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IN THE UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

----- X
BUILT NY, INC.

Plaintiff,

- against -

FRANMARA, INC. and FRANK CHIORAZZI

Defendants.
----- X

Civil Action No.

FEB 07 2006

ECF Case

U.S.D.C. S.D. N.Y.
CASHIERS

:
TRIAL BY JURY DEMANDED

COMPLAINT

Plaintiff, BUILT NY, INC. ("Built NY"), by and through its attorneys, for its complaint against defendants FRANMARA, INC. ("Franmara") and FRANK CHIORAZZI ("Chiorazzi") (collectively, with Franmara, "Defendants"), hereby alleges as follows:

NATURE OF ACTION

1. In this action, Built NY seeks injunctive relief, lost profits, damages, costs, and attorneys' fees for Defendants' acts of willful patent and trade dress infringement, false designation of origin, false descriptions, unfair competition, deceptive trade practices, and intent to deceive, under the Lanham Act, and common law and statutes of the State of New York.

JURISDICTION AND VENUE

2. This Court has original jurisdiction of this action pursuant to 15 U.S.C. §§ 1121 and 28 U.S.C. §§ 1331 and 1338.

3. Upon information and belief, Defendants contract to supply goods and transacts business in New York and is within this judicial district, and the tortious acts of Defendants complained of in this Complaint, including, without limitation, the sale of Defendants' infringing goods, have been and continue to be committed, and have caused harm to Plaintiff, within this judicial district. Accordingly, personal jurisdiction exists over Defendants pursuant to CPLR §§ 301 and 302.

4. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391 and 1400.

THE PARTIES

5. Built NY is a corporation duly organized and existing under the laws of the State of New York, having its principal place of business in New York, New York.

6. Upon information and belief, Franmara is a corporation duly organized and existing under the laws of the State of California, having corporate offices at 560 Work Street, Salinas, California.

7. Upon information and belief, Chiorazzi is an officer, director, principal and/or sole shareholder of Franmara, and has aided, abetted, controlled, actively directed and caused Franmara to commit the acts complained of herein, including the intentional torts.

GENERAL ALLEGATIONS

Built NY

8. Built NY is in the business of, *inter alia*, designing, marketing, and selling tote bags for carrying bottles of wine or other similarly sized containers (the "Products").

9. Built NY is a relatively small company with a limited number of products. Built NY's recognition, reputation and goodwill, as well as its relationship with its suppliers, distributors, and customers is inexorably tied to the Products.

10. Built NY's Products have been, and continue to be, a tremendous critical and commercial success.

11. Since their introduction, Built NY's Products have received substantial, unsolicited media coverage.

12. As part of the unsolicited media coverage, Built NY's Products have received prestigious awards, including, *inter alia*: the *Business Week* Annual Design Award 2004 Gold Medal, co-sponsored by the Industrial Designers Society of America (IDEA Award); a *Fortune* 2003 Product of the Year award; an *InStyle* Top 40 Summer Must-Haves (#19); and acceptance into the juried section of the New York International Gift Fair (Accent on Design).

13. Additional positive media coverage has appeared in, *inter alia*: The Washington Post, New York Times, Chicago Tribune, Good Morning America, Food Network, WCBS am, Bon Appetit, Crain's, Wine Spectator, House and Garden, Conde Nast Traveler, Departures, American Way, The Miami Herald, Wines & Spirits, Fortune Small Business, Kitchenware News, Beverage Retailer, Dwell, ID Magazine, Men's Health, Country Living, and AARP Magazine.

The Patent

14. On or about January 8, 2005, Built NY applied to the U.S. Patent and Trademark Office for patent protection for its "one-bottle tote apparatus."

15. On or about January 3, 2006, the U.S. Patent and Trademark Office issued to Built NY U.S. Patent No. D513, 363 S, for Built NY's "one bottle tote apparatus" (the "Patent").

16. The Patent is valid.

17. Built NY is the record owner of the Patent.

The Trade Dress

18. In connection with its Products, Built NY developed, adopted and used, and continues to use, a unique combination of design features. This unique combination of features creates a distinctive overall visual impression (the "Trade Dress"). The features of the Trade Dress include the Products' materials - faced neoprene, the shape, proportions, and silhouette - including an integral cut-out handle, a zig-zag stitching pattern around the perimeter of the Products, and use of seam welting in the top-handle portion.

19. The Trade Dress is non-functional.

20. The Trade Dress is inherently distinctive.

21. Because of Built NY's exclusive and extensive use and promotions of the Trade Dress, the sales of the Products, and the unsolicited media coverage, the Trade Dress has acquired distinctiveness (or a secondary meaning) and indicates a single source of origin of Built NY's Products.

22. Built NY used the Trade Dress in interstate commerce prior to any of the acts of Defendant complained of herein, and the Trade dress is currently in such use.

23. Built NY's use of the Trade Dress has been open, notorious, and continuous since the date of first use, a time prior to any of the acts of Defendants complained of herein.

The Defendants

24. According to Defendants' own website, Franmara is a "manufacturer and master distributor of corkscrews, barware and wine accessories."

25. Upon information and belief, as compared to Built NY, Franmara is a large company, which sells hundreds of different products.

26. Prior to the acts complained of herein, Built NY and Franmara engaged in negotiations regarding Franmara's possible distribution of Built NY's Products.

27. During these negotiations, Built NY informed Franmara of Built NY's intellectual property rights in and relating to the Products, including the ten pending applications for the Patent and the Trade Dress.

28. Without the authorization or consent of Built NY, and after Built NY built up extensive and valuable business and goodwill in connection with the Trade Dress, Defendants commenced use, and are currently offering for sale and are selling tote bags for carrying bottles of wine or other similarly sized containers (the "Infringing Products"), and using a trade dress (the "Infringing Trade Dress") which is nearly identical and confusingly similar to the Trade Dress.

29. Without the authorization or consent of Built NY, Defendants are making, using, and or selling products which infringe the Patent.

30. Built NY and Defendants are engaged in the business of selling the same type of goods, to the same class of customers, through the same channels of trade.

31. Defendants' actions, including the offer for sale, promotion, and sale of the Infringing Products, have injured and interfered with Built NY's relationships with its suppliers, distributors, and customers.

COUNT I

PATENT INFRINGEMENT

32. Built NY repeats and realleges each allegation contained in the prior paragraphs.

33. Built NY is the owner of United States Letters Patent No. D513,363 S, which issued on January 3, 2006, for a "One Bottle Tote Apparatus." A copy of the Patent is attached hereto as Exhibit 1.

34. The Patent is valid and subsisting.

35. Defendants are manufacturing, using, and/or selling products which infringe the Patent.

36. Upon information and belief, Defendants are aware of the Patent and continues their infringing activities.

37. Upon information and belief, Defendants' conduct and infringement of the Patent are willful and deliberate.

38. Defendants' unlawful actions interfered with Built NY's sales, unfairly diverted sales to Defendants, and caused Built NY monetary damage.

39. The acts of Defendants caused irreparable harm and damage to Built NY and caused Built NY to suffer monetary damage in an amount thus far not determined.

40. Based upon Defendants' acts of willful infringement, Built NY is entitled to injunctive relief, monetary damages, and its cost and fees, including attorneys' fees.

COUNT II

TRADE DRESS INFRINGEMENT, FALSE DESIGNATION OF ORIGIN, FALSE DESCRIPTION, AND UNFAIR COMPETITION

41. Built NY repeats and realleges each allegation contained in the prior paragraphs.

42. The aforementioned acts of Defendants have caused and will continue to cause a likelihood of confusion in the minds of the trade and the public, and will damage Built NY's reputation for exclusivity in connection with the Trade Dress, as well as for quality and reliable merchandise.

43. Defendants' acts constitute trade dress infringement and the use of a false designation of origin, a false representation, and unfair competition, by inducing the erroneous belief that Defendants and/or the Infringing Products are in some manner affiliated with, originate from, or are

sponsored by Built NY, and by misrepresenting the nature and origin of the Infringing Products, all in violation of Lanham Act § 43(a), 15 U.S.C. §1125(a).

44. Defendants' acts are willful, unfair, untrue, and deceptive, in that they tend to mislead, deceive and confuse, and will have the result of misleading, deceiving and confusing the public to believe that Defendants and/or the Infringing Products are affiliated with, sponsored or controlled by Built NY. As a consequence, Defendants have traded upon, and gained public acceptance and other benefits from Built NY's favorable reputation, which has accordingly been placed at risk by Defendants' illegal acts and conduct.

45. Defendants' unlawful actions have interfered with Built NY's sales, have unfairly diverted sales to Defendants, and have caused Built NY monetary damage.

46. Defendants have caused irreparable harm and damage to Built NY and will continue to cause irreparable harm to Built NY, and have caused Built NY to suffer monetary damage in an amount thus far not determined.

47. Built NY has no adequate remedy at law for the injury alleged in this count, and said injury is, in part, intangible in nature and not capable of being fully measured or valued entirely in terms of monetary damages.

COUNT III

INJURY TO BUSINESS REPUTATION AND DECEPTIVE ACTS AND PRACTICES

48. Built NY repeats and realleges each allegation contained in the prior paragraphs.

49. The forgoing acts of Defendants constitute unfair competition and infringement of the Trade Dress.

50. The forgoing acts of Defendants have and will create a likelihood of injury to the business reputation of Built NY, in violation of New York Gen. Bus. Law § 360-1, for which Built NY is entitled to injunctive relief.

51. The foregoing acts of Defendants constitute willful, deceptive acts and practices in the conduct of business, trade and/or commerce, in violation of New York Gen. Bus. Law § 349, for which Built NY is entitled to injunctive relief, actual damages, treble damages, punitive damages, attorneys' fees, and costs.

COUNT IV

COMMON LAW TRADE DRESS INFRINGEMENT AND UNFAIR COMPETITION

52. Built NY repeats and realleges each allegation contained in the prior paragraphs.

53. The acts of Defendants infringe the Trade Dress, and constitute trade dress infringement in violation of the common law of the State of New York.

54. Defendants misappropriated Built NY's Trade Dress, and took advantage and made use of Built NY's efforts and good will, and have otherwise unfairly competed with Built NY, in violation of the common law of the State of New York.

55. Defendants intentionally and willfully infringed and misappropriated Built NY's Trade Dress, took advantage and made use of Built NY's efforts and good will, and otherwise unfairly competed with Built NY with the intent of causing confusion, mistake and deception as to the source of the Infringing Products and with the intent to palm-off the Infringing Products as those of Built NY. As such, Defendants have committed unfair competition in violation of the common law of the State of New York.

56. The foregoing acts of Defendants have injured and will continue to injure Built NY by depriving it of sales of its Products, by injuring its business reputation, and by passing off

Defendant's Infringing Products as Built NY's Products, all in violation of the common law of the State of New York.

57. Defendants' acts of common law trade dress infringement and unfair competition have caused irreparable harm and damage to Built NY and have caused Built NY monetary damage in an amount thus far not determined, for which Built NY is entitled to its actual damages, Defendants' profits, punitive damages, and attorneys' fees and costs.

58. Built NY has no adequate remedy at law.

WHEREFORE, Built NY demands judgment against Defendant as follows:

A. That Defendants' conduct willfully infringes the Patent and the Trade Dress, falsely designate the origin of the Infringing Products, falsely describes such products and unfairly competes with Built NY, in violation of 35 U.S.C. § 271 et seq. and Lanham Act § 43(a), 15 U.S.C. § 1125.

B. That Defendants' conduct violates the provisions of New York Gen. Bus. Law §§ 360-1 and 349, and constitutes willful trade dress infringement and unfair competition under the common law of the State of New York.

C. That Defendants and their agents, officers, directors, servants, employees, their successors and assigns, and all others in active concert or participation with Defendants be preliminarily and permanently enjoined from directly or indirectly:

- (i) Using the Trade Dress, and/or the Infringing Trade Dress or the Patent, or any other designs, artwork, trademarks, or trade dresses which are similar to or are colorable imitations of the Trade Dress, alone or as a part of, or together with any other designs, artwork, word or words, trademark, service mark, trade name, trade dress or other business or commercial designation or any logo, symbol or design in connection with the sale, offering for sale,

advertising, distributing or promoting of bottle totes, or any products related thereto;

- (ii) Representing by words or conduct that the Infringing Products or any products related thereto, which are offered for sale, sold, promoted or advertised by Defendants, are authorized, sponsored, endorsed by, or otherwise connected with Built NY;
- (iii) Committing any act which, in and of itself, or from the manner or under the circumstances in which it is done, amounts to patent infringement, trade dress infringement, false designation of origin, false description or false representation of the Infringing Products, whereby wholesalers, retailers and/or consumers of such products are deceived into believing that the Infringing Products, or related products, emanate from Built NY or from a company that is sponsored, authorized, or endorsed by Built NY;
- (iv) Taking any action which is likely to put others in a position to sell or palm-off the goods of Defendants as the goods of Built NY or to unfairly compete with Built NY; and
- (v) Otherwise unfairly competing with Built NY or committing infringement of Built NY rights.

D. That the Court issue an Order directing Defendant:

- (i) To immediately deliver to Built NY, under oath and for destruction, all bottle totes, labels, packaging, wrappers, receptacles, containers, advertisements, promotional materials, printing devices, molds, business forms, catalogs, price sheets and/or all of the things in the possession, custody, or control of

Defendants, which are or can be used to create and/or display any design, artwork, name, mark or dress which infringes the Patent or is similar to and/or a colorable imitation of the Trade Dress, alone or together with any other design, artwork, suffix, prefix, word or words, trademark, service mark, trade name, trade dress or other business or commercial designation or any logo, symbol or design in connection with the manufacture, distribution, sale, offer for sale, advertisement or promotion of bottle totes and/or any products related thereto;

- (ii) To file with the Court and serve on Built NY, within thirty (30) days after the service on Defendants of such injunctions, a report in writing and under oath, setting forth in detail the manner and form in which Defendants has complied with the injunction.

E. That the Court award judgment in favor of Built NY for the damages sustained by Built NY and the profits made by Defendants as a result of Defendants' wrongful conduct.

F. That the Court award judgment in favor of Built NY in the amount of treble damages.

G. That the Court award punitive damages to Built NY in an amount to be determined.

H. That the Court award judgment against Defendants for the full costs of this action, including reasonable attorneys' fees.

I. That the Court require a full and complete accounting of all monies received by Defendants as a result of the manufacture, sale, advertising, and distribution of the Infringing Products, together with an order transferring to Built NY any amount found to be due to it.

J. That the Court declare this an exceptional case.

K. For interest on all amounts found to be due to Built NY from Defendants, at the prevailing rate, from the date said amounts or any part thereof became or becomes due.

L. That the Court require Defendants to notify their commercial associates, suppliers and customers, including manufacturers, wholesalers and retailers of said Order.

M. That the Court order such other, further, and different relief as the nature of this action may require and that the Court may deem just and proper.

N. That the Court retain jurisdiction of this action for the purpose of enabling Built NY to apply to the Court, at any time, for such further orders and directions as may be necessary or appropriate for the interpretation or execution of any order entered in this action, for the modification of any such order, for the enforcement or compliance therewith, and for the punishment of any violations thereof.

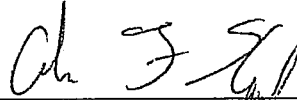
TRIAL BY JURY DEMANDED

Plaintiff demands a jury trial of all issues so triable.

Dated: Summit, New Jersey
February 7, 2006

Respectfully submitted,

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