

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE

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|---|---|---------------------------------|
| BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC, |) | |
| |) | |
| Plaintiff, |) | Civil Action No.: 3:14-cv-01001 |
| |) | |
| v. |) | Judge Campbell |
| |) | Magistrate Judge Knowles |
| TREADWRIGHT TIRES, LLC and TREADWRIGHT, LLC (formerly TREADWRIGHT, INC.), |) | JURY TRIAL DEMANDED |
| |) | |
| Defendants. |) | |

FIRST AMENDED COMPLAINT FOR DESIGN PATENT INFRINGEMENT AND UNFAIR AND DECEPTIVE TRADE PRACTICES

Plaintiff Bridgestone Americas Tire Operations, LLC (hereinafter “Bridgestone”), for its first amended complaint against Defendants TreadWright Tires, LLC and TreadWright, LLC (formerly TreadWright, Inc.) (hereinafter jointly and severally “TreadWright”), hereby alleges, upon personal knowledge as to itself and on information and belief as to all other matters, as follows:

Nature of the Action

1. This action arises as a result of TreadWright’s infringement of United States Design Patent No. D475,009 (hereinafter “’009 patent”), attached as Exhibit A, in violation of the Patent Act of the United States and TreadWright’s unfair and deceptive acts and practices in violation of the Tennessee Consumer Protection Act. Bridgestone seeks damages jointly and severally for TreadWright’s infringement and other wrongful conduct, enhancement of damages due to TreadWright’s willful and knowing tortious actions, reasonable attorney’s fees and costs,

a permanent injunction barring TreadWright from further tortious actions, and other appropriate relief.

The Parties

2. Bridgestone Americas Tire Operations, LLC is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 535 Marriott Drive, Nashville, Tennessee 37214.

3. TreadWright, LLC, formerly TreadWright, Inc., is a limited liability company organized and existing under the laws of the State of Delaware, having a principal place of business at 27024 US Highway 385, Hot Springs, SD 57747 with administrative offices being relocated to 6501 Navigation Blvd., Suite 100, Houston, TX 77011.

4. TreadWright Tires, LLC is a limited liability company organized and existing under the laws of the State of Delaware, having the same principal place of business and administrative offices as TreadWright, LLC. TreadWright Tires, LLC was formed in response to the commencement of this litigation and in an improper attempt to circumvent liability and damages while continuing infringement and other wrongful conduct.

Jurisdiction and Venue

5. This is an action for design patent infringement arising under the Patent Act, 35 U.S.C. § 101 *et seq.*, and for unfair and deceptive trade practices arising under the Tennessee Consumer Protection Act, § 47-18-101 *et seq.* The Court has subject matter jurisdiction over this action pursuant to, *inter alia*, 28 U.S.C. § 1331 (federal question); 28 U.S.C. § 1338(a) (action arising under the Patent Act); 28 U.S.C. § 1338(b) (unfair competition joined with claims under Patent Act); and 28 U.S.C. § 1367 (supplemental jurisdiction).

6. The Court has personal jurisdiction over TreadWright for one or more of the following reasons:

a. The exercise of personal jurisdiction over TreadWright by this Court is consistent with the Federal Due Process Clause, TreadWright having established minimum contacts with this forum such that the exercise of jurisdiction over TreadWright would not offend traditional notions of fair play and substantial justice;

b. TreadWright has done and continues to do business in the State of Tennessee and with one or more residents of the State of Tennessee, including in this District;

c. TreadWright directs into the State of Tennessee, including in this District, commerce, goods and services, and advertising including by mail, electronic communications, and other means;

d. TreadWright has entered into contracts with one or more residents of the State of Tennessee to supply products or services within the State of Tennessee, including in this District;

e. TreadWright has offered, and continues to offer, products constituting patent infringement and services and products that constitute unfair and deceptive trade practices relating to this complaint in the State of Tennessee, including in this District;

f. TreadWright has made substantial sales and shipments of infringing goods within the State of Tennessee, including in this District;

g. TreadWright maintains warranty services, such as those referenced at its website, www.treadwright.com, on infringing products within the State of Tennessee, including in this District; and

h. TreadWright has committed tortious injury to Bridgestone and to Bridgestone's business operations within this District.

7. Venue is proper in this district pursuant to 28 U.S.C. § 1391 because TreadWright has transacted and continues to transact business within this District, has sold and continues to offer for sale in this District products that constitute infringement, and has sold and continues to offer for sale services and products within this District that constitute unfair and deceptive trade practices which are a substantial part of the events giving rise to this action. In addition, venue is proper because Bridgestone's principal place of business is in this District, and Bridgestone has suffered and is suffering harm in this District.

Background

8. Bridgestone is a world leader of innovation in the field of vehicle tires and tire tread designs. Bridgestone traces its roots in the United States to Harvey S. Firestone, a pioneer in the development of pneumatic tires whose close friendship with the famed innovators Thomas Edison and Henry Ford helped propel the advancement of the American automotive industry.

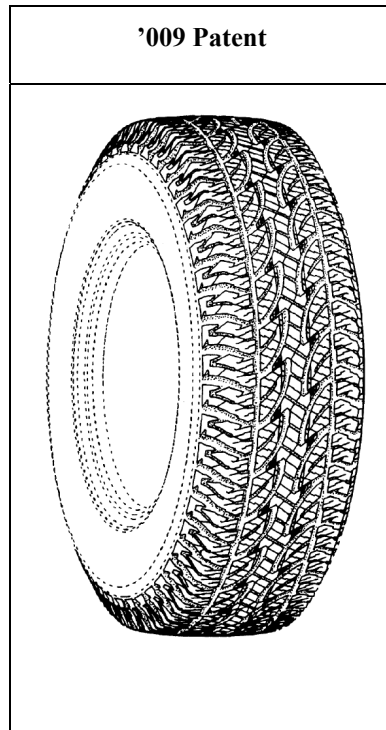
9. For more than 100 years, Bridgestone has been devoted to bringing cutting-edge designs and technology to the consuming public. Bridgestone spends significant resources cultivating its research and development in the United States. Bridgestone and its affiliated companies have been granted thousands of patents by the U.S. Patent and Trademark Office.

10. Tires manufactured and sold by Bridgestone are specifically designed to provide unique and distinctive tread designs that differentiate one tire from another. Consumers, retail providers, and others associate Bridgestone tread designs with Bridgestone, as such tread designs visually set Bridgestone's products and services apart from those of its competitors. Bridgestone has received awards and other innovation recognition for its distinctive tread designs.

11. On May 27, 2003, United States Design Patent No. D475,009 was duly and legally issued by the United States Patent and Trademark Office. The '009 patent has remained in force since that time and continues to be in force.

12. Bridgestone Americas Tire Operations, LLC is the exclusive licensee of the '009 patent with all substantial rights in and to the '009 patent, including the right to bring this action for any past or present infringement of the '009 patent, collect past and present damages and obtain injunctions, such conveyance having been memorialized in an agreement dated March 17, 2014, with Bridgestone Corporation. Bridgestone Corporation is named as the assignee on the face of the '009 patent, having become owner of the patent through an assignment from the inventor dated April 9, 2002, which was recorded on April 30, 2002, at reel and frame number 012856/0020.

13. The '009 patent covers an ornamental design for the tread portion of an automobile tire. Bridgestone has practiced the '009 patent in connection with the commercialization of its Dueler® A/T Revo products and services, as shown for example in the side-by-side comparison below:



14. Bridgestone has extensively promoted, advertised and used the tread design of the '009 patent and Bridgestone's DUELER A/T REVO products and services in a variety of media throughout the United States, including, but not limited to, product labeling and packaging, brochures, point of purchase display materials, signage, trade magazine advertisements, trade show displays and on the web to distinguish its products and services from those offered by others.

15. The Bridgestone DUELER A/T REVO products and services have been commercially successful with their distinctive tread design providing differentiation to other competitors' tread designs and being associated with Bridgestone as a distinctive and proprietary Bridgestone tread design.

16. As a result of Bridgestone's substantial advertising and promotional efforts, as well as the high quality of the products and services associated with the tread design of the '009 patent and Bridgestone's DUELER A/T REVO line of tires, such distinctive tread design has

earned valuable and residual goodwill and reputation for Bridgestone being the sole source for such goods and services in the United States.

TreadWright's Infringement and Other Wrongful Conduct

17. In recognition of the commercial success of the tread design of the '009 patent and Bridgestone's DUELER A/T REVO line of tires, TreadWright began manufacturing and selling a SENTINEL tire in competition with Bridgestone.

18. TreadWright copied the SENTINEL tread design from the tread design of the '009 patent and Bridgestone's DUELER A/T REVO line of tires. TreadWright's SENTINEL tire has been characterized as a "knock-off" of Bridgestone's DUELER A/T REVO tire line.

19. The tread design of the SENTINEL tire is the same or substantially the same as the tread design of the '009 patent and Bridgestone's DUELER A/T REVO line of tires. The tread designs are so similar as to be nearly identical such that an ordinary observer, giving such attention as a purchaser usually gives, would be so deceived by the substantial similarity between the designs so as to be induced to purchase TreadWright's products believing them to be substantially the same as the tread design protected by the '009 patent.

20. In 2013, Bridgestone Corporation asserted its rights in the tread design against TreadWright through written communications which, among other things, demanded that TreadWright stop making, using, offering to sell, or selling the SENTINEL tire within the United States.

21. TreadWright apparently ceased selling the SENTINEL tire on or about June 2013 including pulling the SENTINEL tire from TreadWright's website.

22. While TreadWright's correspondence from June 2013 identified the SENTINEL tire and made several references to the discontinued SENTINEL tire, TreadWright withheld its

plans to infringe the '009 patent and engage in new unfair and deceptive trade practices with a future tire tread design.

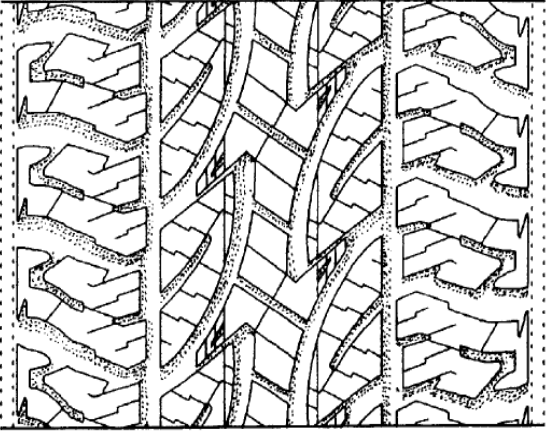

23. On or after June 2013, TreadWright began manufacturing and selling a new tire under the name WATCHMAN.

24. On April 17, 2014, Bridgestone filed its original complaint against TreadWright, LLC for design patent infringement and unfair and deceptive trade practices. In response to Bridgestone's original complaint, TreadWright Tires, LLC was created in an improper attempt to circumvent liability and damages while continuing infringement and other wrongful conduct. TreadWright has been presented to the public and has operated as a *de facto* single concern with the same location, same employees, same websites, same phone numbers, same customers, etc. The infringement and other wrongful activities of TreadWright have continued unabated throughout TreadWright's improper and invalid corporate maneuvering orchestrated and supported by its principals. For at least these reasons, TreadWright, LLC and TreadWright Tires, LLC have existed and operated as alter egos of one another.

25. TreadWright copied the WATCHMAN tread design from the tread design of the '009 patent and Bridgestone's DUELER A/T REVO line of tires. A side-by-side comparison of the '009 patented design and exemplary specimens of Bridgestone's DUELER A/T REVO tire and TreadWright's WATCHMAN tire is shown below, the photograph of the exemplary WATCHMAN tire being taken from TreadWright's website:

| '009 Patent | Bridgestone's Dueler® A/T Revo | TreadWright's WATCHMAN (example) |
|---|---|--|
|  |  |  <p data-bbox="992 909 1398 963">* Photograph is shown in the same orientation as the '009 patent drawing</p> |

26. A side-by-side comparison of the '009 patented design and an exemplary specimen of TreadWright's WATCHMAN tire focusing on a portion of the tread is shown below:

| '009 Patent | TreadWright's WATCHMAN (example) |
|---|--|
|  |  |

27. As shown in the pictures, the WATCHMAN tire has a tread design that is the same or substantially the same as the tread design of the '009 patent and Bridgestone's DUELER A/T REVO line of tires. The tread designs are so similar as to be nearly identical such that an ordinary observer, giving such attention as a purchaser usually gives, would be so deceived by the substantial similarity between the designs so as to be induced to purchase TreadWright's products believing them to be substantially the same as the tread design protected by the '009 patent.

28. Bridgestone has not granted a license or any other authorization to TreadWright to make use, offer for sale, sell or import tires that embody the tread design patented in the '009 patent and which is proprietary to Bridgestone, particularly in relation to its DUELER A/T REVO line of tires.

29. In spite of the rights of Bridgestone, TreadWright willfully and knowingly infringed Bridgestone's rights, including as to the '009 patent. Further, TreadWright committed wrongful acts that constitute unfair and deceptive trade practices in relation to the WATCHMAN tire and the tread design of Bridgestone's DUELER A/T REVO products and services.

30. Bridgestone has been damaged jointly and severally by the foregoing infringing and wrongful acts of TreadWright, including, without limitation, suffering actual damages.

31. By manufacturing and selling the WATCHMAN tire with a tire tread design that is the same as, or substantially similar to, Bridgestone's unique and distinctive tread design from Bridgestone's DUELER A/T REVO line of tires and the design protected by the '009 patent, TreadWright willfully and knowingly caused a likelihood of confusion or misunderstanding as to, *inter alia*, the sponsorship and approval of the WATCHMAN products and services being offered and sold by TreadWright. Such wrongful conduct also caused a likelihood of confusion

or misunderstanding as to the affiliation, connection or association of the WATCHMAN products and services with Bridgestone.

32. TreadWright did nothing to discourage consumers from believing that the WATCHMAN products and services were sponsored, approved or sold in affiliation, connection or association with Bridgestone despite knowing of Bridgestone's rights and having previously terminated the sale of the SENTINEL tire. TreadWright's wrongful actions and practices in connection with the WATCHMAN products and services were deceptive to consumers and others including Bridgestone.

33. TreadWright's unlawful manufacturing and selling of the WATCHMAN tire was not discovered by Bridgestone until on or after June 2013, less than one year from the filing of the original complaint.

34. TreadWright's wrongful conduct and infringing activities will continue unless enjoined by this Court.

Count I

(Infringement of United States Design Patent No. D475,009)

35. Bridgestone incorporates by reference the allegations contained in paragraphs 1-34 above.

36. Bridgestone provided actual notice to TreadWright of its infringement on repeated occasions at least as early as June 2013, including without limitation the filing of the original complaint.

37. In spite of such repeated notices, TreadWright has engaged in a pattern of conduct demonstrating: TreadWright's awareness of the '009 patent; the objectively high likelihood that TreadWright's actions constitute infringement of the '009 patent and that the '009 patent is valid

and enforceable; and that this objectively-defined risk was so obvious that TreadWright knew or should have known it.

38. TreadWright has infringed and continues to infringe the '009 patent by, *inter alia*, making, using, offering to sell, or selling in the United States, including in the State of Tennessee and within this District, products infringing the ornamental design covered by the '009 patent in violation of 35 U.S.C. § 271, including but not limited to TreadWright's SENTINEL and WATCHMAN products.

39. TreadWright infringes the '009 patent because, *inter alia*, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, the tread design of the '009 patent and the tread designs of TreadWright's products including without limitation the tread designs of the SENTINEL and WATCHMAN products are substantially the same, the resemblance being such as to deceive such an ordinary observer, inducing him to purchase one supposing it to be the other.

40. TreadWright's acts of infringement of the '009 patent were undertaken without authority, permission or license from Bridgestone. TreadWright's infringing activities violate 35 U.S.C. § 271.

41. TreadWright's infringement has damaged and continues to damage and injure Bridgestone. The injury to Bridgestone is irreparable and will continue unless and until TreadWright is enjoined from further infringement.

42. Bridgestone is entitled to a complete accounting of all revenue and profits derived by TreadWright, jointly and severally, from the unlawful conduct alleged herein, including without limitation, TreadWright's total profit pursuant to 35 U.S.C. § 289.

43. TreadWright has engaged and is engaged in willful and deliberate infringement of the '009 patent. Such willful and deliberate infringement justifies an increase of three times the damages to be assessed pursuant to 35 U.S.C. § 284 and further qualifies this action as an exceptional case supporting an award of reasonable attorney's fees pursuant to 35 U.S.C. § 285.

44. Bridgestone is entitled to a permanent injunction preventing TreadWright from further infringing the '009 patent.

Count II
(Violation of the Tennessee Consumer Protection Act)

45. Bridgestone incorporates by reference the allegations contained in paragraphs 1-44 above.

46. Less than one year before the filing of the original complaint, TreadWright began manufacturing and selling the WATCHMAN tire with a tread design that copied and was substantially similar to Bridgestone's proprietary and distinctive tread design utilized on Bridgestone's DUELER A/T REVO line of tires and the design protected by the '009 patent. Bridgestone first discovered TreadWright's wrongful actions with respect to the WATCHMAN tire tread design on or after June 2013.

47. TreadWright's making, using, offering to sell and selling of WATCHMAN products and services causes a likelihood of confusion or misunderstanding as to the source, sponsorship, approval or certification of goods or services associated with WATCHMAN, including without limitation, that Bridgestone has approved or sponsored such WATCHMAN products and services. TreadWright's making, using, offering to sell and selling of WATCHMAN products and services also causes a likelihood of confusion or misunderstanding as to the affiliation, connection or association with, or certification by, Bridgestone.

TreadWright's actions are deceptive to the consumer and other persons. Such wrongful actions are in violation of the Tennessee Consumer Protection Act, TENN. CODE ANN. § 47-18-104.

48. TreadWright's wrongful actions have been undertaken without permission or authorization from Bridgestone.

49. TreadWright's wrongful actions have caused Bridgestone to suffer ascertainable actual monetary damages, and TreadWright continues to damage and injure Bridgestone. The injury to Bridgestone from such wrongful actions is irreparable and will continue unless and until TreadWright is enjoined from further and continued wrongful actions.

50. Bridgestone is entitled to recover its actual damages, jointly and severally, and, since TreadWright's use and employment of such unfair and deceptive actions and practices has been a willful and deliberate violation, Bridgestone should be awarded three times the actual damages sustained as provided in the Tennessee Consumer Protection Act, TENN. CODE ANN. § 47-18-109.

51. Bridgestone is entitled to recover its reasonable attorney's fees and costs as provided in the Tennessee Consumer Protection Act, TENN. CODE ANN. § 47-18-109.

52. Bridgestone is further entitled to a permanent injunction preventing TreadWright from further unfair and deceptive trade practices, and any other relief as this Court considers necessary and proper.

Prayer for Relief

WHEREFORE, Plaintiff, Bridgestone, prays for the following relief:

A. A judgment entered in favor of Bridgestone on its claim that TreadWright has infringed the '009 patent and has violated the Tennessee Consumer Protection Act;

B. A permanent injunction enjoining TreadWright, its respective officers, directors, agents, and employees and all those in concert or participation with it who receive notice of judgment by personal service or otherwise, from:

(1) making, importing, using, selling, and offering to sell infringing products practicing the '009 patent and from otherwise infringing, contributing to infringement of, and actively inducing infringement of the '009 patent; and,

(2) holding out in any manner whatsoever that TreadWright or TreadWright's products and services, such as the WATCHMAN products and services, are in any way sponsored, approved, sourced, certified, affiliated, connected or associated with Bridgestone, or Bridgestone's products and services;

C. A judgment and order that TreadWright deliver to Bridgestone for destruction all tire molds, treads, tires, sales literature, customer literature, and other trade pieces used in the infringement of the '009 patent and in the violation of the Tennessee Consumer Protection Act;

D. A judgment and order that TreadWright make an accounting to Bridgestone and jointly and severally pay over to Bridgestone:

(1) the extent of TreadWright's total profit and revenue realized and derived from its infringement of the '009 patent, and actual damages to Bridgestone in an amount not less than a reasonable royalty for TreadWright's infringement;

(2) all damages suffered by Bridgestone in accordance with the law pursuant to TENN. CODE ANN. § 47-18-109 and other applicable laws; and,

(3) treble damages in accordance with TENN. CODE ANN. § 47-18-109, pursuant to 35 U.S.C. § 284 for TreadWright's willful and deliberate infringement, and as permitted under other applicable laws;

E. An award of costs of this action together with Bridgestone's reasonable attorney's fees in accordance with TENN. CODE ANN. § 47-18-109, pursuant to 35 U.S.C. § 285 for this case being exceptional, and as permitted under other applicable laws;

F. An award of interest, including prejudgment interest, on all damages; and

G. An award to Bridgestone of such further relief as the Court deems just and proper.

Demand for Trial by Jury

Bridgestone hereby demands a trial by jury as to all issues so triable.

Dated: July 24, 2014

Respectfully submitted,

/s/ Heather J. Hubbard

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Attorneys for BRIDGESTONE AMERICAS TIRE
OPERATIONS, LLC

CERTIFICATE OF SERVICE

I do hereby certify that on July 24, 2014, I electronically filed the foregoing document with the Clerk of the Court by using the CM/ECF system. A copy has been served on the Defendants via U.S. Mail postage prepaid as follows:

TreadWright LLC and TreadWright Tires, LLC
27027 US Highway 385
Hot Springs, SD 57747

s/ Heather J. Hubbard

Counsel for Plaintiff