies of online articles describing the breadth of Defendant's advertising and promotion campaign are attached as Exhibit C and incorporated by reference as though set forth herein.

ATTORNEYS AT LAW

18. As a result of its aggressive marketing, Defendant has enjoyed substantial success in the marketplace for its MAFIA WARS products and services, claiming over 1.1 million daily active users of its MAFIA WARS game as of February 2009, over 4 million daily active users as of July 2009, and more than 7 million daily active users as of December 2009.

19. Digital Chocolate is informed and believes, and based thereon alleges that Defendant has earned substantial revenue from sales of its MAFIA WARS games and related virtual goods and associated merchandise. Accordingly, Defendant has profited unjustly through its misappropriation of Digital Chocolate's MAFIA WARS mark.

ZYNGA'S BAD FAITH USE OF THE MAFIA WARS MARK

- 20. On January 21, 2009, Digital Chocolate gave Defendant written notice of its senior rights in the MAFIA WARS mark, which include Digital Chocolate's registration for the MAFIA WARS mark in the European Community, and demanded that Defendant immediately cease and desist its use of the MAFIA WARS mark. A true and correct copy of this correspondence is attached hereto as Exhibit D and incorporated by reference as though set forth herein.
- **21.** On or about May 5, 2009, counsel for Defendant responded to Digital Chocolate's January 21 letter and stated:

Zynga does not claim Mafia Wars as a trademark. Zynga uses the term "Mafia Wars" to describe the genre of Zynga's game MAFIA WARS from ZYNGA or ZYNGA MAFIA WARS. Zynga disclaims any trademark rights in the term "Mafia Wars" in connection with its game.

Despite Zynga's position that its use of Mafia Wars does not infringe your client's trademark, Zynga would be willing to forego claiming trademark rights in the term MAFIA WARS in the EC and will undertake not to use the term on materials that are targeted at and distributed in the EC.

A true and correct copy of this correspondence is attached hereto as Exhibit E and incorporated by reference as though set forth herein.

22. In direct contradiction to the representations made in its May 2009 letter to Digital Chocolate, Defendant continued to make its MAFIA WARS game available in multiple European jurisdictions through Apple's iTunes online stores and the Facebook social networking service. Moreover, despite being on notice of Digital Chocolate's senior trademark registration for the MAFIA WARS trademark in the EU, Defendant filed a trademark application for MAFIA WARS

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in the United Kingdom, a member country of the European Community.

23. On June 11, 2009, Defendant initiated an action in this District for trademark infringement and false advertising against Playdom, Inc. based on Defendant's purported rights in the MAFIA WARS mark. Defendant's allegations in that proceeding included the following misleading and false claims:

Mafia Wars is one of Zynga's most popular games, with over 2.5 million daily users. Zynga has invested significant resources in developing and promoting Mafia Wars, and users have come to associate the game, the name, and the trademark "Mafia Wars" with a high standard of quality and innovation. Zynga is the senior user of the "Mafia Wars" mark. (Emphasis added.)

A true and correct copy of the Complaint in that proceeding is attached hereto as Exhibit F and incorporated by reference as though set forth herein.

- On or about July 1, 2009, Zynga filed a U.S. trademark application to register a 24. stylized version of the MAFIA WARS trademark for "downloadable computer game software for use on wireless devices and computers" in Class 9, and "entertainment services, namely, providing on-line computer games" in Class 41. A true and correct copy of the USPTO record reflecting the status of this application is attached as Exhibit G and incorporated by reference as though set forth herein.
- 25. In filing the foregoing trademark application, Defendant repeatedly attested to the following under penalty of perjury:

The undersigned, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both . . . declares that he/she is properly authorized to execute this application on behalf of the applicant; he/she believes the applicant to be the owner of the trademark/service mark sought to be registered . . .; to the best of his/her knowledge and belief no other person, firm, corporation or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely . . . to cause confusion, or to cause mistake, or to deceive . . . (Emphasis added.)

A true and correct copy of the application containing this declaration is attached hereto as Exhibit H and incorporated by reference as though set forth herein. The declaration in this application was executed by the same attorney who only two months earlier wrote (in the May 5, 2009 letter to Digital Chocolate) that Zynga "does not claim Mafia Wars as a trademark" and "disclaims any trademark rights in the term 'Mafia Wars' in connection with its game." (See Exhibit E.) By the

time it filed its U.S. MAFIA WARS application, Defendant was on notice of Digital Chocolate's senior rights in the MAFIA WARS mark, rendering its affirmations to the USPTO fraudulent. Defendant made this same affirmation to the USPTO on two subsequent occasions, true and correct copies of which are attached as Exhibits I and J and incorporated by reference as though set forth herein.

- 26. On or about January 4, 2010, Defendant applied to expand protection of its MAFIA WARS trademark to Australia, China, Japan, and South Korea, under the Madrid Protocol, on the basis of its fraudulent U.S. trademark application. A true and correct copy of the WIPO record reflecting the current status of Defendant's Madrid Protocol filing is attached as Exhibit K and incorporated by reference as though set forth herein. Defendant also filed separate applications in the United Kingdom, Canada, and New Zealand, claiming the asserted priority date of its U.S. trademark application. True and correct copies of the online database records reflecting the current status of these filings are attached hereto as Exhibits L, M, and N, respectively, and incorporated by reference as though set forth herein.
- States to register its MAFIA WARS mark in connection with additional goods, including "art paper, decals, gift bags, greeting cards, memo pads, stationery, stickers, toilet paper, wrapping paper, and writing paper" in Class 16; "beer mugs, beverage glassware, beverage stirrers, bottle openers, bowls, coffee cups, tea cups and mugs, containers for ice, dishes, flower pots, napkin holders, pans, salt shakers, and tooth brushers" in Class 21; and "clothing, namely t-shirts, sweatshirts, hooded pullovers, tank tops, footwear, socks, jackets, button down shirts, polo shirts, dresses, skirts, jeans, shorts, sweatpants, neckties, aprons, belts, gloves, jerseys, baseball caps and hats, and headwear" in Class 25. A true and correct copy of the USPTO record reflecting this application is attached hereto as Exhibit O and incorporated by reference as though set forth herein. Defendant again affirmed under oath in its application that "no other person, firm, corporation or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely . . . to cause confusion, or to cause mistake, or to deceive." A true and correct copy of Defendant's affirmation to that effect is

attached hereto as Exhibit P and incorporated by reference as though set forth herein.

- 28. Defendant's knowing submission of false and misleading statements to the USPTO in the prosecution of its applications renders the applications void on the grounds of fraud. Registration of Defendant's pending MAFIA WARS trademark applications should be refused accordingly.
- 29. In light of Defendant's continued use and exploitation of the MAFIA WARS mark, representatives of Digital Chocolate sent repeated communications to Defendant in the months following Defendant's May 5, 2009 letter in a further effort to obtain Defendant's agreement to cease use of the mark. Defendant, however, refused to cease use of the mark and failed to provide any justification for its continued use and promotion of the MAFIA WARS mark, expansion of its MAFIA WAR game offerings, and aggressive claim of rights in the mark.
- 30. On or about March 11, 2010, Defendant initiated another trademark infringement action in this District, again based on its purported rights in the MAFIA WARS mark. Despite its communications with Digital Chocolate regarding Digital Chocolate's prior use of the MAFIA WARS mark for its games, Zynga submitted the following false and misleading allegations in that proceeding:

Zynga *coined* the service mark MAFIA WARS and has made use of the service mark MAFIA WARS in commerce since September 2008. Zynga *coined* the trademark MAFIA WARS and has made use of the trademark MAFIA WARS in commerce since April 2009.

* * *

The mark MAFIA WARS is inherently distinctive, and furthermore, by virtue of the extensive online sales and advertising under the mark MAFIA WARS, the MAFIA WARS mark has become well-known within social gaming circles as a source identifier for [Zynga's] game. (Emphasis added.)

A true and correct copy of this Complaint is attached hereto as Exhibit Q and incorporated by reference as though set forth herein.

31. Defendant's adoption of Digital Chocolate's mark has caused actual consumer confusion in the marketplace. Indeed, Digital Chocolate has received inquiries from consumers who are confused as to the source of the parties' respective games.

32. In a good faith effort to resolve this matter, Digital Chocolate has attempted to engage Defendant multiple times. In response, Defendant has made false promises of cooperation and offered lip service that it respected Digital Chocolate's rights in the MAFIA WARS mark. Zynga's bad faith is demonstrated by actions that belie its pretense of good faith; among other acts, Zynga filed an application for MAFIA WARS in the U.K. and in several other countries around the world (while engaged in discussions with Digital Chocolate); Zynga continued to zealously market and expand use of the MAFIA WARS mark in connection with its games and related products; and Zynga falsely claimed to the public, the USPTO, and the courts that it "coined" the MAFIA WARS mark and owns superior rights in the mark. Zynga's wrongful misappropriation of Digital Chocolate's MAFIA WARS mark has damaged Digital Chocolate's rights, goodwill, and revenue associated with its MAFIA WARS games.

FIRST CAUSE OF ACTION

FEDERAL TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION, 15 U.S.C. § 1125

- **33.** Digital Chocolate incorporates by reference paragraphs 1 through 32, inclusive, as if fully set forth herein.
- 34. Digital Chocolate began offering games and related services under the MAFIA WARS mark in the United States in 2004 and has used the MAFIA WARS mark continuously in United States commerce since that time.
- 35. Digital Chocolate's MAFIA WARS goods and services are made available in the United States on its website at http://digitalchocolate.com and through mobile network operators.
- 36. Digital Chocolate has invested substantial time, effort, and financial resources in the development, promotion, and sale of its MAFIA WARS games in interstate commerce in the United States. The MAFIA WARS mark has become, through widespread and favorable public acceptance and recognition, an asset of substantial value as a symbol of Digital Chocolate, its quality products and services, and its goodwill.
- 37. Notwithstanding Digital Chocolate's rights in the MAFIA WARS mark, beginning in or about September 2008 Defendant adopted and began to use the identical MAFIA WARS mark in interstate commerce in connection with the sale and offering for sale of its games and

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ancillary products and services.

- 38. Digital Chocolate is informed and believes, and based thereon alleges that Defendant adopted the MAFIA WARS mark with knowledge of Digital Chocolate's MAFIA WARS mark and, without Digital Chocolate's consent and in contravention of Digital Chocolate's rights, has continued to use that mark in connection with the sale, offering for sale, distribution, and promotion of its goods and services.
- Defendant's MAFIA WARS mark is identical to Digital Chocolate's MAFIA 39. WARS mark in appearance, sound, and meaning; is being used in connection with the same type of goods and services as those offered by Digital Chocolate; is being offered through the same channels of trade, i.e., mobile telephone platforms and the Internet; and targets the same consumer market.
- 40. The instantaneous nature of Internet navigation, the speed at which people navigate and are presented with advertisements, images and/or data on the Internet, and the speed at which consumers perform transactions on the Internet, all tend to increase the risk of confusion or mistake about the source of a product or service.
- 41. Defendant has misrepresented the nature of its rights in the MAFIA WARS mark to the USPTO in its efforts to secure registration of the mark, such that its pending applications should be declared void ab initio for fraud.
- 42. Defendant's continued use of the MAFIA WARS mark has injured and will continue to injure Digital Chocolate by causing a likelihood that the public will continue to be confused into believing that the goods or services provided by Defendant are endorsed or sponsored by Digital Chocolate and constitutes trademark infringement and unfair competition in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).
- 43. Digital Chocolate has no control over the nature and quality of the goods and services offered by Defendant under the MAFIA WARS mark, and Digital Chocolate's reputation and goodwill will be damaged and the value of its common law MAFIA WARS mark jeopardized by Defendant's continued use of the MAFIA WARS name and mark.

44. Because of the actual confusion and the likelihood of continued confusion betwee
the parties' marks, defects, objections, or faults found with Defendant's products and service
offered under the MAFIA WARS mark could negatively reflect upon and injure the reputation
that Digital Chocolate has established for the services it offers in connection with its MAFIA
WARS mark.

- 45. In the alternative, the confusion created by Defendant's adoption of the MAFIA WARS mark and aggressive promotion of its MAFIA WARS products and services has overwhelmed the market presence of Digital Chocolate's MAFIA WARS game, resulting in reverse confusion. Defendant's acts as alleged herein could cause consumers to believe that Digital Chocolate is the unauthorized infringer of Zynga's purported MAFIA WARS mark, resulting in injury to Digital Chocolate's reputation and goodwill in its business and MAFIA WARS mark.
- 46. Defendant's acts as alleged above, if not enjoined, will continue. Digital Chocolate has no adequate remedy at law in that the amount of its damages is difficult to ascertain with specificity.
- 47. As a result of Defendant's infringement of Digital Chocolate's marks, Digital Chocolate has incurred damages in an amount to be proven at trial consisting of, among other things, diminution in the value of and goodwill associated with the marks.
- 48. Defendant's unauthorized use of the MAFIA WARS mark in interstate commerce as described herein constitutes trademark infringement and unfair competition under 15 U.S.C. § 1125(a), as it is likely to cause consumer confusion, mistake, or deception.

SECOND CAUSE OF ACTION

FEDERAL FALSE DESIGNATION OF ORIGIN, 15 U.S.C. § 1125

- **49.** Digital Chocolate incorporates by reference paragraphs 1 through 48, inclusive, as if fully set forth herein.
- 50. In connection with Defendant's goods and services, Defendant has used in commerce and without Digital Chocolate's authorization or consent the MAFIA WARS mark for game products and services, which is identical to Digital Chocolate's MAFIA WARS mark for

game products and services in appearance, sound, meaning, and commercial impression.

- 51. Such acts have caused confusion, and are likely to continue to cause confusion and deception among the purchasing public and/or are likely to lead the consuming public to believe that Digital Chocolate has authorized, approved or somehow sponsored Defendant's MAFIA WARS products and services.
- 52. Defendant's unauthorized sale and marketing of its products and services in interstate commerce using the MAFIA WARS mark constitutes a use of a false designation of origin or false representation that wrongfully and falsely designates Defendant's products as originating from or connected with Digital Chocolate, and constitutes the use of false descriptions or representations in interstate commerce in violation of 15 U.S.C. § 1125(a).
- 53. Defendant's false designation of origin and false description through its use of the MAFIA WARS mark has caused, and if not enjoined will continue to cause, irreparable and continuing harm to Digital Chocolate's marks, business, reputation, and goodwill, for which Digital Chocolate has no adequate remedy at law.
- 54. As a direct and proximate result of Defendant's wrongful use of the MAFIA WARS mark, Digital Chocolate has been and will continue to be damaged by, without limitation, the diminution in the value of its trademarks, reputation, business, and goodwill in an amount to be proven at trial.
- 55. Digital Chocolate is informed and believes, and based thereon alleges that Defendant adopted the MAFIA WARS mark with knowledge of Digital Chocolate's MAFIA WARS mark, and with the intent to create a likelihood of confusion with regard to and/or trade off of Digital Chocolate's MAFIA WARS mark.

THIRD CAUSE OF ACTION

VIOLATION OF ANTI-CYBERSQUATTING CONSUMER PROTECTION ACT, 15 U.S.C. § 1125(D)

- **56.** Digital Chocolate incorporates by reference paragraphs 1 through 55, inclusive, as if fully set forth herein.
- 57. Digital Chocolate is informed and believes, and based thereon alleges that Defendant acquired the MAFIAWARS.COM domain name in July 2009, and that Defendant

subsequently made use of the MAFIAWARS.COM domain name. True and correct copies of the domain name registration records for MAFIAWARS.COM reflecting the acquisition are attached hereto as Exhibit R and incorporated herein by reference. True and correct print-screens of the website affiliated with the MAFIAWARS.COM domain name as of August 5, 2010, reflecting Defendant's use of the domain name, are attached hereto as Exhibit S and incorporated herein by reference.

- 58. Digital Chocolate began using the distinctive MAFIA WARS mark almost five years prior to Defendant's acquisition of the MAFIAWARS.COM domain name. By the time Defendant acquired the MAFIAWARS.COM domain name, the MAFIA WARS mark was widely recognized as an indicator of source for Digital Chocolate's games.
- **59.** Defendant's MAFIAWARS.COM domain name is identical to Digital Chocolate's MAFIA WARS trademark.
- 60. Digital Chocolate is informed and believes and thereon alleges that Defendant acquired and has used the MAFIAWARS.COM domain name with a bad faith intent to profit from Digital Chocolate's MAFIA WARS mark.
- 61. Defendant's actions have caused, and continue to cause, great and irreparable injury to Digital Chocolate. Unless these acts are restrained by this Court, they will continue, and Digital Chocolate will continue to suffer such injury.
- 62. Digital Chocolate is entitled to cancellation of Defendant's MAFIAWARS.COM domain name registration and transfer of the domain name to Digital Chocolate, along with monetary compensation and statutory penalties pursuant to the Anti-Cybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d).

FOURTH CAUSE OF ACTION

COMMON LAW TRADEMARK INFRINGEMENT

63. Digital Chocolate incorporates by reference paragraphs 1 through 62, inclusive, as if fully set forth herein.

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- 64. Defendant's acts alleged herein and specifically, without limitation, Defendant's use of the MAFIA WARS mark, infringe Digital Chocolate's exclusive trademark rights in the MAFIA WARS mark, in violation of the common law.
- 65. Defendant's acts as alleged above, if not enjoined, will continue. Digital Chocolate has no adequate remedy at law in that the amount of its damages is difficult to ascertain with specificity.
- 66. As a result of Defendant's acts as alleged above, Digital Chocolate has incurred damages in an amount to be proven at trial consisting of, among other things, diminution in the value of the goodwill associated with Digital Chocolate's marks.

FIFTH CAUSE OF ACTION

COMMON LAW UNFAIR COMPETITION

- 67. Digital Chocolate incorporates by reference paragraphs 1 through 66, inclusive, as if fully set forth herein.
- 68. Digital Chocolate is informed and believes, and based thereon alleges that Defendant has engaged in and continues to engage in unfair competition by using the MAFIA WARS mark with the intention of interfering with and trading on the business reputation and goodwill engendered by Digital Chocolate in the MAFIA WARS mark through Digital Chocolate's hard work and diligent effort.
- 69. Defendant's acts have caused Digital Chocolate competitive injury, as described herein, and specifically have caused Digital Chocolate to incur damages in an amount to be proven at trial consisting of, among other things, diminution in the value of and goodwill associated with Digital Chocolate's marks.
- 70. Defendant's acts as alleged above, and specifically, without limitation, Defendant's use of the MAFIA WARS mark, if not enjoined, will continue. Digital Chocolate has no adequate remedy at law in that the amount of its damages is difficult to ascertain with specificity.

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SIXTH CAUSE OF ACTION

STATE UNFAIR COMPETITION, CAL. BUS. & PROF. CODE §§ 17200, ET SEQ.

- 71. Digital Chocolate incorporates by reference paragraphs 1 through 70, inclusive, as if fully set forth herein.
- 72. By the acts described herein, Zynga has engaged in unlawful and unfair business practices that have injured and will continue to injure Digital Chocolate in its business and property, in violation of California Business and Professions Code §§ 17200 et seq.
- 73. Defendant's acts alleged herein have caused monetary damages to Digital Chocolate in an amount to be proven at trial, and have caused, and will continue to cause, irreparable injury to Digital Chocolate and its business, reputation, and trademarks, unless and until Defendant is permanently enjoined.
- 74. As a direct and proximate result of Defendant's conduct alleged herein, Defendant has been unjustly enriched and should be ordered to disgorge any and all profits earned as a result of such unlawful conduct.

PRAYER FOR RELIEF

WHEREFORE, Digital Chocolate prays:

- A. That this Court grant permanent injunctive relief enjoining Defendant and all others acting in concert with and having knowledge thereof from using the MAFIA WARS mark, and any similar trade name or mark or variant thereof, as a trade name, trademark, service mark, domain name, or for any other purpose;
- **B.** That this Court declare the pending MAFIA WARS USPTO trademark applications void *ab initio*;
- C. That this Court order Defendant to account to Digital Chocolate and disgorge any and all revenues and profits that Defendant has derived from its wrongful actions;
- **D.** That this Court hold Defendant liable for all compensatory and/or statutory damages suffered by Digital Chocolate resulting from the acts alleged.
- **E.** That this Court award Digital Chocolate treble damages, reasonable attorney's fees and expenses, and costs;

	F.	That the Court order the Registrar of the MAFIAWARS.COM domain name and
any	other o	domain names containing the MAFIA WARS mark and registered to Defendant to
cance	el the r	registrations and transfer them to Digital Chocolate;

- **G.** That the Court order Defendant to deliver up all containers, labels, signs, prints, packages, wrappers, receptacles, advertising, promotional materials, and the like in its possession, custody, or control break the MAFIA WARS mark.
- H. That the Court order Defendant to engage in corrective advertising in an amount double that which Zynga has spent promoting its products and services under the MAFIA WARS mark.
- I. That the Court order Defendant to file with the Court and serve on Digital Chocolate, within thirty (30) days after entry of the requested injunction, a report in writing under oath setting forth in detail the manner and form in which Defendant has complied with the injunction.
- J. That this Court grant such other and further relief as it should deem just and proper.

Dated: August 24, 2010

COOLEY LLP MICHAEL G. RHODES JANET L. CULLUM MARK F. LAMBERT SUSAN D. BERNEY-KEY GAVIN L. CHARLSTON

Michael G. Rhodes

Attorneys for Plaintiff

DIGITÁL CHOCOLATE, INC.

DEMAND FOR JURY TRIAL

Plaintiff Digital Chocolate, Inc. hereby demands a trial by jury on all issues for which a trial by jury may be had.

Dated: August 24, 2010

COOLEY LLP MICHAEL G. RHODES JANET L. CULLUM MARK F. LAMBERT SUSAN D. BERNEY-KEY GAVIN L. CHARLSTON

Michael G. Rhodes

Attorneys for Plaintiff DIGITAL CHOCOLATE, INC.