

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

FUEL CLOTHING COMPANY, INC.)	Civil Action No:
)	
)	
Plaintiff,)	
)	
vs.)	<u>COMPLAINT</u>
)	
NIKE, INC.)	
)	
Defendant.)	
_____)	

Fuel Clothing Company, Inc., Plaintiff herein, alleges its Complaint and claims as against the above named Defendant in this Court as follows:

1. Fuel Clothing Company, Inc. (“Fuel Clothing”) is a South Carolina corporation doing business throughout the United States of America and internationally, having a principal place of business in Hilton Head, South Carolina.
2. NIKE, INC. (“NIKE”) is a legal business entity organized in a state other than South Carolina, having a principal place of business in a state other than South Carolina.
3. NIKE does business in and sells merchandise to retailers, and to consumers over the internet, in and around Columbia, South Carolina and across the state of South Carolina.

Jurisdiction

4. These claims arise under the federal Lanham Act, 15 U.S.C, §§ 1051, et seq. This Court has original subject matter jurisdiction over these claims pursuant to 15 U.S.C. § 1121, 28 § 1331 and 1338.

5. These claims also arise under the Federal Declaratory Judgment Act at 28 §§ 2201 and 2202. This is a civil claim for declaratory judgment concerning a federally registered trademark under the federal Lanham Act at 15 §§ 1051, et seq. This Court has original subject

matter jurisdiction over these claims pursuant to 15 U.S.C. § 1121.28, § 1331 and 1338.

Factual Background

6. Fuel Clothing is in the business of producing and marketing sports apparel, and related merchandise bearing the mark of "FUEL," which is protected by trademark no. 2,290,931 which is owned and held by Fuel Clothing.

7. Fuel Clothing has used the distinctive term "FUEL" as a trademark in connection with various sporting goods and product sales, marketing, activities and promotions, including on sport apparel and other items, continuously since at least as early as April 1992.

8. Fuel Clothing's "FUEL" trademark has gained substantial goodwill in the eyes of the consuming public and is a widely known trademark in the sports field. As such, it has acquired secondary meaning within the minds of the relevant consuming public.

9. Fuel Clothing has expended a great deal of effort and money in advertising, protecting and promoting its "FUEL" line of goods sold in the sports field since 1992. Fuel Clothing has marketed those goods via the internet, television, magazines, at events and in many other media outlets. Fuel Clothing's "FUEL" mark has become so widely known in the sports field that it has become a famous trademark.

10. The United States Patent and Trademark Office has placed Fuel Clothing's "FUEL" mark on the Principal Register for clothing goods and has granted the mark Registration No. 2,290,931. Through Fuel Clothing's considerable marketing efforts, its "FUEL" mark has also gained common law trademark protection specifically relating to goods sold in the sports field and to athletes.

11. Fuel has continuously taken reasonable steps to protect its highly desirable mark through various enforcement techniques over a period of decades. As a result, while many efforts

have been made by various companies to usurp the "FUEL" mark, Fuel has consistently enforced the mark and continues to pursue infringers as they arise.

12. Fuel Clothing became aware that Defendant had adopted and used the "FUEL" mark in connection with its sale of sport related apparel, including but not limited to sport bracelets and shirts, which products Defendant specifically seeks to sell to many of the same sporting consumers for whom Fuel Clothing's "FUEL" mark has gained wide recognition. Defendant's use of the "FUEL" mark in this connection seeks to target consumers that include the very same consumer demographic which Fuel Clothing targets, through many of the same channels, including but not limited to internet sales.

13. Defendant, being fully on notice of Fuel Clothing's "FUEL" trademark, undertook a plan or scheme to misappropriate the "FUEL" mark to its own use.

14. Defendant took affirmative steps to do so, by initiating and attempting to obtain certain other, similar marks, such as "NIKE+FUEL," "NIKE+ FUELBAND" and "NIKEFUEL" in 2010 (under numbers 85081294 and 85081287) attempting to register such marks to cover a wearable sport band in classes numbered 9, 38, 41 and 42, which are reserved for "electrical and scientific apparatus," "telecommunications," "education and entertainment," and "computer, scientific and legal," and conspicuously avoiding class 25 (apparel), in which Fuel Clothing's "FUEL" mark has been long registered, despite the fact that the products offered by Defendant are wearable apparel, and despite the fact that the bulk and core of Defendant's business is the sale of wearable sport apparel. Further, Defendant's advertising and products simply use the term "FUEL," rather than the term "NIKEFUEL," "NIKE+FUEL" or "NIKE+FUELBAND"

15. Thereafter, in January of 2012, Defendant initiated and attempted to obtain certain other, similar marks, such as "NIKE+FUEL," "NIKE+ FUELBAND" and "NIKEFUEL,"

(under numbers 85527714 and 85527666) attempting to register such marks to cover a wearable sport band in classes numbered 10 and 14, which are reserved for “medical apparatus” and “jewelry,” and conspicuously avoiding class 25 (apparel), in which Fuel Clothing’s “FUEL” mark has been long registered, despite the fact that the products offered by Defendant are wearable apparel, and despite the fact that the bulk and core of Defendant’s business is the sale of apparel. Further, Defendant’s advertising and products simply use the term “FUEL,” rather than the term “NIKEFUEL,” “NIKE+FUEL” or NIKE+FUELBAND.”

16. Fuel Clothing is informed and believes, and on that basis alleges, that Defendant was aware of Fuel Clothing, its "FUEL" mark, and the substantial goodwill and reputation that Fuel Clothing built in the use of the term “Fuel” in the sport context and that the "FUEL" mark had achieved with consumers before Defendants adopted the mark "FUEL" for their own goods. Further, Fuel Clothing contacted Defendant requesting and demanding that it "cease and desist" all infringing uses of the “FUEL” mark, but Defendant has ignored these demands.

17. Defendant’s infringements and continued infringements were done willfully.

FOR A FIRST CAUSE OF ACTION

(Federal Trademark Infringement under 15 U.S.C. § 1051 et seq.)

18. Fuel Clothing incorporates by reference, all of the foregoing claims as if set forth fully herein.

19. Fuel Clothing owns U.S. Trademark Registration No. 2,290,931 for the mark "FUEL."

20. Defendant’s use of the "FUEL" mark has confused consumers, and is likely to cause confusion among customers, potential customers, and the consuming public to the effect that such persons will likely be confused as to the source of goods offered by it and by Fuel Clothing. Such confusion is the natural and probable consequence of Defendant’s actions.

21. Defendant's unauthorized use of the "FUEL" mark infringes Fuel Clothing's federal trademark registration.

22. Upon information and belief Defendants' adoption and/or continued use of Fuel Clothing's "FUEL" mark was done willfully in bad faith and with notice of Fuel Clothing's rights.

23. The use, and continued use, of the "FUEL" mark, without Fuel Clothing's consent, are willful and deliberate infringements of Fuel Clothing's rights and are calculated to obtain for Defendant the benefit of the valuable mark promoted, owned and protected by Fuel Clothing at Fuel Clothing's great expense, as well as the goodwill, reputation and advertising of Fuel Clothing.

24. The aforesaid infringement of the "FUEL" mark by Defendant has caused irreparable harm to the value of Fuel Clothing's goodwill and the value of that goodwill will be greatly damaged if such infringement is allowed to continue. Thus, Fuel Clothing has no completely adequate remedy at law.

25. Upon information and belief, Defendant has made profits from the infringing uses of Fuel Clothing's "FUEL" mark and further, Fuel Clothing has suffered damages as a result thereof.

26. Fuel Clothing is entitled to recover as against Defendant all damages, penalties, losses, profits of Defendant, attorney's fees and other remedies as are provided for by law for such infringements and willful infringements by Defendant.

FOR A SECOND CAUSE OF ACTION
(Common Law Trademark Infringement and Unfair Competition)

27. Fuel Clothing incorporates by reference all of the foregoing paragraphs of its Complaint as if set forth fully herein.

28. Fuel Clothing has used the term "FUEL" as a trademark in the same trade areas and through the same channels in which Defendant has used that term in connection with its products.

29. Defendant's use of the word "FUEL" has confused consumers and is likely to cause confusion among customers, potential customers, and the general public to the effect that these persons will be confused as to the source of goods or services offered, or not offered, by Defendant and by Fuel Clothing. Such confusion is the natural and probable consequence of Defendants' actions.

30. Upon information and belief, Defendants' acts were committed, and/or are being committed, with the intent to pass off and palm off Defendants' infringing products or services as the products or services of Fuel Clothing, and with the intent to deceive and defraud the public.

31. Defendant has endeavored, as a large multi-billion dollar corporation, to misappropriate, for its own use, the rights in the valuable "FUEL" mark that are owned legitimately by Plaintiff Fuel Clothing, through improper means, misrepresentations and contrivances, on Defendant's evident theory that "might makes right" and that one person's wealth overrides the rights of less affluent persons.

32. Defendant's unauthorized use of the term "FUEL" in this manner infringes the common law trademark rights of Fuel Clothing and results in unfair competition to Fuel Clothing, to Fuel Clothing's damage and detriment.

33. Fuel Clothing is entitled to recover as against Defendant all damages, penalties, losses, profits of Defendant, attorney's fees and other remedies as are provided for by law for such infringements and willful infringements by Defendant.

FOR A THIRD CAUSE OF ACTION
(Federal Unfair Competition and False Designation of Origin under
15 U.S.C. § 1125)

34. Fuel Clothing incorporates by reference all of the foregoing paragraphs of its Complaint as if set forth fully herein.

35. Defendants' use of Fuel Clothing's "FUEL" mark is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection, or association of Defendants with Fuel Clothing, or as to the origin, sponsorship, or approval of Defendants' services or commercial activities.

36. Defendants continue to use in interstate commerce Fuel Clothing's valuable "FUEL" mark without permission or license for Fuel Clothing.

37. Fuel Clothing is informed and believes, and on that basis alleges, that Defendant, in engaging in the conduct described herein, willfully intended to trade on the strength and reputation of Fuel Clothing's "FUEL" mark without right or entitlement, and without paying for it, and causing injury to Fuel.

38. As a direct and proximate result of Defendant's unlawful acts as set forth above, including Defendant's unauthorized use of Fuel Clothing's "FUEL" mark, Fuel Clothing has suffered and will continue to suffer injury to its business, goodwill and property in an amount not presently known.

39. Fuel Clothing has no adequate remedy at law. Unless Defendant is preliminarily and permanently enjoined from committing the unlawful acts as set forth above, including the unauthorized use of Fuel Clothing's "FUEL" mark, Fuel Clothing will continue to suffer irreparable harm.

40. Fuel Clothing is entitled to an injunction restraining Defendant, and its officers,

agents and employees, and all persons acting in concert with them, from engaging in any further such acts of unfair competition and false designation of origin in violation of the Lanham Act.

41. Fuel Clothing is also entitled to recover from Defendant the damages Fuel Clothing has sustained and will sustain as a result of Defendant's wrongful conduct as alleged herein. Fuel Clothing is further entitled to recover from Defendants the gains, profits, and advantages that Defendant has obtained as a result of such wrongful conduct. Fuel Clothing at present is unable to ascertain the full extent of its damages, or the extent of the gains, profits, and advantages that Defendant has obtained by reason of the wrongful conduct described herein.

FOR A FOURTH CAUSE OF ACTION
(Federal Trademark Dilution Under 15 U.S.C. § 1125)

42. Fuel Clothing realleges and incorporates herein by reference the allegations contained in all of the foregoing paragraphs of its Complaint as if set forth fully herein.

43. Defendant has, and currently is, using Fuel Clothing's "FUEL" mark in commerce with sales of clothing, apparel and sports related merchandise.

44. Defendant's use of Fuel Clothing's "FUEL" mark began after the mark became famous.

45. Fuel Clothing is informed and believes, and on that basis alleges, that Defendant, in engaging in the conduct described herein, willfully intended to trade on the strength and reputation of Fuel Clothing's "FUEL" mark, to misappropriate valuable rights owned by Fuel Clothing, and to cause injury to Fuel Clothing.

46. Defendant's use of Fuel Clothing's "FUEL" mark dilutes the distinctive quality of Fuel Clothing's "FUEL" mark.

47. Fuel Clothing is entitled to an injunction restraining Defendant from any further use of Fuel Clothing's "FUEL" mark as well as damages and equitable relief due to Defendant's

unlawful conduct herein alleged.

FOR A FIFTH CAUSE OF ACTION
(Declaratory Relief under 28 U.S. C. §§ 2201 and 2202)

48. Fuel Clothing realleges and incorporates herein by reference the allegations contained in all of the foregoing paragraphs as if set forth fully herein.

49. This claim arises from an actual and justiciable controversy between Fuel Clothing and Defendant as to Defendant's alleged infringement of Fuel Clothing's federal registered FUEL mark and other allegedly unlawful acts by Defendant relating to Fuel Clothing's "FUEL" mark.

50. Defendant has no right to use Fuel Clothing's "FUEL" mark in commerce in any way that is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection, or association of Defendant with Fuel Clothing, or as to the origin, sponsorship, affiliation or approval of Defendant's services or commercial activities.

51. Defendant is using Fuel Clothing's "FUEL" mark in commerce in a way that is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection, or association of Defendant with Fuel Clothing, or as to the origin, sponsorship, or approval of Defendant's goods, services or commercial activities.

52. Fuel Clothing, therefore, requests a declaration from this Court that Defendant's use of Fuel Clothing's "FUEL" mark infringes that mark, constitutes unfair competition, and is an unfair business and trade practice.

FOR A FIFTH CAUSE OF ACTION
(South Carolina Unfair Trade Practices Act)

53. Fuel Clothing realleges and incorporates herein by reference the allegations contained in all of the foregoing paragraphs as if set forth fully herein.

54. Defendant's conduct, by and through the above abusive practices, contrivances and misconduct, and its scheme to attempt to misappropriate from Fuel Clothing its valuable "FUEL" mark, constitute unfair and deceptive acts and business practices, which adversely affect the public interest and are capable of repetition in violation of the South Carolina Unfair Trade Practices Act ("SCUTPA") S.C. Code §§ 39-5-10 et seq.

55. Defendant knew or should have known that such conduct violated or would be a violation of SCUTPA, and as such, was a willful violation of SCUTPA.

56. Defendant's conduct adversely affects the public interest because, among other things, the important purposes of the trademark laws, and the public's ability to rely on such laws, is undermined by such misconduct.

57. Defendant's acts were committed with an intent or purpose and effect of obtaining for Defendant unfair competitive advantage over Plaintiff in the sales of merchandise bearing the "FUEL" mark.

58. Plaintiff has been injured by the unfair practices of Defendant.

59. Because Defendant's acts and conduct constitute unfair competition and unfair and deceptive acts or practices in violation of SCUTPA, Plaintiff is entitled to an award of damages, treble damages and attorneys' fees.

PRAYER FOR RELIEF

WHEREFORE Plaintiff prays:

For a jury trial, a judgment against the Defendant in an appropriate amount in excess of \$75,000, to include actual damages, treble damages, statutory damages and penalties, punitive

damages, profits of Defendants, costs of this action, attorneys' fees and for other such relief as is permitted by law with respect to each of the above claims, and which the Court or a jury may deem fair and equitable.

s/John E. Schmidt, III

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JURY TRIAL DEMANDED