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**Attorneys for Plaintiff  
Potlatch Corporation**

**UNITED STATES DISTRICT COURT  
DISTRICT OF IDAHO**

-----  
**POTLATCH CORPORATION,  
a Delaware corporation,**

**Plaintiff,**

**- against -**

**FORT JAMES OPERATING  
COMPANY, a Virginia corporation,  
and FORT JAMES CORPORATION,  
a Virginia corporation,**

**Defendants.**  
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No: 02-cv-412-EJL

**COMPLAINT FOR  
DECLARATORY JUDGMENT**

**(Demand for Jury)**

Plaintiff, POTLATCH CORPORATION (Potlatch), states and alleges:



US DISTRICT COURT  
BANKTON

2002 SEP -3

**PARTIES**

1  
2 1. Potlatch is a corporation organized and existing under the laws of the  
3 state of Delaware, and maintains a place of business at Lewiston, Idaho. Its  
4 corporate offices are located at 601 W. Riverside Avenue, Suite 1100, Spokane,  
5 WA 99203.

6 2. Upon information and belief, Defendant, Fort James Operating  
7 Company ("Fort James Operating"), is a corporation organized and existing under  
8 the laws of the Commonwealth of Virginia and has its principal place of business  
9 at 133 Peachtree St. NE, Atlanta, GA 30303, and with a registered agent within  
10 this district, namely CT Corporation Systems, 300 N. 6th St., Boise 83702.

11 3. Upon information and belief, Defendant, Fort James Corporation is a  
12 corporation organized and existing under the laws of the Commonwealth of  
13 Virginia, and also has its principal place of business at 133 Peachtree St. NE,  
14 Atlanta, GA 30303.

15 4. Fort James Operating Company and Fort James Corporation may  
16 also collectively be referred to as "Fort James".

17  
18 **JURISDICTION & VENUE**

19  
20 5 Claims of this action are for Declaratory Judgment and arise under  
21 28 U.S.C. 2201, and are based upon the existence of an actual judiciable  
22 controversy between Potlatch and Fort James as to the alleged infringement of  
23 some or all of the Fort James Intellectual Property (as defined below), namely of  
24 the Fort James Trademarks, the Fort James Trade Dress, the Fort James  
25 Copyrights, the Fort James Design Patents, the Fort James' Packaging Color  
26 Schemes (each as defined below), as hereinafter more fully appears.

1           6.     This court has jurisdiction over this action pursuant to 28 U.S.C. §  
2 1338(a) and (b), 15 U.S.C. § 1121, 28 U.S.C. § 1338(a), 28 U.S.C. § 2201, 28  
3 U.S.C. §1331 and 1338(a), and under the Copyright Act of 1976, 17 U.S.C. §§  
4 101, *et seq.*

5           7.     In addition to the foregoing, the court has supplemental jurisdiction  
6 under 28 U.S.C. §1367(a); claims presented herein are so related to the claims in  
7 the section within the original jurisdiction that they form part of the same case or  
8 controversy under Article III of the United States Constitution.

9           8.     Venue is appropriate under 28 U.S.C. §1391(b) and (c) because  
10 Defendants are doing business in this District, reside in this District or the claims  
11 arose in this District..

## 12 13   **FACTUAL BACKGROUND**

14  
15           9.     Potlatch is, among other businesses, in the business of  
16 manufacturing and distributing various types of consumer bathroom tissue paper  
17 products, also known as toilet paper, which it distributes throughout the United  
18 States. Potlatch manufactures the consumer bathroom tissue paper for others,  
19 such as retail grocers for resale to consumers.

## 20 21   **Definitions**

22  
23           10.    **The Fort James' Trademarks.** The term Fort James' Trademarks,  
24 as used herein, means any and all Fort James' registered and unregistered  
25 trademarks, including trademarks relating to what Fort James refers to as its  
26 "flower-diamond" emboss, its "diamond pattern" without the flowers, its depictions

1 of a brown-haired child holding a white blanket, and the Fort James' Packaging  
2 Color Schemes. The U.S. Trademark registrations include without limitation, U.S.  
3 Trademark Registration No's: 1,778,352 (filed August 2, 1991, and issued June  
4 22, 1993) , 1,806,076 (filed February 23, 1993, and issued November 23, 1993)  
5 and 1,979,345 (filed December 19, 1994, and issued June 11, 1996).

6 **11. The Fort James' Packaging Color Schemes.** The term Fort  
7 James' Packaging Color Schemes, as used herein, means the use of blue as a  
8 primary color and pink as a secondary color (on the deluxe line of bathroom  
9 tissue), and the use of pink as a primary color and blue as a secondary color (on  
10 the ultra line of bathroom tissue), and as complained of by Fort James against  
11 Potlatch packaging.

12 **12. The Fort James' Design Patents.** The term Fort James'  
13 Design Patents, as used herein, means U.S. Design Patent No.'s: D354,854,  
14 D401,421 and D405,269, and any other which may be related to the Fort James'  
15 Intellectual Property, or which Fort James' asserts may be infringed by the  
16 Accused Potlatch Products.

17 **13. The Fort James' Copyrights.** The term Fort James' Copyrights,  
18 as used herein, means defendants' U.S. Copyright Registration No.'s: VA558-449,  
19 VA 666-129 and 1-091-371, as well as any works in which Fort James claims  
20 unregistered copyright protection or rights related to the Fort James "flower-  
21 diamond" design, or the depiction of a brown-haired child holding a white blanket.

22 **14. The Fort James' Trade Dress.** The term Fort James' Trade Dress,  
23 as used herein, means any one or combination of the Fort James' Trademarks,  
24 the Fort James' Color Schemes, the Fort James' depiction of a brown haired child  
25 with a blanket, the Fort James' Design Patent, the Potlatch Comparative  
26 Advertising, or other trade dress elements Fort James claims an Accused Potlatch

1 Product infringes, or the use of which Fort James claims may constitute unfair  
2 competition.

3       15.    **The Fort James' Intellectual Property.**       The term Fort James  
4 Intellectual Property, as used herein, collectively means any or all of the Fort  
5 James' Trademarks, the Fort James' Trade Dress, the Fort James' Copyrights,  
6 the Fort James' Coloring Schemes, the Fort James' Design Patents, including  
7 those which include an embossed diamond pattern, or "flower-diamond" pattern,  
8 and any other claim related to the Accused Potlatch Products.

9       16.    **The Potlatch Comparative Advertising.**       The term Potlatch  
10 Comparative Advertising, as used herein, means the use by Potlatch of  
11 comparative advertising references to products of Fort James, such as the use of  
12 "Compare to Northern Quilted", or "Compare to Northern Quilted Ultra", as  
13 complained of by Fort James.

14       17.    **The Potlatch Trademarks.**       The term Potlatch Trademarks, as  
15 used herein, means all registered and unregistered trademarks of Potlatch related  
16 to its depiction of a child with a white plush toy and its "floral design" pattern, such  
17 as shown in U.S. Trademark Registration No. 2,334,015, registered March 21,  
18 2000. Potlatch has been using its "floral design" pattern which is the subject of  
19 U.S. Trademark Registration No. 2,334,015, since September of 1997.

20       18.    **The Potlatch Design Patent.**       The term Potlatch Design  
21 Patent, as used herein, means the ornamental design on its "floral design" pattern,  
22 and includes that shown and protected in U.S. Design Patent No.: D420,517,  
23 issued February 15, 2000. Potlatch has been using its "floral design" pattern  
24 which is the subject of U.S. Design Patent No.: D420,517, since about September  
25 of 1997.

26       19.    **The Potlatch Copyright.**       The term Potlatch Copyright, as  
27

1 used herein, means U.S. Copyright Registration No.: VA961-396, effective  
2 February 10, 1999.

3           20.   **The Accused Potlatch Products.**       The term Accused Potlatch  
4 Products, as used herein, means any and all products or packaging, made or sold  
5 by Potlatch, which Fort James alleges infringes any of the Fort James  
6 Trademarks, Fort James Copyrights, or Fort James Design Patents, including  
7 those which include an embossed diamond pattern, or "flower-diamond" pattern.  
8 This may also include, without limitation, Potlatch products which include the  
9 Potlatch Trademark, the ornamental design embodied in the Potlatch Design  
10 Patent, the Potlatch depiction of a child with a stuffed toy, or Potlatch color  
11 schemes of blue/pink or pink/blue.

12  
13 **The Controversy**

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15           21.   In about 1997, Potlatch originated a new design for its bathroom  
16 tissue and paper towels, a floral design (also referred to as a happy flower design  
17 in the Potlatch Copyright). In approximately September of 1997, Potlatch began  
18 using the design on, among other things, consumer bathroom tissue, or toilet  
19 paper.

20           22.   On June 30, 1998, Potlatch filed a U.S. Design Patent application for  
21 the "Embossed Tissue". After an examination by the U.S. Patent Office, which  
22 included a search, and a review of the Fort James pattern as reflected in  
23 referenced patents the U.S. patent examiner reviewed, the U.S. Patent office  
24 awarded Potlatch U.S. Design Patent No. Des. 420,517, on February 15, 2000.

25           23.   On January 28, 1999, Potlatch filed a U.S. trademark application for  
26 its embossed floral design, U.S. Trademark Serial Number 76/630,435. After an  
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1 examination by the U.S. Trademark Office, the application was published for any  
2 interested parties who believed they would be damaged by the registration of the  
3 trademark, to file a Notice of Opposition to the registration thereof. After public  
4 notice of the publication, and with no entities filing a Notice of Opposition, on  
5 March 21, 2000 Potlatch was awarded U.S. Trademark Registration No.  
6 2,334,015.

7       24. In February of 1999, Potlatch filed a U.S. copyright application.  
8 Potlatch was awarded the Potlatch Copyright, effective in February of 1999.

9       25 After approximately five (5) years of use of the Potlatch floral design  
10 or embossed design next to or near Fort James products or designs, Potlatch is  
11 unaware of any instance(s) of confusion between its product(s) and those of Fort  
12 James, for any reason, including any reason related to the Fort James Design  
13 Patents, the Fort James Trademarks, the Potlatch Comparative Advertising, the  
14 Fort James Trade Dress, the Fort James' Packaging Color Schemes, or the Fort  
15 James Copyrights. Furthermore, Fort James has not cited any instances of actual  
16 confusion nor indicated it was aware of any such instances.

17       26. On July 15, 2002, Fort James, by and through its attorneys, wrote to  
18 Potlatch, accusing Potlatch of infringing the Fort James' Trademarks, the Fort  
19 James' Copyrights, the Fort James' Design Patents, the Fort James' Trade Dress,  
20 and of diluting these same, and notified Potlatch of other suits it has filed against  
21 competitors. Fort James has demanded that Potlatch, among other things,  
22 immediately cease and desist from producing, selling, advertising, marketing and  
23 distributing any bath tissue product, the Accused Potlatch Products, including the  
24 Specially Soft products, with a "flower-diamond" emboss, or in a package that  
25 references the Quilted Northern or Quilted Northern Ultra trademarks, or that  
26 mimics the Quilted Northern or Quilted Northern Ultra color schemes (blue as the  
27

1 primary color with pink as the secondary color, or visa-versa), or with a brown  
2 haired child with an object.

3 27. Despite Potlatch and Fort James having products side by side in  
4 retail stores for approximately five years, the first Potlatch was notified that Fort  
5 James took issue with its bathroom tissue design or packaging, was when it  
6 received the July 15, 2002, letter from Fort James' attorneys.

7 28. Potlatch and its distributors and retailers, need to have the issues  
8 raised herein and by Fort James, decided, to provide certainty in providing their  
9 customers the best products at the best price, without the threat of injunctions and  
10 other actions being held over their head.

11  
12 **FIRST CAUSE OF ACTION**  
13 **DECLARATORY JUDGMENT OF NON-INFRINGEMENT**  
14 **OF FORT JAMES' TRADEMARK(S)**  
15

16 29. Fort James has accused Potlatch and the Accused Potlatch  
17 Products, of infringement, demanded Potlatch cease and desist in activity which  
18 Fort James asserts infringes the Fort James' Trademarks, and Potlatch denies  
19 there is such an infringement. Potlatch does however have a reasonable  
20 apprehension of litigation from Fort James' threats and demands, and desires to  
21 have the issues resolved.

22 30. This Court is requested to enter a Declaratory Judgment that there is  
23 no likelihood of confusion between the Fort James' Trademarks and the Accused  
24 Potlatch Products.

25 31. This Court is therefore requested to enter a Declaratory Judgment  
26 that the Fort James' Trademarks, if enforceable, are not infringed by the Accused  
27



1 Potlatch Products, or the use by Potlatch of any marks or designs thereon.  
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4 **SECOND CAUSE OF ACTION**  
5 **DECLARATORY JUDGMENT OF NON-INFRINGEMENT**  
6 **OF FORT JAMES' TRADE DRESS, NO UNFAIR COMPETITION**  
7

8 32. Fort James has accused Potlatch and the Accused Potlatch  
9 Products, of infringement, demanded Potlatch cease and desist in activity which  
10 Fort James's asserts infringes the Fort James' Trade Dress, comparative  
11 advertising, or packaging, and Potlatch denies there is such an infringement of  
12 trade dress or intellectual property, or any unfair competition. Potlatch does  
13 however have a reasonable apprehension of litigation from Fort James' threats  
14 and demands, and desires to have the issues resolved.

15 33. This Court is requested to enter a Declaratory Judgment that there is  
16 no likelihood of confusion between the Fort James' Trade Dress and the Accused  
17 Potlatch Products.

18 34. This Court is therefore requested to enter a Declaratory Judgment  
19 that the alleged Fort James' Trade Dress, if enforceable, is not infringed by the  
20 Accused Potlatch Products, or the use by Potlatch of any marks or designs  
21 thereon.  
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**THIRD CAUSE OF ACTION  
DECLARATORY JUDGMENT OF NON-INFRINGEMENT  
OF FORT JAMES' DESIGN PATENTS**

35. Fort James has accused Potlatch and the Accused Potlatch Products, of infringement, demanded Potlatch cease and desist in activity which Fort James's asserts infringes the Fort James' Design Patents, and Potlatch denies there is such an infringement of the Fort James' Design Patents. Potlatch does however have a reasonable apprehension of litigation from Fort James' threats and demands, and desires to have the issues resolved.

36. This Court is therefore requested to enter a Declaratory Judgment that the Fort James' Design Patents, if enforceable, are not infringed by the Accused Potlatch Products.

37. This Court is requested to enter a Declaratory Judgment that to the extent Fort James attempts to extend and enforce the Fort James' Design Patents against the Accused Potlatch Products, the Fort James' Design Patents are invalid.

**FOURTH CAUSE OF ACTION  
DECLARATORY JUDGMENT OF NON-DILUTION  
OF FORT JAMES' TRADEMARKS AND OTHER RIGHTS**

38. Fort James has accused Potlatch and the Accused Potlatch Products, of diluting Fort James' intellectual property, which may include the Fort James' Trademarks, the Fort James' Trade Dress, or other intellectual property. Fort James has demanded that Potlatch cease and desist in activity which Fort

1 James's asserts causes this dilution. Potlatch denies there is a famous mark to  
2 dilute or that there is such a dilution by the Accused Potlatch Products. Potlatch  
3 does however have a reasonable apprehension of litigation from Fort James'  
4 threats and demands, and desires to have the issues resolved.

5 39. This Court is requested to enter a Declaratory Judgment that the  
6 alleged Fort James' Intellectual Property, including the Fort James' Trademarks,  
7 the Fort James' Trade Dress, are not famous marks as required by applicable anti-  
8 dilution statutes which Fort James' may claim are violated.

9 40. This Court is requested to enter a Declaratory Judgment that there is  
10 no dilution of the Fort James' Intellectual Property, including the Fort James'  
11 Trademarks, the Fort James' Trade Dress, by the Accused Potlatch Products.

12  
13 **FIFTH CAUSE OF ACTION**  
14 **DECLARATORY JUDGMENT OF NON-INFRINGEMENT**  
15 **OF FORT JAMES' COPYRIGHT(S)**  
16

17 41. Fort James has accused Potlatch and the Accused Potlatch  
18 Products, of infringement, demanded Potlatch cease and desist in activity which  
19 Fort James asserts infringes the Fort James' Copyrights, and Potlatch denies  
20 there is such an infringement. Potlatch does however have a reasonable  
21 apprehension of litigation from Fort James' threats and demands, and desires to  
22 have the issues resolved.

23 42. This Court is therefore requested to enter a Declaratory Judgment  
24 that the Fort James' Copyrights, if enforceable, are not infringed by the Accused  
25 Potlatch Products.

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**SIXTH CAUSE OF ACTION**  
**DECLARATORY JUDGMENT THAT FORT JAMES' CLAIMS ARE BARRED**  
**BY ESTOPPEL, WAIVER, LACHES AND THE STATUTE OF LIMITATIONS**

43. Potlatch has been selling the same or similar Accused Potlatch Products for approximately five years, in store locations and trade shows which are well known and virtually next to those products of Fort James. Potlatch believes that Fort James knew or should have known about the Accused Potlatch Products, and each of the elements thereof which Fort James now claims infringe part of all of the Fort James Intellectual Property.

44. Potlatch therefore avers that Fort James should now be precluded or prohibited from bringing causes of action for infringement or dilution, as described more fully above, under the equitable doctrines of estoppel, waiver, and laches, and under the applicable statutes of limitations.

45. This Court is requested to enter a Declaratory Judgment that Fort James' is precluded by estoppel, waiver, laches and the statute of limitations, from now making claims or bringing causes of action, against Potlatch for the Accused Potlatch Products.

**REQUEST FOR RELIEF**

Potlatch respectfully requests the following relief:

- (a) Judgment that the Accused Potlatch Products do not infringe the Fort James' Trademarks, the Fort James' Design Patents, the Fort James' Copyrights, the Fort James' Trade Dress or the Fort James'

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- Intellectual Property, either alone or in any combination thereof;
- (b) Judgment that the Accused Potlatch Products do not dilute the Fort James' Trademarks, the Fort James' Trade Dress or other Fort James' Intellectual Property;
  - (c) Judgment that Fort James is precluded from now asserting or bringing action for infringement of the Fort James' Trademarks, the Fort James' Design Patents, the Fort James' Copyrights, the Fort James' Trade Dress or the Fort James' Intellectual Property, either alone or in any combination thereof, by the doctrines of estoppel, laches, waiver or the statute of limitations;
  - (d) Judgment that to the extent Fort James attempts to extend and enforce the Fort James' Design Patents against the Accused Potlatch Products, the Fort James' Design Patents are invalid;
  - (e) Judgment that Fort James shall pay the costs of this action, including reasonable attorney fees and all other costs and disbursements; and
  - (f) Judgment for such further and other relief that the court deems just and equitable.

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**DEMAND FOR JURY TRIAL**


Potlatch demands a trial by jury of all issues so triable.

Respectfully submitted,

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