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9 Attorneys for Plaintiff philosophy, inc.

10
11 **IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF ARIZONA**

12
13 philosophy, inc.,

14 *Plaintiff,*

15 vs.

16 Kate Somerville Skin Care, LLC,

17 *Defendant.*

Civil Action No. 2:07-cv-1695

**COMPLAINT FOR TRADEMARK
INFRINGEMENT, UNFAIR
COMPETITION AND LANHAM ACT
VIOLATIONS**

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20 Plaintiff, philosophy, inc., by and through its undersigned attorneys, complains of
21 Defendant and alleges as follows:

22 **PARTIES**

23 1. Plaintiff, philosophy, inc. (“Philosophy”) is a corporation incorporated
24 under the laws of the State of Arizona and has a principal place of business at 3809 East
25 Watkins Street, Phoenix, Arizona 85034.

26 2. Defendant Kate Somerville Skin Care, LLC. (“KSSC”) is a limited liability
27 company organized under the laws of the State of California. Upon information and
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1 belief, Defendant's principal place of business is at 8428 Melrose Place, Suites E&F,
2 Los Angeles, California 90069.

3 **JURISDICTION AND VENUE**

4 3. This civil action includes claims for trademark infringement and false
5 designation of origin, false descriptions, and unfair competition arising under the
6 Trademark Act of 1946, and specifically for trademark infringement under 15 U.S.C.
7 §1114(1) and for violations of Section 43(a) of the Lanham Act, codified at 15 U.S.C.
8 §1125, together with pendent claims under state law for unfair competition and trademark
9 infringement.

10 4. This Court has subject matter jurisdiction of claims based upon alleged
11 violations of the Lanham Act pursuant to 15 U.S.C. §1121(a) without regard to the
12 amount in controversy or to the lack of diversity of the citizenship of the parties. This
13 Court also has jurisdiction pursuant to 28 U.S.C. §1331, 28 U.S.C. §1338(a) and 28
14 U.S.C. §1338(b).

15 5. This civil action further includes claims for common law trademark
16 infringement and unfair competition under the laws of the State of Arizona. Philosophy is
17 a citizen of the State of Arizona, and Defendant is a citizen of the State of California. The
18 amount in controversy exceeds the sum or value of Seventy-Five Thousand Dollars
19 (\$75,000), exclusive of interest and costs.

20 6. This Court has subject matter jurisdiction of the state law claims of unfair
21 competition pursuant to 28 U.S.C. § 1332(a), and also under the principals of
22 supplemental jurisdiction provided in 28 U.S.C. § 1367.

23 7. Venue in this district is proper pursuant to 28 U.S.C. §1391(b) & (c). A
24 substantial part of the events giving rise to the claim occurred in this judicial district, a
25 substantial part of the property (trademarks and goodwill) that is the subject of this action
26 is situated in this judicial district, and/or the Defendant resides or may be found in this
27 judicial district within the meaning of the venue statute.

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BACKGROUND

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2 8. Philosophy is a leading provider of high quality skin care products and
3 cosmetics. Philosophy started in Arizona from virtually nothing and has grown into a
4 significant business in the State of Arizona.

5 9. Over the years, Philosophy has expended large sums of money advertising
6 its goods and services, and promoting its products and trademarks. Philosophy has
7 developed considerable goodwill in its business and in its trademarks. Philosophy is
8 recognized by the general consuming public of the United States as a source of quality
9 skin care products and cosmetics. Philosophy has, by its use and promotion, developed a
10 nationwide reputation.

11 10. Philosophy is the owner of the valid, subsisting, and incontestable United
12 States Trademark Registration No. 2,006,904 for the trademark HOPE IN A JAR,
13 registered October 8, 1996, for creams, lotions, moisturizers, cleansers, washes, masks
14 and toners in International Class 3. A true and correct copy of Registration No. 2,006,904
15 is attached hereto as Exhibit A and is incorporated herein by reference.

16 11. Philosophy has the exclusive right to use the trademark HOPE IN A JAR in
17 commerce on or in connection with the goods identified in Registration No. 2,006,904.

18 12. Philosophy has continuously used the trademark HOPE IN A JAR in
19 commerce on and in connection with the goods identified in Registration No. 2,006,904
20 since at least as early as January 1, 1996. As a result, the trademark HOPE IN A JAR has
21 become associated with Philosophy as the source of the identified goods and services.

22 13. Philosophy's HOPE IN A JAR products have been highly successful. The
23 product has been featured nationwide on Oprah's television show three times in the last
24 nine years and several times on QVC television during the same period of time. In
25 addition, Philosophy has spent large sums advertising and promoting its HOPE IN A JAR
26 trademark. Philosophy has, through its use in commerce, established valuable goodwill in
27 its HOPE IN A JAR trademark.

28 14. In addition to Philosophy's registered trademark HOPE IN A JAR,

1 Philosophy has adopted and used the "... IN A JAR" formative as a trademark in other
2 contexts and for other products and services, and has acquired prior common law
3 trademark rights thereto. Philosophy's use of trademarks having the "... IN A JAR"
4 formative was unique in the marketplace for cosmetics and skin care products. As a
5 result, trademarks having the "... IN A JAR" formative have become associated with
6 Philosophy as the source of the identified goods and services.

7 15. Defendant had knowledge of Philosophy's unique and distinctive trademark
8 HOPE IN A JAR, and sought to capitalize upon the goodwill associated with that
9 trademark by adopting the confusingly similar trademark KATE IN A JAR for a skin care
10 product marketed and sold by Defendant in the same channels of trade that are used by
11 Philosophy. Defendant's adoption of the KATE IN A JAR trademark was intentional and
12 in bad faith.

13 16. On or about June 29, 2007, Philosophy filed a Notice of Opposition in the
14 United States Patent and Trademark Office opposing Defendant's application for the
15 KATE IN A JAR trademark, Opposition No. 91178123. In addition, Philosophy
16 simultaneously sent Defendant a cease and desist letter requesting Defendant to cease all
17 of its infringing activity.

18 17. Philosophy has, for more than two months, attempted, in good faith, to
19 resolve the matter with Defendant. Philosophy was led to believe that Defendant wished
20 to resolve the trademark disputes between the parties without resort to litigation, and
21 consequently, refrained from filing suit seeking immediate injunctive relief against
22 Defendant. Despite Philosophy's efforts, Defendant, knowingly and intentionally
23 deceived Philosophy, and on September 1, 2007, launched its KATE IN A JAR product
24 on QVC television and QVC's website, both of which display and offer Defendant's
25 infringing skin care products for sale prominently displaying the infringing KATE IN A
26 JAR trademark.

27 18. Philosophy uses QVC television and the Internet as important marketing and
28 sales channels for its goods and services.

1 19. Defendant's use of the trademark KATE IN A JAR for skin care products
2 sold in the same channels of trade as Philosophy's products and on the identical type of
3 product offered to the same consumers is likely to cause confusion, or to cause mistake, or
4 to deceive as to the affiliation, connection, or association of Defendant's business with
5 Philosophy.

6 20. Defendant's use of the trademark KATE IN A JAR for skin care products
7 sold in the same channels of trade as Philosophy's products and on the identical type of
8 product offered to the same consumers is likely to cause confusion, or to cause mistake, or
9 to deceive as to the origin, sponsorship, or approval of Defendant's goods, services, or
10 commercial activities by Philosophy.

11 21. Defendant's use of the trademark KATE IN A JAR has caused and will
12 continue to cause dilution, by blurring and by tarnishment, of the distinctive quality of
13 Philosophy's trademark HOPE IN A JAR.

14 22. Philosophy's HOPE IN A JAR trademark has become widely recognized by
15 the general consuming public of the United States as a source of quality products.

16 23. Defendant has placed its infringing products into the stream of commerce
17 with the knowledge and intent that the products will be sold in the State of Arizona.
18 Defendant serves the Arizona market through a regular and established distribution
19 network that includes the Internet.

20 24. Defendant's products at issue in this case are available in this district via
21 QVC television and via the Internet at QVC's website (www.qvc.com) and Defendant's
22 website (www.katesomerville.com).

23 25. Defendant transacts business within this district, directly or indirectly, and
24 derives substantial revenues from interstate and intrastate commerce.

25 26. Defendant has committed tortious acts within the district, and outside the
26 district with the intent of having consequences within this district.

27 27. Defendant has specifically directed its conduct and activities at the State of
28 Arizona, and at consumers in the State of Arizona, by selling and distributing products

1 that are likely to cause confusion, or to cause mistake, or to deceive consumers in the
2 State of Arizona.

3 28. Defendant was aware of and knew about Philosophy, and specifically
4 directed its intentional conduct at the State of Arizona knowing that injuries caused by its
5 unfair competition would be felt in the State of Arizona. Defendant knew or should have
6 known that it would cause injury to Philosophy and that injury would be suffered by
7 Philosophy in the State of Arizona as a result of its unfair competition with Philosophy.

8
9 **COUNT I – TRADEMARK INFRINGEMENT
UNDER 15 U.S.C. § 1114 AND STATE LAW**

10 29. Philosophy incorporates by reference the allegations of paragraphs 1
11 through 28.

12 30. Registration No. 2,006,904 gives Philosophy the exclusive right to use the
13 trademark HOPE IN A JAR in commerce on and in connection with certain skin care
14 products identified in the Registration, *i.e.*, creams, lotions, moisturizers, cleansers,
15 washes, masks and toners in International Class 3.

16 31. In addition, Philosophy has established common law trademark rights in the
17 trademark HOPE IN A JAR.

18 32. Philosophy's use of the distinctive trademark HOPE IN A JAR as a source
19 of quality goods and services has acquired secondary meaning.

20 33. Philosophy's trademark HOPE IN A JAR has become distinctive of
21 Philosophy as a source of quality goods and services.

22 34. Defendant's use of the trademark KATE IN A JAR on similar skin care
23 products in competition with Philosophy in the same channels of trade and on the identical
24 type of product offered to the same consumers is likely to cause confusion, or to cause
25 mistake, or to deceive. Philosophy's products and Defendant's infringing products are
26 both sold on QVC's television channel and its website. In addition, Defendant's
27 infringing products and Philosophy's products are both sold on the Internet.

28 35. Defendant's actions constitute trademark infringement in violation of 28

1 U.S.C. § 1114.

2 36. Defendant's acts of trademark infringement were undertaken with
3 knowledge of Philosophy's trademark, and Defendant's adoption of the KATE IN A JAR
4 trademark was intentional and in bad faith. Defendant sought to capitalize upon the
5 goodwill associated with Philosophy's trademark HOPE IN A JAR by adopting the
6 confusingly similar trademark KATE IN A JAR for skin care products. Defendant's
7 trademark infringement has been willful and deliberate.

8 37. Defendant's acts of trademark infringement have caused damage to
9 Philosophy.

10 38. Philosophy has suffered irreparable harm, and has no adequate remedy at
11 law.

12
13 **COUNT II – FALSE DESIGNATION OF ORIGIN AND UNFAIR
COMPETITION UNDER 15 U.S.C. § 1125(a)**

14 39. Philosophy incorporates by reference the allegations of paragraphs 1
15 through 38.

16 40. Defendant's use of the trademark KATE IN A JAR for Defendant's skin
17 care products sold in the same channels of trade as Philosophy's products and on the
18 identical type of product offered to the same consumers, is likely to cause confusion, or to
19 cause mistake, or to deceive as to the affiliation, connection, or association of Defendant's
20 business with Philosophy, or as to origin, sponsorship, or approval of Defendant's goods,
21 services, or commercial activities by Philosophy, in violation of 15 U.S.C. § 1125(a).

22 41. Defendant's use of the mark KATE IN A JAR for skin care products sold in
23 the same channels of trade as Philosophy's products and on the identical type of product
24 offered to the same consumers, is likely to cause confusion, or to cause mistake, or to
25 deceive as to the affiliation, connection, or association of Defendant's business with
26 Philosophy, or as to the origin, sponsorship, or approval of Defendant's goods, services,
27 or commercial activities by Philosophy, in violation of 15 U.S.C. § 1125(a).

28 42. On information and belief, the acts of Defendant described above were, and

1 are deliberately calculated to confuse, and/or deceive the public, and said acts, constitute
2 willful and deliberate violations of 15 U.S.C. § 1125(a).

3 43. By reason of the acts of Defendant alleged herein, Philosophy has suffered,
4 and will continue to suffer irreparable damage; and unless Defendant is restrained, the
5 damage and irreparable harm to Philosophy will increase.

6 44. Philosophy has no adequate remedy at law.

7
8 **COUNT III – UNFAIR COMPETITION**

9 45. Philosophy incorporates by reference the allegations of paragraphs 1
10 through 44.

11 46. Defendant’s intentional adoption of a trademark confusingly similar to
12 Philosophy’s registered trademark caused a likelihood of confusion between Defendant’s
13 products and Philosophy’s products, and has diluted the distinctive quality of
14 Philosophy’s trademark.

15 47. Defendant’s products bearing the mark KATE IN A JAR have been sold in
16 the State of Arizona.

17 48. Defendant’s actions to capitalize upon the goodwill in Philosophy’s
18 distinctive trademark constitute unfair competition.

19 49. By reason of the acts of Defendant alleged herein, Philosophy has suffered,
20 and will continue to suffer irreparable damage; and unless Defendant is restrained, the
21 damage and irreparable harm to Philosophy will increase.

22 50. Philosophy has no adequate remedy at law.

23 WHEREFORE, plaintiff Philosophy hereby prays for:

24 I. Judgment that Defendant’s conduct violates 15 U.S.C. §§ 1114 & 1125 (a),
25 and that Defendant’s actions have been willful and in bad faith.

26 II. A temporary and permanent injunction enjoining Defendant, its agents,
27 servants, employees, attorneys and those persons in active concert or participation with
28 them from:

- 1 A. advertising, offering for sale, marketing, distributing, selling or
2 promoting any skin cares products or services using any false
3 designation of origin, false or misleading description of fact, or any
4 false or misleading representation of fact;
5 B. using in connection with any skin care products or services, any
6 promotional materials, advertisements, fliers, brochures, proposals,
7 labels, signs, contracts, invoices, or other materials printed, electronic
8 or otherwise, or any Internet or on-line website, the trademark KATE
9 IN A JAR; and

10 III. A temporary and permanent injunction enjoining Defendant's acts of
11 trademark infringement, and prohibiting Defendant from using any mark that is
12 confusingly similar to Philosophy's HOPE IN A JARS trademark, ordering Defendant to
13 recall all advertising and Internet web pages bearing the trademark KATE IN A JAR, and
14 to deliver up under oath for destruction, all Internet web pages, promotional materials,
15 advertisements, fliers, brochures, labels, signs, contracts, proposals, invoices, or other
16 materials in its possession, custody or control which bear the trademark KATE IN A JAR,
17 and to file with this Court in writing, under oath, setting forth in detail the manner in
18 which Defendant has complied with this injunction.

19 IV. A temporary and permanent injunction directing Defendant to conduct
20 remedial advertising to dispel any confusion as to the affiliation, connection, or
21 association of Defendant's business with Philosophy, or as to the origin, sponsorship, or
22 approval of Defendant's goods, services, or commercial activities by Philosophy.

23 V. An award of Defendant's profits, and in addition an award of all damages
24 suffered by Philosophy.

25 VI. Trebling the amount awarded to Philosophy in view of Defendant's
26 knowing and willful infringement and deliberate violation and bad faith in connection
27 therewith.

28 VII. An award of punitive damages.

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- VIII. An award of all of Philosophy’s attorneys’ fees incurred in this action.
- IX. An award of costs to Philosophy.
- X. That Philosophy have such other and further relief as the Court may deem appropriate to ensure that Defendant’s unlawful acts are unprofitable, and to prevent further violations of law and acts of unfair competition.

DATED this 4th day of September, 2007.

SNELL & WILMER L.L.P.

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EXHIBIT A

Int. Cl.: 3

Prior U.S. Cls.: 1, 4, 6, 50, 51, and 52

Reg. No. 2,006,904

United States Patent and Trademark Office Registered Oct. 8, 1996

**TRADEMARK
PRINCIPAL REGISTER**

HOPE IN A JAR

COSMEDIC CONCEPTS, INC. (ARIZONA CORPORATION), DBA BIOMEDIC CLINICAL CARE,
8757 E. VIA DE COMMERCIO, SUITE 200
SCOTTSDALE, AZ 85258

FOR: SKIN CARE PRODUCTS, NAMELY
CREAMS, LOTIONS, MOISTURIZERS,
CLEANSERS, WASHES, MASKS, AND

TONERS, IN CLASS 3 (U.S. CLS. 1, 4, 6, 50, 51 AND 52).

FIRST USE 1-1-1996; IN COMMERCE 1-1-1996.

SN 74-597,851, FILED 11-14-1994.

JUDITH GRUNDY, EXAMINING ATTORNEY