

MULCAHY LLP

James M. Mulcahy (SBN 213547)

jmulcahy@mulcahyllp.com

Kevin A. Adams (SBN 239171)

kadams@mulcahyllp.com

Four Park Plaza, Suite 1230

Irvine, California 92614

Telephone: (949) 252-9377

Facsimile: (949) 252-0090

MAYBACK & HOFFMAN, P.A.

Catherine F. Hoffman (Florida Bar No. 828459)

choffman@mayback.com

5846 S. Flamingo Rd. #232

Ft. Lauderdale, FL 33330

Telephone: (954) 704-1599

Facsimile: (954) 704-1588

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

ELLIOTT GILLESPIE AND
ROCKWOOD SPIRITS
INTERNATIONAL,

Plaintiffs,

v.

PRESTIGE ROYAL LIQUORS CORP.
and GABRIEL SEZANAYEV a/k/a
Gavriyel Sezanayev.

Defendants.

Case No. 16-cv-02392-HSG (EDL)
Hon. Haywood S. Gilliam, Jr.

FIRST AMENDED COMPLAINT:

- 1) Declaratory Judgment of Non-Infringement of the '498 and '545 Patents;**
- 2) Declaratory Judgment of Non-Infringement of Invalidity and Unenforceability of the '498 and '545 Patents;**
- 3) Design Patent Infringement;**
- 4) Trademark Infringement;**
- 5) Federal False Advertising; and**
- 6) Unfair Competition.**

DEMAND FOR JURY TRIAL

1 Plaintiffs Elliott Gillespie (“GILLESPIE”) and Rockwood Spirits
2 International Inc. (“ROCKWOOD SPIRITS”) (collectively, “Plaintiffs”) hereby
3 submit the First Amended Complaint against Defendants Prestige Royal Liquors,
4 Corp. (“PRESTIGE”) and Gabriel Sezanayev a/k/a Gavriyel Sezanayev
5 (“SEZANAYEV”) (collectively, “Defendants”) and state the following:

6 **INTRODUCTION**

7 1. Plaintiffs sell their branded GOLD BAR® products to customers in
8 the United States. In particular, Plaintiffs’ GOLD BAR® whiskey product was
9 recently awarded a Double Gold medal at the San Francisco World Spirits
10 Competition, as well as receiving awards for their packaging and design that is
11 protected by U.S. Patent No. D643,298. Gold Bar® Whiskey has also been
12 featured by various whiskey/spirit websites and has become known as an
13 innovative up and coming product with its unique design.

14 2. Defendants have asserted rights under U.S. Patent Nos. D750,498 and
15 D754,545 based on certain activity of Plaintiff GILLESPIE and sent Plaintiffs a
16 cease and desist letter demanding that Plaintiffs cease and desist from using,
17 selling, advertising or distributing the Gold Bar® Whiskey product. Defendants
18 also sent cease and deist letters to an online retailer offering Plaintiffs’ product
19 and threatening the retailer with legal action and financial repercussions for
20 continuing to sell Plaintiffs product on its website. Plaintiffs contend that they
21 have the right to engage in this activity without license and that Defendants
22 wrongly accuse Plaintiffs of infringement.

23 3. In this action, Plaintiffs seek a declaration, among other things, that:
24 (i) they do not directly or indirectly infringe U.S. Patent Nos. D750,498 and
25 D754,545, (ii) U.S. Patent Nos. D750,498 and D754,545 are invalid, indefinite
26 and unenforceable, (iii) Defendants are infringing GILLESPIE’s U.S. Patent No.
27 D643,298, (iv) Defendants are infringing Plaintiff GILLESPIE’s Federal
28 Trademark Registration for the mark GOLD BAR®, and (v) Defendants are

1 falsely advertising their products as “Gold Bar” on their website and social media
2 advertisings in violation of unfair competition laws. Plaintiffs also seek a Court
3 order enjoining Defendants from further unlawful conduct and monetary damages
4 in the form of compensatory damages, punitive damages, as well as costs and
5 attorneys’ fees.

6 **THE PARTIES**

7 4. Plaintiff GILLESPIE is an individual and has offices in California at
8 201 Spear Street, San Francisco, California 94105 and has a distillery located at
9 990 13th St, San Francisco, California 94130. GILLESPIE is a resident of
10 Canada and an innovator in the spirits industry.

11 5. GILLESPIE is the owner of United States Patent: U.S. Patent No.
12 D643,298 (“the ‘298 patent”) (attached hereto as Exhibit A).

13 6. GILLESPIE is the registrant and owner of the Federal Trademark
14 Registration at the United States Patent and Trademark Office Registration No.
15 4617790 for GOLD BAR® registered on October 7, 2014 (attached hereto as
16 Exhibit B).

17 7. Plaintiff ROCKWOOD SPIRITS is a Canadian company with its
18 principle place of business in Ottawa, Canada. ROCKWOOD SPIRITS is engaged
19 in the business of design, manufacture, production and sale of products. Plaintiff
20 GILLESPIE is the President and majority shareholder of ROCKWOOD SPIRITS.

21 8. On information and belief, Defendant SEZANAYEV is a citizen of
22 New York and resides at 122 Yale Street, Roslyn, NY 11377.

23 9. SEZANAYEV is the alleged inventor of U.S. Patent No. D750,498
24 (the ‘498 patent) (attached hereto as Exhibit C) and U.S. Patent No. D754,545 (the
25 ‘545 patent) (attached hereto as Exhibit D). Defendant SEZANAYEV is a
26 conscious and dominant force behind the wrongful acts of PRESTIGE complained
27 of herein, which wrongful acts he has engaged in for the benefit of PRESTIGE
28 and for his individual gain and benefit.

1 joined with substantially related federal claims.

2 16. An actual controversy exists between Plaintiffs and Defendants by
3 virtue of the assertion of rights by Defendants under the '498 patent based on
4 certain alleged activity by GILLESPIE. In particular, Defendants have stated that
5 the '498 patent relates to the sale of a uniquely shaped container for whiskey in
6 the United States by GILLESPIE.

7 17. GILLESPIE contends that he has the right to engage in making, using,
8 offering to sell, and selling his products, including his Gold Bar® Whiskey
9 product, without a license from Defendants.

10 18. Upon information and belief, Defendants do business throughout the
11 world and expanding their presence in the United States, including within
12 California.

13 19. Upon information and belief, individual(s) and entity(ies) throughout
14 the United States, including in California have used and will continue to use the
15 Defendants' websites and the social media sites to promote and sell the infringing
16 goods.

17 20. Any user on Internet, including those located in California can access
18 the Defendants' websites and social media sites in order to browse the goods,
19 learn information on the goods and contact Defendants, to determine where to
20 purchase the goods.

21 21. Upon information and belief, Defendants' websites and social media
22 sites accessible to users in the United States and in this jurisdiction, allow buyers
23 and sellers throughout the United States, including those located in California, to
24 fill in their contact information and be contacted by Defendants to learn where to
25 purchase the goods. Also, Facebook users can message Defendants directly in
26 public or private posts to get information, in addition to Instagram users, including
27 those residents of California, of being able to contact Defendants to get
28 information on the products.

1 22. The Court may properly exercise personal jurisdiction over all the
2 Defendants for each of the following reasons, among others:

3 a. Defendants have personally availed themselves of the benefits
4 and protections of California, and Plaintiffs' claims arise out of Defendants
5 contacts with California as set forth above, including, but not limited to some of
6 the specific instances below.

7 b. Defendants admit to selling their products to a person in
8 California through its reseller Liquor Wine Warehouse prior to May 2, 2016
9 (attached as Exhibit E, see RFA Response No. 2).

10 c. Defendants admit that PRESTIGE promoted Defendants'
11 infringing products to a California resident prior to May 2, 2016 (attached as
12 Exhibit E, *see* RFA Response No. 8). Incredibly, Defendant SEZANAYEV now
13 makes this admission despite his prior declaration to the Court, under penalty of
14 perjury, signed June 23, 2016, that "[s]o far I or [PRESTIGE] have not undertaken
15 any steps to specifically target the California market."

16 d. Defendants admit to communicating on Instagram with a
17 California resident identified as #hnuvkhvpednsduan who is believed to be Rafael
18 Apodaca multiple times between October 6, 2015 and November 26, 2015
19 regarding the purchase and sale of Defendants' products (attached as Exhibit F and
20 G, Documents produced in Jurisdictional Discovery and Responsive to Requests
21 for Production Nos. 3, 5, 6, 9). In the Instagram communications, Defendants'
22 representatives go to great lengths over several weeks in 2015 to communicate
23 with this California resident to coordinate the purchase and delivery to California
24 of Defendants' product, getting information, brokering the sale, getting credit card
25 information, getting a bank card information. Again, Defendant SEZANAYEV
26 produced these documents evidencing Defendants' contact with California
27 residents, despite his prior June 23, 2016 declaration that "[s]o far I or
28 [PRESTIGE] have not undertaken any steps to specifically target the California

1 market.”

2 e. On December 12 and 14, 2015, Defendant’s Facebook and
3 Instagram accounts for Defendants’ products posted pictures of a consumer from
4 the West Coast, who, upon information and belief, is the person from California
5 associated with the purchase in section (d) above by #hnuvkhvpednsduan a/k/a
6 Rafael Apodaca. Defendants’ posts represent that “This beautiful young lady from
7 the West Coast jointed the #3kilosnation!” and “A very patient and satisfied
8 customer from the west coast – Cali! Thank you for joining the #3kilosnation.”
9 (attached as Exhibit H).

10 f. Defendant’s Instagram account also posted a picture on
11 November 2, 2015 with a person dressed in a skeleton costume which had posts
12 where the instagramer “therealgringobandito” accessed the 3Kilos Vodka account
13 and 3Kilos asked the instagrammer where he was located and he replied “Orange
14 County California.” 3Kilos Vodka replied that they were waiting a shipment. This
15 same Instagram included advertising as Defendants’ products as “#goldbar,”
16 #goldbarbottle.” (Attached as Exhibit I).

17 g. Defendants advertised in a Hi Class Living Magazine on March
18 22, 2016 which was available online to consumers in California. (Attached as
19 Exhibit J).

20 h. On January 21, 2016, a California consumer, Philip Blanton
21 ,inquired if the product was in “kali” or “kalifornia” and Defendants’ replied that
22 the product was launching nationwide soon and available for purchase online at
23 Liquor & Wine Warehouse LWWHOUSE.COM. (Attached as Exhibit K, p.62-64).
24 A few days later, on February 5, 2016, another California consumer, Renard E.
25 Vine III, was on Facebook and posted on Defendants’ Facebook page inquiring if
26 the product was in California. Defendants’ responded that the product was
27 available to purchase online at LWWarehouse.com and they were launching
28 nationwide very soon. (*Id.* at p. 63-65).

1 i. At all relevant times, Defendants' Facebook account was
2 advertising and soliciting California residents, among others, to purchase the
3 products online at Liquor & Wine Warehouse at least as early as November 2015,
4 continuing through December of 2015, January of 2016, February of 2016, March
5 of 2016, April of 2016, May of 2016, and at least until August of 2016. (*Id.* at p.
6 17, 39, 43, 44, 48, 55, 56, 62-66, 69, 75, 84-85 and 87). One such post on March
7 25, 2016 from Defendants was by Marina Yusupova who, upon information and
8 belief, is the wife of Defendant SEZANAYEV which directs consumers to Liquor
9 & Wine Warehouse LWWAREHOUSE.COM to purchase products and asks the
10 consumers to let her know how they like it. (*Id.* at 48).

11 j. The social media interactions on Facebook, Instragram, and
12 Twitter show that Defendants were actively promoting and advertising the sale of
13 their products nationwide, but also specifically to California consumers, and
14 announcing to the California consumers that the infringing products could be
15 shipped to California through Defendants' distributor, Liquor & Wine Warehouse.

16 k. The Facebook Accounts of relatives and representatives of
17 Defendant SEZANAYEV, including Gary Sezanayev and Marina Yusupova (and
18 likely others) were all advertising and promoting Defendants' products as
19 "goldbar" products.

20 l. On November 19, 2015 through January 4, 2016, the Instagram
21 account of Manashe Sezanayev, who, upon information and belief, is a relative of
22 SEZANAYEV, Manashe Sezanayev was promoting Defendants' products and
23 posted that the products were coming soon to "#LA" and that the products were the
24 best and to join the club. (Attached as Exhibit L).

25 m. As a result of the nationwide effort to sell the products,
26 Defendants and/or Defendants' representatives or importer, Black Sea Imports,
27 sometime prior to May 10, 2016, worked with Aral Distributions, a California
28 distributor located in this judicial district, to ship product directly to California for

1 sale to California residents. On or about May 10, 2016, Black Sea Imports, an
2 importer for Defendants' products, shipped Defendants' products to Aral
3 Distributions in San Carlos, California 94070, in this judicial district. (Attached as
4 Exhibit M).

5 n. Thereafter, product was made available in various liquor stores
6 in California including Mission Wine & Spirits [Invoice IDW Importers], Hi-Time
7 Wine Cellars, and Remedy Liquor, all in California (attached as Exhibit N).

8 o. SEZANAYEV maintains, as both the registrant and
9 administrative contact, U.S. websites (www.3kilos.com, www.3kilosvodka.com
10 and www.mr3kilos.com). (Attached as Exhibit O).

11 p. Defendants' Facebook, Instagram and Twitter accounts,
12 accessible to California residents, have promoted and advertised (and continue to
13 promote and advertise) Defendants' products as #GoldBar, #goldbarbottle,
14 #goldbarvodka since before May 2, 2016. (Attached as Exhibit P, also see Exhibit
15 K at p. 1,5,13,34,36,38,39,42,45,47).

16 q. Defendants are working with individuals who promote
17 Defendants' products and who refer to the product as "Gold Bar." (Attached as
18 Exhibit Q).

19 r. Based on these direct communications, websites and social
20 media sites, among other activities, advertise and direct consumers in California
21 and elsewhere to purchase Defendants' products through various online retailers
22 and advertise the retailers as shipping to residents in California, including this
23 judicial district, and elsewhere, through specific retailers. Defendants also sell
24 products to online shops and retail stores that, in turn, sell the products in
25 California, including in this judicial district.

26 s. Defendants were and are disseminating advertising in
27 California to promote the sales of their infringing products that are at the heart of
28 this action.

1 t. Defendants' websites and social media pages such as Facebook
2 and Instagram target California and facilitate sales and advertising in California of
3 Defendants' products. In addition, Defendants recently had a contest on their
4 social media websites, including the 3 Kilos vodka Facebook page as well as the
5 SEZANAYEV Facebook page which focuses solely on the product at issue. The
6 winner of the contest for the week of July 22, 2016 was someone from California.
7 Defendants contacted the California winner of the contest and were sending the
8 accused product to the California prize winner directly to California.

9 u. Defendants are facilitating sales of the accused products in
10 California and advertising and marketing their products in California.

11 v. Defendants have direct knowledge and reasonably foresee that
12 their products are advertised, distributed and sold in California.

13 w. Plaintiffs' claims arise out of and relate to the Defendants'
14 forum-related activities, including advertising to California consumers, and the
15 exercise of jurisdiction comports with fair play and substantial justice.

16 23. Venue is proper in this judicial district under 28 U.S.C. § 1391 and
17 1400.

18 **FACTUAL BACKGROUND**

19 24. GILLISPIE is the owner of Rockwood Spirits International Inc. and
20 an innovator in the whiskey industry. Plaintiffs' award winning product is one of
21 the newest and most sought after whiskies made in the United States.

22 25. GILLISPIE's filed a patent design application in July of 2009 for a
23 uniquely shaped bottle, and on August 16, 2011, was awarded a design patent for
24 that bottle – *i.e.*, the '298 patent.

25 26. GILLESPIE's project was known as the "GOLD BAR" project and
26 GILLESPIE filed for and obtained a U.S. Trademark Reg. No. 4617790 for
27 "GOLD BAR®" for "alcoholic beverages and distilled spirits, namely whiskey,
28 GILLESPIE also has a pending U.S. Trademark Application for "GOLD BAR"

1 Serial No. 86/576,589 filed on March 25, 2015 for non-alcoholic and alcoholic
2 beverages.

3 **THE CEASE AND DESIST LETTERS**

4 27. On or about April 1, 2016, Defendant PRESTIGE (through counsel)
5 contacted GILLESPIE by letter, informing him that PRESTIGE is the exclusive
6 licensee of the ‘498 patent, enclosing a copy of the said patent, and stating that

7
8 [Y]ou, your company, marketing persons and certain distributors in
9 the U.S. presently advertise, offer for sale and sell a gold bar-shaped
10 container for whiskey in the United States... As the exclusive licensee
11 of the ‘498 patent, our client is entitled to keep others from using,
12 selling, advertising and distributing containers or bottles that are
13 identical or nearly identical as that shown in the ‘498 patent and we
14 request you immediately cease and desist from all use, sale,
15 advertising or distributing containers or bottles of that type.

16 In the cease and desist letter, PRESTIGE identified the allegedly infringing
17 products including the “gold bar shaped container of whiskey product.”
18 PRESTIGE further requested immediate written assurances that GILLESPIE will
19 no longer use, sell, advertise or distribute the containers or bottles in the future and
20 requested an accounting.

21 28. Thus, PRESTIGE asserted right, title, and interest to the ‘498 patent.

22 29. The ‘498 patent is a design patent titled “GOLD BAR-SHAPED
23 CONTAINERS FOR ALCOHOLIC AND NON-ALCOHOLIC BEVERAGES.”
24 The ‘498 patent on its face states that it was issued on March 1, 2016.

25 30. Plaintiffs believe that their products, including its Gold Bar®
26 Whiskey product do not infringe the ‘498 patent or the ‘545 patent and that the
27 claims of the ‘498 patent and the ‘545 patent are invalid. Accordingly, an actual
28 controversy exists as to whether Plaintiffs’ manufacture, use or sale of its products
infringes any valid or enforceable claim of the ‘498 patent and the ‘545 patent.
Absent a declaration of non-infringement, invalidity, and/or unenforceability,
Defendants will continue to wrongly assert the ‘498 patent and the ‘545 patent

1 against Plaintiffs, and thereby cause Plaintiffs irreparable harm.

2 31. Defendant PRESTIGE has also sent cease and desist letters to certain
3 retailers, including Douglas Stone, and www.goldbarwhiskey.com, threatening
4 that sale of Plaintiff's Gold Bar® Whiskey product violates Defendants' patent
5 rights which is and will cause Plaintiffs irreparable harm.

6 **GILLESPIE'S DESIGN AND THE 3 KILOS BOTTLE DESIGN**

7 32. Separate from the '498 patent and '545 patent, upon information and
8 belief, Defendants, through a number of agents and sales representatives and/or
9 distributors, have made, used, imported, offered for sale, and/or sold a bottle
10 design without license or authority from GILLESPIE, products covered by the
11 claims in the GILLESPIE patent (hereinafter referred to as the "Accused
12 Products").

13 33. The design of the bottle in the Accused Products are not designs or
14 claims from the '498 patent or '545 patent.

15 34. Upon information and belief, the Accused Products are identified by
16 Defendants as "3 KILOS VODKA," "3 KILOS," "3 KILOS HOLLAND
17 VODKA," and are advertised on Facebook, Instagram, www.3kilos.com,
18 www.newyorkliquorgiftshop.com, www.lwarehouse.com, [www.wine-](http://www.wine-searcher.com)
19 [searcher.com](http://www.wine-searcher.com), www.iconosquare.com, and sold online and in retail stores in
20 various locations, including California, as well as marketed and advertised at trade
21 shows.

22 35. Defendants through their agents, representatives, sales persons and
23 distributors, have touted their 3 KILOS VODKA product at various trade shows
24 and to the industry as being the first bottle design of its kind. However, the 3
25 KILOS VODKA product is not the first product with this unique bottle design and
26 is not covered by the '498 patent or '545 patent. Thus, defendants and others who
27 are acting as representatives and agents of defendants are, upon information and
28 belief, making false claims of patent protection. The below photo was taken from

1 the 3 Kilos Instagram site, posted by them on March 22, 2016. This was posted
 2 while at an event where Plaintiffs' GOLD BAR® WHISKEY was being displayed
 3 at a table 50 yards from the 3 Kilos table, causing further economic hardship as
 4 numerous retailers attending the show approached GILLESPIE and said that the 3
 5 Kilos booth representatives are saying that GILLESPIE is infringing their patent.
 6 Further, Defendants refer to their products as “#GoldBar.” See the attached image
 7 and text.



20 36. Plaintiff GILLESPIE obtained a Federal Trademark Registration on
 21 October 7, 2014 for GOLD BAR® for “alcoholic beverages and distilled spirits,
 22 namely whisky.” See Exhibit B. GILLESPIE is the owner of this registration.

23 37. Plaintiff GILLESPIE owns and has used and continues to use the
 24 GOLD BAR® Trademark through ROCKWOOD SPIRITS in connection with the
 25 sale of alcoholic beverages and distilled spirits, at least since as early as 2014.

26 38. Plaintiff GILLESPIE has expended substantial sums in development
 27 of products, advertising and promotion in connection with the GOLD BAR®
 28 Trademark and Plaintiffs' website www.goldbarwhiskey.com. (A printout from a

1 portion of the website is attached as Exhibit R).

2 39. As a consequence of Plaintiffs' use and advertising of the GOLD
3 BAR® Trademark, Plaintiffs' packaging and its styling of the package, Plaintiffs'
4 GOLD BAR® Trademark has become a source identifier and developed a
5 secondary meaning identifying the business operated by Plaintiffs.

6 **DEFENDANTS' WEBSITES, SOCIAL MEDIA SITES**

7 **AND OTHER INFRINGING ACTS**

8 40. Defendants have used (and continue to use) the GOLD BAR®
9 Trademark and infringing packaging and designs on their websites and social
10 media sites, including Facebook, Instagram and Twitter, in a manner which falsely
11 indicates that Defendants' infringing product is the only patented bottle of its kind
12 and, thereby, imply that Plaintiffs' products are counterfeit.

13 41. Additionally, Defendants' use of Plaintiffs' GOLDBAR® Trademark
14 implies that Defendants are authorized sellers of Plaintiffs' genuine products or
15 that Plaintiffs have in some way endorsed the sale of Defendants' products,
16 although Defendants are not authorized and have never had permission to use
17 Plaintiff's GOLD BAR® Trademark.

18 42. On information and belief, Defendants' resellers and promoters are
19 also using the GOLD BAR® Trademark in their advertising and promotion of
20 Defendants' products on online websites and social media, in addition to
21 Defendants' use of the GOLD BAR® Trademark on its own website to promote
22 its competing products.

23 43. Along with the prominent use of the GOLD BAR® Trademark,
24 Plaintiffs' packaging and design of their product and product depiction, when used
25 by Defendants on their websites and social media sites, Defendants' retailers, and
26 promoters, creates a false and misleading designation of fact, by implying and
27 representing to buyers that the sellers of the Accused Products are legitimate and
28 authorized sellers of authentic GOLD BAR® products of Plaintiffs.

1 44. Defendants', their retailers and promoters' promotion of the Accused
2 Products in conjunction with the GOLD BAR® Trademark and Plaintiffs'
3 packaging and bottle design has caused and is likely to continue to cause,
4 confusion, mistake among the purchasing public as to the origin, affiliation,
5 connection or association of Plaintiffs' products with the Accused Products, and is
6 false and misleading.

7 45. Defendants' conduct has damaged Plaintiffs. Such damages include,
8 without limitation, loss of sales and reputation for Plaintiffs', its retailers and
9 authorized distributors.

10 46. Defendants' conduct unless restrained by the Court, further impairs
11 the value of Plaintiff GILLESPIE's distinctive trademark and the good will
12 associated therewith, causing irreparable harm to Plaintiff.

13 47. Through the described actions of Defendants and their representatives,
14 Defendants have acted willfully with the intention to unfairly compete with
15 Plaintiffs.

16 48. By the aforementioned acts herein complained of, Plaintiffs have
17 suffered great detriment in a sum which cannot be ascertained at this time.

18 49. Defendants' threaten to, unless restrained, continue the acts
19 complained of herein, all to Plaintiffs' irreparable damage which cannot be
20 remedied by money damages.

21 50. Defendants' conduct, acts and omissions, complained of herein were
22 willful and done with malice and oppression, with Defendants' knowledge, and
23 for the purpose and with the desired and actual effect of causing Plaintiffs'
24 substantial damage. Plaintiffs are therefore entitled to and hereby request that this
25 case be deemed exceptional.

26 ///

27 ///

28

FIRST CAUSE OF ACTION

(Declaratory Judgment of Non-Infringement of the ‘498 patent and the ‘545 patent)

51. Plaintiffs hereby incorporate by reference all allegations contained in the preceding paragraphs of their First Amended Complaint as though fully set forth herein.

52. Defendants contend that products made, used, sold, advertised or marketed by GILLESPIE infringe the ‘498 patent.

53. Plaintiffs deny Defendants’ contentions and allege that the products do not directly or indirectly infringe the ‘498 patent or the ‘545 patent.

54. An actual controversy thus exists between Plaintiffs and Defendants as to whether the accused products infringe the ‘498 patent and the ‘545 patent.

55. Accordingly, Plaintiffs seeks and is entitled to a judgment against Defendants that Plaintiffs’ product does not infringe and has not infringed, directly or indirectly, contributorily or by inducement, the ‘498 patent or the ‘545 patent.

56. Pursuant to 28 U.S.C. § 2201 and 2202, a judicial determination of the respective rights of the parties with respect to the alleged infringement of the ‘498 patent and the ‘545 patent is necessary and appropriate under these circumstances.

SECOND CAUSE OF ACTION

(Declaratory Judgment of Invalidity and Unenforceability of the ‘498 patent and the ‘545 patent)

57. Plaintiffs hereby incorporate by reference all allegations contained in the preceding paragraphs of their First Amended Complaint as though fully set forth herein.

58. Defendants contend that the ‘498 patent and ‘545 patent are valid and enforceable.

59. Plaintiffs deny Defendants’ contentions and allege that the ‘498 patent

1 and the '545 patent are invalid and unenforceable for failure to meet one or more
2 of the conditions of patentability specified in Title 35 of the United States Code,
3 35 U.S.C. §§ 102, 103, 112, and/or 171. PRESTIGE and SEZANAYEV dispute
4 these contentions. No claim or design drawing of the '498 patent or the '545
5 patent can be validly construed to cover any products imported, made, used, sold
6 or offered for sale by Plaintiffs and the alleged invention of the '498 patent and
7 the '545 patent is taught by, suggested by, and/or obvious in view of the prior art.

8 60. The '498 patent and the '545 patent are also invalid under 35 U.S.C. §
9 112 as the patent drawings are inconsistent and incomplete and do not disclose the
10 patent. Moreover, the '498 patent and the '545 patent are also invalid for non-
11 enablement and indefiniteness under 35 U.S.C. § 112. The errors and
12 inconsistencies in the drawing are material and of such magnitude that the overall
13 appearance of the design is unclear. Some of the drawings depict the '498 patent
14 and the '545 patent with a rectangle shape on the top and bottom and other
15 drawings depict the '498 patent and the '545 patent with a trapezoid shape on the
16 top and bottom and neither half can be disregarded as unclear due to the
17 perspectives shown.

18 61. The named inventor of the designs set forth in the '498 patent and the
19 '545 patent are not the inventor thereof rendering the patents invalid and
20 unenforceable under 35 U.S. C. § 102(f). Additionally, the '498 patent and the
21 '545 patent do not designate all inventors of the designs set forth in the patent
22 rendering the patents invalid and unenforceable.

23 62. The designs in the '498 patent and the '545 patent are obvious under
24 36 U.S.C. § 103.

25 63. The '498 patent and the '545 patent are unenforceable as a result of
26 Defendants' inequitable conduct.

27 64. During prosecution of the '498 patent and the '545 patent, Defendants
28 and/or others substantively involved in the preparation of the '498 patent and the

1 '545 patent withheld information about the GILLESPIE bottle designs, despite
2 having in his/her/their possession such information. This information was
3 material and not cumulative to the U.S. Patents issued on the face of the '498
4 patent and the '545 patent, the information provided by SEZANAYEV and his
5 attorney to the USPTO in an Information Disclosure Statements, and the
6 information before and/or considered by the USPTO during the prosecution of the
7 '498 patent application and the '545 patent application.

8 65. On information and belief, the material information withheld by
9 SEZANAYEV and/or his attorney was withheld knowingly and with the intent to
10 deceive or mislead the USPTO.

11 66. Such inequitable conduct renders the '498 patent and the '545 patent,
12 and all the claims thereof, unenforceable.

13 **THIRD CAUSE OF ACTION**

14 **(Design Patent Infringement Against All Defendants)**

15 67. Plaintiffs hereby incorporate by reference all allegations contained in
16 the preceding paragraphs of their First Amended Complaint as though fully set
17 forth herein.

18 68. No Defendant in this action has sought or received a license from
19 Plaintiff GILLESPIE for any purpose whatsoever.

20 69. Defendants, through a number of agents and sales representatives
21 and/or distributors, without consent have been and are infringing the GILLESPIE
22 patent under 35 U.S.C. § 271(a), by making, using, offering for sale or selling,
23 without license or authority from GILLESPIE, in this District and elsewhere in the
24 United States, products covered by the GILLESPIE patent bearing the ornamental
25 design that embodies the inventions claimed in the GILLESPIE patent, and will
26 continue to do so unless enjoined by the Court.

27 70. Defendants have had actual or constructive knowledge of the
28 GILLESPIE patent and their prior and continuing infringement of the GILLESPIE

1 patent was and continues to be willful and deliberate.

2 71. Defendants' infringement of the GILLESPIE patent has irreparably
3 damaged Plaintiffs in an amount that is unknown and cannot at the present time be
4 ascertained, and will cause added injury and loss unless Defendants are enjoined
5 by this Court.

6 72. Without the consent of Plaintiffs, Defendants have actively induced
7 infringement and/or contributed to the infringement, and are still actively inducing
8 and/or contributing to the infringement of the GILLESPIE patent, and will
9 continue to do so unless enjoined by the Court.

10 73. Defendants' inducement of infringement and contributory
11 infringement of the GILLESPIE patent has irreparably damaged Plaintiffs in an
12 amount that is unknown and cannot at the present time be ascertained, and will
13 cause added injury and loss unless Defendants are enjoined by this Court.

14 74. Plaintiffs have no adequate remedy at law.

15 **FOURTH CAUSE OF ACTION**

16 **(Direct and Contributory Trademark Infringement Under**
17 **15 U.S.C. § 1114 Against All Defendants)**

18 75. Plaintiffs hereby incorporate by reference all allegations contained in
19 the preceding paragraphs of their First Amended Complaint as though fully set
20 forth herein.

21 76. Defendants' unauthorized use of the GOLD BAR® Trademark in
22 connection with the sale and offering for sale of Defendants' Products (also
23 referred to as the Accused Products), constitutes direct and/or contributory
24 infringement of the rights of Plaintiffs in and to its federally registered GOLD
25 BAR® Trademark.

26 77. The GOLD BAR® Trademark is distinctive and consumers have
27 come to expect the highest quality from Plaintiffs.

28 78. Defendants' activities constitute willful trademark infringement.

1 79. Plaintiffs have no adequate remedy at law, and if Defendants' actions
2 are not enjoined, Plaintiffs will continue to suffer irreparable harm to its
3 reputation and the goodwill of its well-known GOLD BAR® Trademark.

4 80. The injuries and damages sustained by Plaintiff have been directly and
5 proximately cause by Defendants' wrongful acts.

6 81. By advertising and promoting its similar goods and using the GOLD
7 BAR® Trademark in connection with such advertising of Defendants' products,
8 Defendant received a direct benefit.

9 82. Defendants' exercised control over the means of the infringement as
10 described above by knowingly providing Defendants' products in connection with
11 advertising and promoting itself as "Gold Bar."

12 83. Defendants' actions described above have cause and are likely to
13 cause confusion and mistake to deceive potential consumers and customers and
14 the general purchasing public as to the source, origin, or sponsorship of the
15 Defendants' Products, and are likely to deceive the public into believing that the
16 Defendants' Products originate from, are associated with, or are otherwise
17 authorized by Plaintiffs, to the damage and detriment of Plaintiffs' reputation,
18 goodwill and sales.

19 84. As such, Defendants' actions constitute direct and contributory
20 trademark infringement.

21 **FIFTH CAUSE OF ACTION**

22 **(False Advertising, 15 U.S.C. § 1125, Against All Defendants)**

23 85. Plaintiffs hereby incorporate by reference all allegations contained in
24 the preceding paragraphs of their First Amended Complaint as though fully set
25 forth herein.

26 86. Defendants' listing of products that are not genuine products of
27 Plaintiff in conjunction with the GOLD BAR® Trademarks, Plaintiff's packaging
28 and/or product depictions constitutes infringement and the use of false

1 descriptions and representations in violation of 15 U.S.C. § 1125(a)(1)(A) and
2 (B).

3 87. Defendant's listing of products that are not authorized products of
4 Plaintiff in conjunction with the GOLD BAR® Trademarks, Plaintiff's packaging
5 and/or product depictions constitutes infringement and the use of false
6 descriptions and representations in violation of 15 U.S.C. § 1125(a)(1)(A) and
7 (B).

8 **SIXTH CAUSE OF ACTION**

9 **(Unfair Competition and False Designation of Origin,**

10 **15 U.S.C. § 1125(a), Against All Defendants)**

11 88. Plaintiffs hereby incorporate by reference all allegations contained in
12 the preceding paragraphs of their First Amended Complaint as though fully set
13 forth herein.

14 89. Customers and potential customers familiar with Plaintiffs' products
15 will be likely to believe that the Accused Products on Defendants' websites and
16 social media sites are actually products of Plaintiffs, or that the Accused Products
17 are related to, or sponsored by Plaintiffs.

18 90. Defendants' usage of the GOLD BAR® Trademark is likely to cause
19 confusion, cause mistake, and/or deceive as to the affiliation, connection or
20 association of Plaintiffs with the Accused Products, and/or as to the origin,
21 sponsorship, or approval of the Accused Products by Plaintiffs in violation of 15
22 U.S.C. § 1125(a).

23 91. Plaintiffs have no adequate remedy at law and, if Defendants' actions
24 are not enjoined, Plaintiffs will continue to suffer irreparable harm to their
25 reputation and the good will of the GOLD BAR® Trademark.

26 **REQUEST FOR RELIEF**

27 WHEREFORE, Plaintiffs requests that this Court enter judgment in
28 their favor and against all Defendants as follows:

- 1 A. For a judicial declaration that Plaintiffs do not infringe contribute to
2 the infringement of, induce others to infringe, either directly or
3 indirectly, any valid claim of the U.S. Patent No. D750,498 and/or
4 U.S. Patent No. D754,545;
- 5 B. For a judicial declaration that U.S. Patent No. D750,498 and/or U.S.
6 Patent No. D754,545 are invalid and unenforceable;
- 7 C. For an order enjoining Defendants, their agents, and all persons acting
8 in concert or participation with Defendants from asserting claims
9 against Plaintiffs for infringement of the U.S. Patent Design No.
10 D750,498 and/or U.S. Patent Design No. D754,545, and from
11 asserting to third parties that Plaintiff's products in any way infringe
12 Defendants' design patents;
- 13 D. For an order rendering U.S. Patent Design No. D750,498 and/or U.S.
14 Patent Design No. D754,545 unenforceable as a result of Defendants'
15 inequitable conduct in the prosecution of the Defendants' patents
16 and/or their predecessor applications;
- 17 E. Judgment for Plaintiffs on its cause of action for patent infringement
18 of U.S. Patent Design No. D643,298;
- 19 F. That the Court preliminarily and permanently enjoin Defendants, their
20 officers, agents, servants, employees and attorneys, and anyone acting
21 in concert or participation with them or any of them, from infringing
22 the GILLESPIE patent, U.S. Patent Design No. D643,298, as
23 provided in 35 U.S.C. § 283, and specifically bar Defendants and
24 anyone else acting in concert with Defendants, from making, using,
25 selling, or offering for sale products that infringe the GILLESPIE
26 patent, U.S. Patent Design No. D643,298, and that they be
27 permanently enjoined and restrained including but not limited to;
- 28 G. That Defendants be preliminarily and permanently enjoined from

1 using the Accused Products in any show, trade fair, or marketing
2 venture, including but not limited to use as a permanent or temporary
3 display;

4 H. That Defendants will remove any picture, photo or reference to the
5 Accused Products from any and all touch screen computers at any
6 and all trade shows and from any and all Internet web sites, including
7 Facebook, Instagram and other social media sites;

8 I. That Defendants be required to deliver up to Plaintiff for destruction,
9 any and all goods in their possession or under their control that were
10 or are being advertised, promoted, offered for sale or sold which
11 infringe the GILLESPIE patent;

12 J. That Defendants be required, pursuant to 35 U.S.C. §§ 284 and 289,
13 to account to Plaintiff for any and all profits derived by them, and for
14 all damages sustained by Plaintiff by reason of Defendants' actions
15 complained of herein, including an award of treble damages provided
16 by statute;

17 K. That Defendants, and each of their officers, agents, servants,
18 employees, representatives, Parent companies, and others in concert
19 or participation with them, either directly or indirectly, be
20 preliminarily and permanently enjoined and restrained from:

- 21 • Using the GOLD BAR® Trademark Plaintiff's product
22 packaging, and/or product depictions, and any other
23 designation that creates a likelihood of confusion,
24 mistake, or deception with respect to Plaintiffs products;
- 25 • Licensing, authorizing and/or permitting others to use the
26 GOLD BAR® Trademark or any other confusingly
27 similar mark;
- 28 • Licensing, authorizing, and/or otherwise permitting
others to sell products designated and/or labeled using

1 the GOLD BAR® Trademark or any other confusingly
2 similar mark; and

- 3 • Injuring Plaintiffs’ business reputation and the good will
4 associated with the GOLD BAR® Trademark, Plaintiffs’
5 products, and from otherwise unfairly competing with
6 Plaintiffs in any manner whatsoever.

- 7 L. That Defendants be required to immediately remove all uses of,
8 references to and depictions using the GOLD BAR® Trademark,
9 Plaintiff’s packaging and/or Plaintiff’s products from any website or
10 social media site;
- 11 M. That Defendants provide an accounting of all profits derived from
12 Defendants’ trademark infringement, false designation of origin of
13 Plaintiffs’ trademark rights along with any false advertising, and that
14 Defendants’ pay such profits to Plaintiffs along with any damages
15 sustained by Plaintiffs and Plaintiffs’ costs of the action.
- 16 N. That the Court award Plaintiffs damages, as provided by 35 U.S.C. §§
17 284 and 289, resulting in the infringement of the ‘322 patent by
18 Defendants;
- 19 O. That the Court award Plaintiffs their costs in this action, together with
20 reasonable attorneys’ fees as provided in 35 U.S.C. § 285;
- 21 P. That Plaintiffs be awarded both pre-judgment and post-judgment
22 interest on each and every damage award;
- 23 Q. Declaring this to be an exceptional case under 35 U.S.C. § 285 and
24 the extent provided by law requiring Defendants to pay Plaintiffs’
25 attorneys’ fees and expenses; and
- 26 R. Awarding Plaintiffs such other and further relief as the Court deems
27 just and proper.
28

JURY DEMAND

1
2 Plaintiffs demand a trial by jury on all issues so triable as a matter of right
3 and law.

4
5 Dated: February 17, 2017

MAYBACK & HOFFMAN, P.A.

6
7 By: /s/ Catherine Hoffman
8 Catherine F. Hoffman
9 Florida Bar 828459
Attorneys for Plaintiffs

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action; my business address 4 Park Plaza, Suite 1230, Irvine, CA 92614.

On February 17, 2017, I served document(s) described as **FIRST AMENDED COMPLAINT** on the following person at the addresses and/or facsimile number below:

Jeffrey R. Kuester
Taylor English Duma LLP
1600 Park wood Circle, Suite 400
Atlanta, GA 30339
jkuester@taylorenghish.com

Ursula B. Day
Attorney and Counselor at Law
708 Third Ave., Suite 1501
New York, NY 10017
patentlaw@ursuladay.net

Charles L. Thoeming
ASCENDANT IP
Golden Gate Legal Centre
3443 Golden Gate Way, Ste. H
Lafayette, CA 94549
cchoeming@ascendantip.com

Eman Sojoodi-Haghighi
Fenwick and West LLP
555 California Street
12th Floor
San Francisco, CA 94104
esojoodi@fenwick.com

VIA FACSIMILE – Based on an agreement by the parties to accept service by fax transmission, I faxed the documents from a fax machine in Irvine, California, with the number 949-252-0090, to the parties and/or attorney for the parties at the facsimile transmission number(s) shown herein. The facsimile transmission was reported as complete without error by a transmission report, issued by the facsimile transmission upon which the transmission was made, a copy of which is attached hereto.

BY ELECTRONIC SERVICE – Based on a court order or agreement of the parties to accept service by electronic transmission, I caused the documents to be sent to the persons at the electronic notification addresses listed herein on the above referenced date. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful. (Jeffrey R. Kuester only)

BY MAIL - I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. postal service on that same day, with postage thereon fully prepaid, at Irvine, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit. (Fusion Glassworks, LLC only)

BY CERTIFIED MAIL - I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. postal service on that same day, with postage thereon fully prepaid, at Irvine, California

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

[] BY FEDERAL EXPRESS – I am readily familiar with the firm's practice of collection and processing correspondence for Federal Express. Under that practice it would be deposited with Federal Express on that same day in the ordinary course of business for overnight delivery with delivery costs thereon fully prepaid by sender, at Irvine, California.

[] BY MESSENGER SERVICE – I served the documents by placing them in an envelope or package addressed to the persons at the addresses listed herein and providing them to a professional messenger service for service. A declaration by the messenger service will be filed separately.

I declare under penalty of perjury under the laws of the State of California and the United States of America that the above is true and correct.

Executed on **February 17, 2017** at Irvine, California.

By: /s/ Barbara Calvert
Barbara Calvert