

nutrient-enriched supplement products throughout the United States under its DEFY family of trademarks, which includes DEFY and DEFY FOR THE ACTIVE SOCIAL LIFESTYLE (the “DEFY Marks”). Through its significant investment, Defy has earned substantial goodwill and consumer recognition in the DEFY Marks for use in connection with nutrient-enriched beverages and related products. Years after Defy’s first use of its of DEFY Marks, Defendant began to offer its own nutrient-enriched beverages and related products using the marks DEFY LIMITATION and DEFY LIMITATIONS (the “Infringing Marks”). Defendant’s use of the Infringing Marks in connection with nutrient-enriched beverages and related products is highly likely to cause consumer confusion and will cause irreparable harm to Defy’s business, reputation, and goodwill if not enjoined.

3. Defendant also petitioned the United States Trademark Trial and Appeal Board (“TTAB”) to cancel Plaintiff’s three United States registrations for the DEFY Marks. Because Defy has not abandoned its use of the DEFY Marks, Defy seeks a declaration that its registrations are valid and subsisting and that these petitions be rejected.

II. PARTIES

4. IP Mark Holding Co LLC is a Colorado limited liability company with its principal place of business in Denver, Colorado.

5. Defy LLC is a Colorado limited liability company with its principal place of business in Denver, Colorado.

6. Upon information and belief, Defiance Brands, Inc. is a Tennessee corporation with its principal place of business at 530 Church Street, Nashville, TN 37219.

III. JURISDICTION AND VENUE

7. This is an action for Declaratory Judgment under Title 28 of the United States Code. This action also arises under the Lanham Act, Title 15 of the United States Code. Accordingly, the Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338.

8. Defy's related state and common law claims arise out of the same case or controversy as its claims under the Lanham Act, and thus the Court has subject matter jurisdiction over these claims pursuant to 28 U.S.C. §§ 1338 and 1367.

9. The Court has subject matter jurisdiction over Defy's claim requesting a Declaratory Judgment as to the validity of its United States trademark registrations pursuant to 15 U.S.C. § 1119, because the DEFY Marks' registrability is directly related to whether Defendant infringes the DEFY Marks.

10. The Court has personal jurisdiction over Defendant because Defendant conducts business with customers in Colorado and targets Colorado consumers using the Infringing Marks.

11. This District is a proper venue pursuant to 28 U.S.C. § 1391(b) because Defendant does business in this District, Defy is being harmed in this District, and a substantial part of the events giving rise to the claim occurred here.

IV. FACTUAL ALLEGATIONS

A. Defy, Its Business, and Its DEFY Marks

12. Defy LLC was formed in June 2018, in the State of Colorado in order to provide athletes of all calibers beverages and products formulated with electrolytes, vitamins, potassium, and other nutrients to help these athletes recover faster, perform at their highest levels, and

rejuvenate from an active lifestyle. As part of its overall marketing and branding strategy, Defy chose the DEFY Marks to promote its nutrient-enriched performance beverages and products.

13. One of Defy’s investors, founders, and spokespersons is National Football League alumnus, Super Bowl winner, and Hall of Fame inductee Terrell Davis. Davis is a vocal advocate for the benefits of Defy’s nutrient-enriched beverage and supplement products to aid in athletic performance, recovery from workouts, and injury prevention.

14. Since at least as early as 2009, Defy, through its predecessor in interest, has used the DEFY Marks in connection with its nutrient-enriched beverages and related products. Defy owns the following U.S. trademark registrations for the DEFY Marks (“DEFY Registrations”) in connection with the listed goods:

| Mark | App. No./ App. Date | Reg. No./ Reg. Date | Goods and Services | First Use Dates |
|--------------------------------------|-----------------------------|-----------------------------|---|--|
| DEFY | 85949588 Jun. 03, 2013 | 4647505 Dec. 02, 2014 | <u>Class 32:</u> Non-alcoholic beverages, namely, recovery sports drinks, energy drinks, sports drinks and fruit juice drinks, all the foregoing enhanced with vitamins, minerals, and nutrients | First Use: Jan. 25, 2013 First Use in Commerce: May 3, 2013 |
| DEFY | 86344623 Jul. 22, 2014 | 5052192 Oct. 04, 2016 | <u>Class 5:</u> Vitamin, mineral and nutrient enhanced liquid vitamin drinks for purposes of enhancing mental alertness in adults desiring to maintain health, mental alertness and enhance personal well-being, excluding nutritional food bars for use as meal replacements and supplements in tablet or capsule form | First Use: Mar. 31, 2009 First Use in Commerce: Mar. 31, 2012 |
| DEFY FOR THE ACTIVE SOCIAL LIFESTYLE | 86279224 May 13, 2014 | 4843775 Nov. 03, 2015 | <u>Class 5:</u> Nutritionally fortified beverages | First Use: Mar. 12, 2012 First Use in Commerce: Feb. 25, 2013 |

15. Since adopting the DEFY Marks for use in commerce in 2012, Defy, including its predecessor in interest, has continuously used the DEFY Marks in commerce in connection with the sale of nutrient-enriched beverages and related products throughout the United States.

16. Defy, and its predecessor, have invested a substantial amount of time, money, and effort to promote and advertise its nutrient-enriched beverages and related products under the DEFY Marks.

17. Defy markets and sells its nutrient-enriched beverages and related products under the DEFY Marks extensively through its website, www.drinkdefy.com, through social media accounts, and through endorsement by and association with co-founder, Terrell Davis. This promotion has been successful, and Defy has also received significant positive press from various media outlets, including, but not limited to, CNBC, yahoo! finance, BevNet.com, and Business Wire. Copies of representative examples of these articles are attached hereto as Exhibits A, B, C, and D.

18. Defy has built substantial goodwill in its DEFY Marks, and the DEFY Marks have become integral assets to its business.

19. The DEFY Marks are distinctive and identify its nutrient-enriched beverages and related products as originating with Defy.

B. Defendant's Unlawful and Infringing Activities

20. Founded in June 2014, Defendant also offers nutrient-enriched beverages and related products.

21. On March 24, 2014, Defendant filed Application Ser. No. 86/229,512 for the DEFY LIMITATION mark on an intent-to-use basis and in connection with “liquid herbal supplements; mineral, vitamin, or nutritionally enhanced water” in Class 5 and “bottled water; energy drinks” in Class 32. On September 2, 2014 the United States Patent and Trademark Office (“USPTO”) issued a superseding Office Action advising that registration of the application may be refused under Section 2(d) of the Lanham Act based on a likelihood of confusion with, in part, Defy’s then pending Application Ser. No. 85/949,588 for DEFY. On April 2, 2015, Defendant’s application was abandoned for failure to timely respond to the Office Action.

22. On November 26, 2018, Defendant filed Application Ser. No. 88/205,108 for the DEFY LIMITATIONS mark on an intent-to-use basis and in connection with “Sports drinks; water beverages; powders used in the preparation of isotonic sports drinks and sports beverages” in Class 32. On March 13, 2019, the USPTO issued an Office Action refusing registration of the application under Section 2(d) of the Lanham Act based on a likelihood of confusion with Defy’s Reg. Nos. 4647505 and 5052192 for the DEFY mark.

23. On May 13, 2019, Defendant filed Cancellation Action No. 92071311 against the DEFY Marks with the TTAB, alleging the DEFY Marks had been abandoned.

24. Defy’s filing date for Reg. No. 4647505 for the DEFY mark and Defy’s use of the DEFY Marks in connection with its nutrient-enriched beverages and related products under the DEFY Marks predate the filing date of Defendant’s Application Ser. Nos. 85/949,588 and 88/205,108 and, upon information and belief, also predate any first use of Defendant’s Infringing Marks in connection with Defendant’s offerings and upon which Defendant may rely.

25. Defendant sells its products under the Infringing Marks on its website, www.defiancefuelstore.com. Defendant's website was created on December 13, 2015, approximately 3 years after Defy first used its DEFY Marks in commerce. Defendant's product packaging prominently features the Infringing Marks, as shown below:



26. Because the Infringing Marks wholly incorporate Defy's DEFY Marks, are nearly identical to and a variation of Defy's DEFY Marks, and are used in connection with nearly identical nutrient-enriched beverages and related products, there is a high likelihood that consumers will mistakenly believe that Defendant's products are Defy's products, or mistakenly believe that Defendant is sponsored, licensed by, or otherwise associated with Defy, when it is not.

27. Defendant has knowingly, willfully, and intentionally used the Infringing Marks, infringing the DEFY Marks, and has attempted to position its nutrient-enriched beverages and related products so as to take advantage of the goodwill earned in the DEFY Marks by Defy.

28. Defendant's use of the Infringing Marks inevitably will cause consumer confusion with Defy and its DEFY Marks.

29. Defy has been damaged and will suffer a diminished and tarnished reputation of its hard-earned and carefully cultivated DEFY Marks and reputation if Defendant is not enjoined.

V. REQUEST FOR DECLARATORY JUDGMENT:
Declaration of Validity for U.S. Reg. Nos. 4647505, 5052192, 4843775 -
DEFY Marks
(28 U.S.C. § 2201 *et seq.*)

30. Defy incorporates the allegations of the foregoing paragraphs as though fully set forth herein.

31. Defy and its predecessor in interest has at all times since its first use in commerce in 2012 used the DEFY Marks in commerce in the United States in connection with its nutrient-enriched beverages and related products, under Section 1(a) of the Lanham Act, 15 U.S.C. §§ 1051(a), 1127.

32. Defy and its predecessor in interest did not discontinue use of the DEFY Marks without intent to resume such use, had no intention to abandon its DEFY Marks, and did not abandon the DEFY Marks, pursuant to 15 U.S.C. § 1127.

33. Accordingly, Defy is entitled to a Declaratory Judgment that its DEFY Marks are valid and subsisting and that the three registrations for those marks are valid and subsisting under Section 1(a) of the Lanham Act, 15 U.S.C. § 1051(a).

**VI. FIRST CAUSE OF ACTION:
Infringement of Federally Registered Trademarks -
DEFY; DEFY FOR THE ACTIVE SOCIAL LIFESTYLE
(Lanham Action § 32, 15 U.S.C. §1114)**

34. Defy incorporates the allegations of the foregoing paragraphs as though fully set forth herein.

35. Defendant uses in interstate commerce a colorable imitation of Defy's registered DEFY and DEFY FOR THE ACTIVE SOCIAL LIFESTYLE trademarks (Reg. Nos. 4647505, 5052192, and 4843775) in connection with the sale and offering for sale of nutrient-enriched beverages and related products.

36. Defendant's unauthorized use of the Infringing Marks is likely to cause confusion and mistake among consumers and others as to the source, origin, or sponsorship of Defendant's nutrient-enriched beverages and related products.

37. Defendant's unauthorized use of the Infringing Marks in interstate commerce constitutes trademark infringement under Section 32 of the Lanham Act, 15 U.S.C. § 1114.

38. Defendant's unauthorized use of the Infringing Marks is a knowing, willful, and intentional violation of Defy's rights.

39. Defendant's infringement diminishes the value of Defy's registered trademarks, goodwill, and business reputation. Further, Defendant's acts of infringement, unless restrained, will cause great and irreparable injury to Defy and to the recognition and goodwill represented by the registered DEFY Marks, in an amount that cannot be ascertained at this time, leaving Defy no adequate remedy at law.

40. By reason of the foregoing, Defy is entitled to injunctive relief restraining Defendant from any further infringement of the registered DEFY Marks and is also entitled to recovery of Defendant's profits, actual damages, enhanced profits and damages (including trebling), costs, reasonable attorneys' fees, and interest under 15 U.S.C. §§ 1114, 1116, and 1117.

**VII. SECOND CAUSE OF ACTION:
False Designation of Origin - DEFY Marks
(Lanham Act § 43(a), 15 U.S.C. § 1125(a))**

41. Defy incorporates the allegations of the foregoing paragraphs as though fully set forth herein.

42. Defy uses and owns the DEFY Marks in connection with its nutrient-enriched beverages and related products. The trademarks are inherently distinctive and are a designation of origin for Defy.

43. Defendant uses the Infringing Marks in connection with the promotion and sale of its nutrient-enriched beverages and related products in interstate commerce. Defendant's sale and offering for sale of its nutrient-enriched beverages and related products under the Infringing Marks is likely to cause confusion and mistake and is likely to deceive consumers and others as to the origin, sponsorship, or affiliation of the parties' products and offerings. Consumers seeing

Defendant using the Infringing Marks in the marketplace are likely to believe it is sponsored by, associated with, or otherwise affiliated with Defy or vice versa.

44. Defendant's use of the Infringing Marks constitutes false designation of origin in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

45. Defendant's use of the Infringing Marks is a knowing, willful, and intentional violation of Defy's rights.

46. Defendant's acts of false designation of origin, unless restrained, will cause great and irreparable harm to Defy and to the business goodwill represented by the DEFY Marks, in an amount that cannot be ascertained at this time, leaving Defy with no adequate remedy at law.

47. By reason of the foregoing, Defy is entitled to injunctive relief against Defendant, restraining it from any further acts of false designation or origin, and is also entitled to recovery of Defendant's profits, actual damages, enhanced profits and damages (include trebling), costs, and reasonable attorneys' fees under 15 U.S.C. §§ 1116, 1117, 1125.

**VIII. THIRD CAUSE OF ACTION:
Colorado Unfair Competition and Deceptive Trade Practices
(Colorado Rev. Stat. § 6-1-105(1)(a), (b), and (c))**

48. Defy incorporates the allegations of the foregoing paragraphs as though fully set forth herein.

49. By the acts, omissions, and offerings set forth above, Defendant is violating Colorado Code §§ 6-1-105(1)(a), (b), and (c).

50. Defendant, in the course its business of selling and offering for sale its products using the Infringing Marks have knowingly or recklessly, and in bad faith, passed off goods as Defy's, have knowingly or recklessly, and in bad faith, made false representations as to the

source and sponsorship of their goods as it relates to Defy, and have knowingly or recklessly, and in bad faith, made false representations as to the affiliation, connection, or association of their goods with Defy.

51. Defendant's acts constitute unlawful, unfair, and deceptive trade practices and infringement of Defy's DEFY Marks under Colorado law.

52. Defendant's infringing conduct is deceptive to consumers and has injured Defy in its business and property in the State of Colorado.

53. As a result of Defendant's deceptive trade practice and conduct, Defy has been damaged and is entitled to actual damages, treble damages, punitive damages, costs of litigation, attorneys' fees, an injunction of Defendant's conduct, and other such further relief as determined necessary by this Court.

**IX. FOURTH CAUSE OF ACTION:
Colorado Common Law Unfair Competition**

54. Defy incorporates the allegations of the foregoing paragraphs as though fully set forth herein.

55. Defendant's willful acts of infringement of Defy's DEFY Marks constitute unfair competition in violation of Colorado common law.

56. Defendant is willfully using the Infringing Marks in commerce to sell and offer for sale its products.

57. Defendant's acts have caused and are likely to cause confusion, deception, and mislead consumers as to the source of Defendant's products.

58. As a result of Defendant's infringing conduct and unlawful acts, Defy has been damaged and is entitled to actual damages, treble damages, costs of litigation, attorneys' fees, and an injunction of Defendant's conduct.

X. PRAYER FOR RELIEF

WHEREFORE, Plaintiffs seek the following relief:

A. For judgment in favor of Plaintiffs, and against Defendant, on all counts and for damages in such amounts as may be proven at trial;

B. An order that Defendant and all of its agents, officers, employees, representatives, successors, assigns, attorneys, and all other persons acting, for, with, by and through, or under authority from Defendant, or in concert or participation with Defendant, and each of them be enjoined from:

i. using the DEFY Marks or any other copy, reproduction, colorable imitation, simulation of the DEFY Marks, or a confusingly similar mark or variation thereof, including but not limited to the Infringing Marks, in connection with their goods and services;

ii. using any trademark, service mark, name, logo, design or source identifier of any kind or in connection with their goods and services that is a copy, reproduction, colorable imitation, or simulation of the trademarks, service marks, names or logos of Defy, including but not limited to the Infringing Marks; and

iii. using any trademark, service mark, name, domain name, logo, design or source identifier of any kind on or in connection with Defendant's goods or services which is likely to cause confusion, mistake, deception or public misunderstanding that such goods and

services are produced or provided in association or in any way connected to Defy, including but not limited to the Infringing Marks.

C. That Defendant be required to account for and pay over to Defy all gains and profits derived from its unlawful conduct;

D. That Defendant be required to pay over to Defy compensatory damages for the loss of goodwill and financial injury Defy has suffered by reason of Defendant's unlawful activity, which damages should be trebled by reason of Defendant's willfulness;

E. That Defendant be required to pay over to Defy statutory punitive damages to the extent permitted by law;

F. That Defendant be required to pay over to Defy its costs (including expert fees), disbursements, and reasonable attorneys' fees incurred in this action, pursuant to 15 U.S.C. § 1117, and the equity powers of this Court;

G. An order directing the TTAB to enter judgment against Defendant in the pending Cancellation Action No. 92071311; and

F. That Defy be awarded such other and further relief as the Court may deem just.

JURY TRIAL DEMAND

Defy respectfully demands a trial by jury on all claims and issues so triable.

DATED this 26th day of June, 2020.

Respectfully submitted,

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