

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION**

|                                    |   |                            |
|------------------------------------|---|----------------------------|
| R & L MERCHANDISING, LLC., d/b/a   | ) |                            |
| BELLA RYAN,                        | ) | Civil Action No. 3:12-1081 |
|                                    | ) |                            |
| Plaintiff,                         | ) |                            |
|                                    | ) |                            |
| v.                                 | ) | Judge Campbell             |
|                                    | ) |                            |
| ALEX AND ANI, LLC., d/b/a ALEX AND | ) | Magistrate Judge Griffin   |
| ANI,                               | ) |                            |
|                                    | ) |                            |
| Defendant.                         | ) |                            |

**FIRST AMENDED COMPLAINT AND REQUEST FOR DECLARATORY JUDGMENT**

Plaintiff R & L Merchandising, LLC, d/b/a Bella Ryann brings this Complaint and Request for Declaratory Judgment against defendant Alex & Ani, LLC, d/b/a Alex & Ani. The Request for Declaratory Judgment Complaint relates to R & L Merchandising, LLC’s current efforts to resolve ongoing disputes between the parties – direct competitors in the field of jewelry – regarding their respective legal rights to manufacture and sell jewelry what is colloquially known as “expandable bangle bracelets.” Specifically, R & L Merchandising, LLC seeks declaratory judgments of patent non-infringement and invalidity with respect to one Alex and Ani, LLC design patent directed to expandable bracelets, and of trade dress non-infringement with respect to a bangle bracelet sold by Alex and Ani, LLC. R & L Merchandising, LLC further brings affirmative claims against defendant Alex & Ani, LLC. Plaintiff R & L Merchandising, LLC alleges as follows:

**NATURE OF THIS ACTION**

1. Plaintiff R & L Merchandising, LLC seeks Declaratory Judgments that United States Patent No. D498,167 (“the ’167 patent”), which is owned by Alex and Ani., LLC, has not

been infringed by R & L Merchandising, LLC and/or is invalid and that R & L Merchandising, LLC has not infringed any rights of Alex and Ani, LLC arising under section 43(a) of the Lanham Act.

2. This Request for Declaratory Judgment arises under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, the Patent Laws of the United States, Title 35 of the United States Code, and Section 43(a) of the Lanham Act.

3. Plaintiff R & L Merchandising, LLC also brings a claim against defendant Alex & Ani, LLC for federal unfair competition arising under the Lanham Act.

### **PARTIES**

4. R & L Merchandising, LLC, d/b/a Bella Ryann, (“R & L” or “Plaintiff”) is a limited liability corporation organized and existing under the laws of the state of Tennessee, with its principal place of business located in Davidson County, Tennessee. R & L has been using the assumed name Bella Ryann since 2007. R & L filed an acknowledgement of using “Bella Ryann” as an assumed name on November 7, 2012. (Exhibit A.)

5. On information and belief, Alex & Ani, LLC, (“Alex & Ani” or “Defendant”) is an LLC organized and existing under the laws of the state of Rhode Island.

6. Alex & Ani and R & L manufacture and sell bangle bracelets. Alex & Ani and R & L have an ongoing dispute regarding their respective legal rights to manufacture and sell bangle bracelets. Alex & Ani has indicated to R & L that Alex & Ani believes R & L is infringing its bangle bracelet design. R & L seeks to resolve the parties’ current disputes regarding bangle bracelets and thus R & L brings this declaratory judgment action, in which R & L seeks a declaration that the patents have not been infringed by R & L and/or are invalid.

## JURISDICTION AND VENUE

7. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1338(a), 2201 and 2202.

8. This action is filed to resolve an actual and justiciable controversy between the parties hereto. Alex & Ani's conduct towards R & L establishes that a real and substantial dispute exists between the parties regarding Alex & Ani's allegations that R & L's product infringes the '167 patent and Alex & Ani's trade dress rights. This dispute is both definite and concrete and admits of specific relief through a decree of a conclusive character. As set forth in succeeding paragraphs herein, Alex & Ani has taken at least one affirmative act related to enforcement of its patent and trade secret rights, and R & L is currently engaged in offering for sale a bracelet alleged by Alex & Ani to infringe those rights. Accordingly there is a conflict of asserted rights among the parties and an actual controversy exists between R & L and Alex & Ani with respect to the infringement, validity, and scope of the '167 patent and of Alex & Ani's trade dress rights. There is also a justiciable controversy concerning Alex and Ani's false advertising with respect to the scope of its patent and its misrepresentation as to R & L's infringement of that patent.

9. This Court has personal jurisdiction over Alex & Ani because it has purposely directed its activities at the State of Tennessee and purposely availed itself of the benefits and protections of the laws of this State, including this Judicial District, by repeatedly directing correspondence to R & L alleging that bracelets currently being offered for sale by R & L infringe Alex & Ani's patent and trade dress rights. Further, the Alex & Ani correspondence not only threatened litigation, but also demanded payment of \$150,000, surrender of all R & L bracelets for destruction, and ordered R & L to preserve allegedly relevant documents in eight specific categories in anticipation of litigation.

10. This Court also has personal jurisdiction over Alex & Ani because its contacts with the State of Tennessee are significant and pervasive. The State of Tennessee is a large and important market for the sale of Alex & Ani's products. Alex & Ani has sales representatives, dealers, and distributors located in the State of Tennessee that market, promote, and sell Alex & Ani's products. Alex & Ani has conducted business continuously and systematically in the State of Tennessee and in this judicial district for many years and continues to conduct that business actively today.

11. Venue is proper in this Court under 28 U.S.C. § 1391(c) because Alex & Ani is subject to personal jurisdiction in Tennessee, and thus is deemed to reside in Tennessee for purposes of venue.

12. Venue may also be proper under 28 U.S.C. § 1391(b) inasmuch as a substantial part of the events giving rise to Alex & Ani's allegations of patent and trade dress infringement took place in this judicial district. That is, R & L is based in Tennessee, and records pertinent to any alleged infringement by the Accused Products are in Tennessee, as are pertinent witnesses relative to R & L's alleged infringement.

## **FACTUAL BACKGROUND**

### **Plaintiff's product**

13. R & L designs, manufactures, and sells bangle bracelet products in the United States and elsewhere.

14. R & L's main place of business is in Davidson County, Tennessee, and any relevant technical, corporate, financial, sales, and marketing documents concerning R & L's business, including sales of bangle bracelet products, along with all R & L agents or employees with the knowledge of the corporate, financial, sales, and marketing matters, are also located in Davidson

County, Tennessee.

15. Rodney Reep is an officer and 50% member of R & L. Randa Reep is an officer and 50% member of R & L.

16. At all times relevant to this action, Rodney Reep and Randa Reep have only acted in the interest of R & L and have not acted in their own interests.

17. At all time relevant to this action, the Reeps have never done business in New York or any other state in furtherance of their own interests and further have not done business as individuals acting on their own behalf under the name “Bella Ryann.”

18. R & L has been manufacturing and selling expandable bangle bracelets with attached charms in Tennessee since July 2012.

19. The expandable bracelet is composed of a metal wire that is substantially circular and overlaps itself. Each end of the wire wraps completely around the “other wire” in a closed loop of approximately one and three-quarter turns, thereby maintaining the overlap.

20. Representative samples of R & L’s expandable bangle bracelets are shown below:



21. A charm, typically a medallion or birthstone, is attached between the two closed loop ends of the wire. The overlapped wire can slide through the closed loop ends, allowing the

bracelet to expand. The bracelet has a tag with “Bella Ryann” inscribed on it.

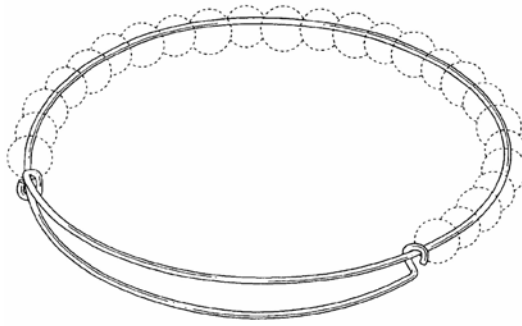
22. Plaintiff’s bracelet is sold with a label affixed to it with phrase “Bella Ryann” prominently displayed in large letters, clearly identifying the manufacturer of the bracelet, as shown below.



### **Defendant’s Product**

23. Alex and Ani designs, manufactures, and distributes expandable bangle bracelet products in the United States and elsewhere.

24. On information and belief, Alex and Ani is the assignee of the D498,167 patent (the “167 Patent”), entitled “Expandable Wire Bracelet,” which issued on November 9, 2004. A true and correct copy of the D498,167 patent is attached hereto as Exhibit B and a perspective view is reproduced below:



**FIG. 1**

25. As shown in this figure, the ‘wire bracelet is formed by bending a single strand of wire so that it forms a partially overlapping loop. The terminal ends of the wire are formed into open hooks which serve to form a slidable connection with the wire loop so that the overall size of the loop can be changed. The dashed circles along the wire loop appear to represent charms that could hang on the loop, however the patented design is limited to the wire loop alone. The dashed lines form no part of the patented design so it is immaterial whether the bracelet could be used with any charms or tags.

26. Then inventor of the ‘167 patent, Carolyn Rafaellen, described the bracelet wire of the ‘167 patent as “close up each end of the wire with a single twist, which would create a visible accent on the wire, but with a clean and streamlined appearance.”

27. Ms. Rafaellen has previously stated that “Alex and Ani has been diligent in going after copyists. When we discover a copy of our design on the market, we have had our attorneys demand that they cease and desist. Copyists who have gone off the market after receiving a cease-and-desist letter include Cara Accessories, Ann Taylor Loft, Forever 21, Old Navy, and MOA’s customer Max and Chloe.”

28. Ms. Rafaellen publicly stated Alex and Ani's line of patented expandable wire bracelets "introduces a functionality that's unique in the jewelry world, because nothing like that's been done before."

29. On its website, Alex and Ani tout the expandable concept:

"Utilizing **an innovative patented and completely original technology** this concept replaces **traditional clasps with a sliding mechanism**, making each piece adjustable. This signature expandable feature is available in expandable wire bracelets and rings, expandable chain necklaces and endless hoop earrings. This completely original design allows everyone to have a piece of jewelry customized for a perfect fit.

<http://www.alexandani.com/about-expandable>.

30. A representative example of an Alex and Ani expandable bangle bracelet is shown below:



31. On October 17, 2012, Alex and Ani, through its attorney, served a cease and desist letter via email on R & L d/b/a Bella Ryann, through one of its members and principals, Randa Reep. Alex and Ani's communications to R & L regarding the '167 patent stated that R & L's bangle bracelet infringed Alex and Ani's '167 patent and Alex and Ani threatened to bring suit in the Southern District of New York unless R & L surrendered its "infringing" product and paid a substantial monetary fee. A copy of this correspondence is attached as Exhibit C.



32. On October 18, 2012, counsel for Alex and Ani attorney served another cease and desist letter via email on R & L's agent, Randa Reep.

33. On or about October 19, 2012, counsel for Alex and Ani's served letters on R & L customers and distributors stating that the Alex and Ani bangles and charms are patented, that the scope of the patent includes any similar bangle and/or charms, and stating that a bracelet sold by R & L infringes Alex and Ani's intellectual property rights. The communication from Alex and Ani suggested that Alex and Ani's patent protection extended to all aspects of the current Alex and Ani design. A copy of the original cease and desist letter to Randa Reep was attached. A copy of a letter from Alex and Ani's attorney to a customer/distributor of R & L is attached as Exhibit D.

34. On or about October 20, 2012, counsel for Alex and Ani sent a further e-mail to Ms. Reep advising her that a complaint would be filed against her on October 22, 2012.

35. On October 22, 2012, Alex Ani caused a complaint to be filed within the Federal District for the Southern District of New York, Case No. 12-cv-7887 against Ms. Randa Reep. On November 5, 2012 Alex and Ani filed a first amended complaint adding Rodney Reep and R & L Merchandising, LLC as defendants and asserted additional claims.

36. By virtue of all the foregoing circumstances, including but not limited to the statements and actions of Alex & Ani, an immediate, real, and justiciable controversy exists between Alex & Ani and R & L over the validity and R & L's alleged infringement of the '167 patent and of Alex & Ani's alleged trade dress rights.

37. Under all the circumstances alleged herein, a substantial controversy exists between Alex & Ani and R & L of sufficient immediacy and reality to warrant the issuance of a declaratory judgment regarding the parties' adverse legal interests with respect to Alex & Ani's

U.S. Patent D498,167 and Alex & Ani's alleged trade dress rights.

38. The Court may and should exercise its broad discretion to adjudicate this action under the Declaratory Judgment Act. There is no better or more effective remedy or forum for resolving the present controversies between the parties regarding bangle bracelets. Such adjudication will serve the underlying purposes of the Declaratory Judgment Act by resolving legal disputes between Alex & Ani and R & L regarding their respective legal rights to manufacture and sell bangle bracelets. These disputes should be resolved efficiently and economically in this action, deciding the controversies between the parties with certainty, completeness and finality.

**COUNT I**  
**DECLARATORY JUDGMENT OF NONINFRINGEMENT OF THE '167 PATENT**

39. R & L realleges and incorporates by reference the averments pled in the preceding paragraphs of this Complaint.

40. An actual and justiciable controversy exists between R & L and Alex & Ani regarding the alleged infringement of the '167 patent by R & L's manufacture and sales of bangle bracelets.

41. R & L's bangle bracelet products do not infringe, literally or under the doctrine of equivalents, any valid claim of the '167 patent.

42. R & L is not infringing, and has never infringed, any valid claim of the '167 patent, either directly or indirectly, either literally or under the doctrine of equivalents.

43. R & L is entitled to judgment declaring that it has never infringed and is not infringing any valid claim of the '167 patent.

**COUNT II**  
**DECLARATORY JUDGMENT OF INVALIDITY OF THE '167 PATENT**

44. R & L realleges and incorporates by reference the averments pled in the preceding paragraphs of this Complaint.

45. An actual and justiciable controversy exists between R & L and Alex & Ani regarding the invalidity of the '167 patent under 35 U.S.C. §§ 102, 103, 112 and/or 251.

46. The '167 is invalid under 35 U.S.C. §§ 102, 103, 112 and/or 251.

47. R & L is entitled to judgment declaring that U.S. Patent D498,167 is invalid.

**COUNT III**  
**DECLARATORY JUDGMENT OF TRADE DRESS NON-INFRINGEMENT**

48. R & L realleges and incorporates by reference the averments pled in the preceding paragraphs of this Complaint.

49. R & L has not and is not committing any acts of trade dress infringement.

**COUNT IV**  
**DECLARATORY JUDGMENT OF TRADE DRESS INVALIDITY**

50. R & L realleges and incorporates by reference the averments pled in the preceding paragraphs of this Complaint.

51. Alex & Ani's claim of trade dress is invalid.

52. The design that Alex & Ani purports to have claimed as its trade dress is vague, is lacking in inherent distinctiveness, depends on features that are generic and commonly used, as well as elements that are functional and used to compete in its particular market and do not indicate they come from a common source with others and are not likely to confuse consumers as to their origin and have not and are unlikely to develop secondary meaning.

**COUNT V**  
**FALSE ADVERTISING UNDER THE LANHAM ACT (15 U.S.C. § 1125)**

53. R & L realleges and incorporates by reference the averments pled in the preceding paragraphs of this Complaint.

54. Alex and Ani have made, continue to make, and have substantially contributed to or aided making false and misleading statements about the characteristics, ownership, nature, and qualities of their products and of R & L's products, including false statement as to the scope of Design Pat. D498,167, the scope of Alex and Ani's patent protection, false statements disparaging R & L products, and false claims that R & L products infringe the Alex and Ani patent.

55. The false and misleading statements were made in commerce and in the context of commercial advertising and promotion used in connection with the the Alex and Ani bracelets and the R & L bracelets.

56. The false and misleading statements were material, and were intended to influence the purchasing decisions of third parties.

57. Alex and Ani knew or had reason to know the statements were false and misleading.

58. The false and misleading statements actually deceived, or had the tendency to deceive, purchasers of bangle bracelets.

59. The false and misleading statements by Alex and Ani (and/or aided, and abetted, contributed, and/or induced by Alex and Ani) violate 15 U.S.C. § 1125(a).

60. As a result of the false and misleading statements, R & L has been, or is likely to be, injured, irreparably harmed, and damaged in amount in excess of \$75,000.00, to be specifically proven at trial. Pursuant to 15 U.S.C. § 1117, R & L is entitled to recover those damages from

Alex and Ani.

61. Pursuant to 15 U.S.C. § 1116(a), R & L is entitled to an order enjoining Alex and Ani from further publication and distribution of any materials that contain the false and misleading statements.

62. Because Alex and Ani acted willfully, in bad faith, with malice, or with wrongful and willful intent to injure R & L, or in reckless disregard of the rights of R & L, an award to R & L of punitive damages and the recovery of their attorney fees is warranted pursuant to 15 U.S.C. § 1117.

### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff respectfully prays for entry of judgment as follows:

1. That the Defendant, together with all of its officers, agents, servants, employees, representatives, and attorneys, and all persons in active concert or participation with any of them be forthwith preliminarily and thereafter permanently enjoined and restrained from contacting dealers whom Plaintiff has a business relationship and alleging that Plaintiff has infringed Defendant's patents and/or trade dress;

2. That the Court declare that Plaintiff has not infringed and is not infringing U.S. Patent D498,167;

3. That the Court declare that U.S. Patent D498,167 is invalid;

4. That the Court declare that Plaintiff has not infringed Defendant's claimed trade dress;

5. That the Court enter judgment declaring that Defendant has falsely advertised and is falsely advertising under Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a)(1)(A);

5. That the Court find this case exceptional in Plaintiff favor and award Plaintiff its

reasonable attorneys' fees, costs and expenses incurred in this action; and

6. For any such other and further relief as this Court deems just and proper.
7. Declaring Plaintiff is free to make, sell and distribute its bangle bracelets.

**DEMAND FOR JURY TRIAL**

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, R & L demands a trial by jury of any and all issues on which a trial by jury is available under applicable law.

Respectfully submitted,

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