

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

**TESOROS TRADING COMPANY**

**Plaintiff,**

**v.**

**TESOROS MISTICOS, INC.**

**Defendant.**

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**CASE NO.** \_\_\_\_\_

**PLAINTIFF’S ORIGINAL COMPLAINT AND JURY DEMAND**

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff Tesoros Trading Company (“Plaintiff” or “Tesoros”) hereby files this, its Original Complaint and Jury Demand against Defendant Tesoros Misticos, Inc. (“Defendant TMI”) and in support thereof would respectfully show the Court as follows:

**I. INTRODUCTION**

1. Plaintiff Tesoros Trading Company is a Texas corporation that has been in business and using the “Tesoros” mark since 1989. Its products and services include retail product offerings (specializing in folk or handmade art, jewelry, furniture, housewares and glass, floor coverings, and leather goods) as well as product selection, inventory, and distribution of products to retailers and wholesalers throughout the United States.

2. Plaintiff’s claims arise from infringement of Plaintiff’s registered trademark by Defendant TMI, which offers similar products and services. Despite written notification of its infringing activities, Defendant TMI continues to infringe Plaintiff Tesoros’ trademark on its websites, in its retail and wholesale operations and through the products and services that it offers to the general public. Defendant TMI has infringed Plaintiff Tesoros’ trademark, violated the Lanham Act, inflicted trademark dilution and engaged in unfair competition. Plaintiff Tesoros seeks damages, an

accounting, the imposition of a constructive trust upon Defendant TMI's illegal profits, and injunctive relief.

## **I. THE PARTIES**

3. Plaintiff Tesoros Trading Company ("Tesoros") is a Texas corporation in good standing.

4. Upon information and belief, Defendant Tesoros Misticos, Inc. is a corporation organized in California but is a resident of Texas for purposes of jurisdiction. Defendant does business in Texas, leases real property in Texas and has a regular place of business in the Dallas area. Its principal place of business in California is 236 W. Manchester Ave., Los Angeles, CA 90003. This proceeding arises out of Defendant's activities in this state to which it is a party. As Defendant has no registered agent for service of process in Texas, the Texas Secretary of State may serve Defendant at 236 W. Manchester Ave., Los Angeles CA, 90003.

## **II. JURISDICTION**

5. This Court has subject matter jurisdiction over Plaintiff Tesoros' claims for trademark infringement and related claims pursuant to 15 U.S.C. § 1121, 25 U.S.C. §§ 1331 and 1338(a).

6. This Court has supplemental jurisdiction over Plaintiff Tesoros' claims arising under the laws of Texas pursuant to 28 U.S.C. § 1367(a) because these claims are so related to Plaintiff Tesoros' claims under federal law that they form part of the same case or controversy and derive from a common nucleus of operative fact.

7. This Court's exercise of personal jurisdiction over Defendant TMI is consistent with due process and would not offend traditional notions of fair play and substantial justice. As noted above, Defendant TMI is subject to general jurisdiction in Texas because it has continuous and systematic contacts here in the form of an office in the Dallas area. Furthermore, it offers its products and services into the State of Texas directly, as well as by advertising and marketing its services and

products through its website and other means. Defendant TMI has engaged in continuous and systematic activities within Texas and is doing business in Texas sufficient to establish jurisdiction in Texas. Defendant TMI's Texas activity is directly related to the advertising, marketing and offering of its services and products in Texas by making unauthorized and infringing use of Plaintiff Tesoros' trademark.

### **III. VENUE**

8. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(b)(c) and 1400(a) because (a) the acts of infringement and other wrongful conduct alleged occurred in the Northern District of Texas, (b) Defendant TMI is a corporation subject to personal jurisdiction in this judicial district and therefore "resides" in this district, (c) a substantial part of the events giving rise to the claim occurred in this district, and (d) Defendant TMI has a sufficient connection with the Northern District of Texas to make venue proper in this district, all as alleged in this Complaint.

### **IV. FACTS COMMON TO ALL CLAIMS**

9. Plaintiff Tesoros' maintains a website at [www.tesoros.com](http://www.tesoros.com) (the "Tesoros Site").
10. Plaintiff Tesoros has developed a reputation in Texas and nationally for selling folk arts, crafts, traditional items and household goods from over 20 countries. It promotes its retail and wholesale services through the Tesoros Site, as well as at industry events and in its retail store.
11. Plaintiff Tesoros has registered trademarks in the United States Patent and Trademark Office for its business name, service and website:
  - a. Federal Trademark registration No. 1926836, dated October 17, 1995, for the mark "Tesoros" in connection with wholesale and retail store services, specializing in folk art and other items from Latin America, based on a first use date of August of 1989 (Exhibit A).

- b. Federal Trademark registration No. 2059225 dated May 6, 1997, for the mark “Tesoros” in connection with wholesale and retail store services specializing in folk or handmade art, jewelry, furniture, housewares and glass, floor coverings, and leather goods, based on a first use date of August 1, 1989 (Exhibit B).

12. Plaintiff Tesoros actively protects its Mark, has timely renewed its initial registrations, and has successfully enforced its rights against infringement. Plaintiff successfully forced the renaming of a business called “Tesoros del Pueblo” that used its Mark and font, and plaintiff has sent cease and desist letters to several other infringers.

**A. Defendant TMI’s Infringement**

13. Defendant TMI offers the same class of home goods as Plaintiff Tesoros: candles, books, incense, and statuettes. Defendant TMI is engaged in marketing and offering its products and services to the general public (both retail and wholesale) in Texas and throughout the USA through retail outlets, wholesale distribution, and through its website ([www.tesorosmisticos.com](http://www.tesorosmisticos.com)).

14. Defendant TMI’s advertising, services, and products make pervasive unauthorized and infringing use of Plaintiff Tesoros’ protected Mark.

15. Plaintiff Tesoros became aware of Defendant’s infringing use when Plaintiff’s owner, Jonathan Williams, saw Defendant TMI at an industry trade show. In other words – the two companies’ products are so similar that they attend the same trade shows.

16. On or about February 7, 2012, counsel for Plaintiff Tesoros sent a cease and desist letter to Defendant TMI, informing Defendant TMI of its infringing use of the “Tesoros” mark. Additional letters were sent on April 30, 2012 and May 17, 2012, and a response was received from counsel for Defendant TMI in which Defendant TMI refused to cease using Plaintiff’s trademark.

17. On information and belief, Defendant TMI’s wrongful conduct includes advertising,

marketing and/or distribution of “infringing materials,” specifically wholesale marketing materials, retail advertising, and products marketed under the “Tesoros” name that make unauthorized use of Plaintiff Tesoros’ Mark.

18. Through its conduct, Defendant TMI has misappropriated Plaintiff Tesoros’ title and Mark.

***B. Claim One***  
***Trademark Infringement – 15 U.S.C. § 1114 by Defendant TMI***

19. Plaintiff Tesoros repeats and incorporates by this reference each and every allegation set forth in paragraphs 1 through 18, inclusive.

20. Defendant TMI’s activities constitute infringement of Plaintiff Tesoros’ federally registered Mark in violation of the Lanham Trademark Act, including but not limited to 15 U.S.C. § 1114(1).

21. Because Plaintiff Tesoros advertises markets, and distributes its products and services exclusively under the Mark described in this Complaint, this Mark is the means by which Plaintiff Tesoros’ offering is distinguished from the offerings of related items of others in the same or related fields.

22. Through Plaintiff Tesoros’ use of its registered Mark in its products and services, the Mark “Tesoros” has come to mean, and to be understood by customers, end-users and the public, to specify the products and services of Plaintiff Tesoros.

23. The infringing materials that Defendant TMI has and continues to use, offer, advertise, market or distribute are likely to cause confusion, mistake, or deception as to their source, origin, or authenticity.

24. Both Plaintiff Tesoros and Defendant TMI provide their offerings through similar channels: Both Plaintiff Tesoros and Defendant TMI provide access to their whoelsale services at the same trade shows and advertise their products online to the general public through websites. Both sell

products in each others' home states of California and Texas. Futhermore, significant overlap exists in the audiences likely to encounter either company's brand and in the type of people likely to use either company's service.

25. Further, Defendant TMI's activities are likely to lead the public to conclude, incorrectly, that the infringing materials that Defendant TMI is using, advertising, marketing, offering or distributing originate or belong to Defendant TMI or are authorized by Plaintiff Tesoros, to the damage and harm of Plaintiff Tesoros and the public.

26. Upon information and belief, Defendant TMI has pervasively used, offered, advertised, marketed or distributed infringing material after being notified by Plaintiff Tesoros of these illegal activities, with the purpose of misleading or confusing customers and the public as to the origin and authenticity of the infringing materials and of trading upon Plaintiff Tesoros' business reputation and intellectual property.

27. At a minimum, after receiving the cease and desist letters in early 2012, Defendant TMI has acted with willful blindness to and in reckless disregard of Plaintiff Tesoros' registered Mark.

28. As a result of its wrongful conduct, Defendant TMI is liable to Plaintiff Tesoros for trademark infringement. 15 U.S.C. § 1114(1). Plaintiff Tesoros has suffered damages. Plaintiff Tesoros is entitled to recover damages, which include any and all profits Defendant TMI has made as a result of it wrongful conduct. 15 U.S.C. § 1117(a).

29. In addition, because Defendant TMI's infringement of Plaintiff Tesoros' Mark was willful, within the meaning of the Lanham Act, the award of actual damages and profits should be trebled pursuant to 15 U.S.C. § 1117(b). Alternatively, Plaintiff Tesoros is entitled to statutory damages under 15 U.S.C. § 1117(c).

30. Plaintiff Tesoros is also entitled to injunctive relief pursuant to 15 U.S.C. § 1116(a) and to an order compelling the impounding of all infringing materials being used, offered, marketed, or distributed by Defendant TMI pursuant to 15 U.S.C. § 1116, subsections (a) and (d)(1)(A).

31. Plaintiff Tesoros has no adequate remedy at law for Defendant TMI's wrongful conduct because, among other things, (a) Plaintiff Tesoros' Mark is unique and valuable intellectual property, (b) Defendant TMI's infringement constitutes harm to Plaintiff Tesoros such that Plaintiff Tesoros could not be made completely whole by any monetary award, (c) if Defendant TMI's wrongful conduct is allowed to continue, the public is likely to become further confuse, mistaken, or deceived as to the source, origin or authenticity of the infringing materials, and (d) Defendant TMI's wrongful conduct, and the resulting damage to Plaintiff Tesoros, is continuing.

***C. Claim Two  
Federal Unfair Competition – 15 U.S.C. § 1125 et seq. by Defendant TMI***

32. Plaintiff Tesoros repeats and incorporates by this reference each and every allegation set forth in paragraphs 1 through 31, inclusive.

33. Because Plaintiff Tesoros advertises, markets, and distributes its products and services under the Mark described in this Complaint, such Mark is the means by which Plaintiff Tesoros' products and services or products is distinguished from the services or products of others in the same field or related fields.

34. Because of Plaintiff Tesoros' continuous, and exclusive use of this Mark, Plaintiff Tesoros' Mark has come to mean, and is understood by customers, end users, and the public to signify, products or services of Plaintiff Tesoros.

35. Defendant TMI's unlicensed and unauthorized goods and services have caused and are likely to cause confusion, deception, and mistake by creating the false and misleading impression that

Defendant TMI's goods and services are created or distributed by Plaintiff Tesoros or are associated or connected to Plaintiff Tesoros, or have the sponsorship, endorsement or approval of Plaintiff Tesoros.

36. Defendant TMI's wrongful conduct includes the use of Plaintiff Tesoros' marks, name, and/or product offerings that are deceptively similar.

37. Upon information and belief, and particularly after being notified by Plaintiff Tesoros of its wrongful and infringing activities, Defendant TMI engaged in such wrongful conduct with the willful purpose of misleading or confusing customers and the public as to the origin and authenticity of the goods and services offered, marketed or distributed in connection with Plaintiff Tesoros's mark, and name, and trading upon Plaintiff Tesoros's goodwill and business reputation. Defendant TMI's conduct constitutes (a) false designation of origin, (b) false or misleading description, and (c) false or misleading representation that the services or products originate from or are authorized by Plaintiff Tesoros, all in violation of § 48(a) of the Lanham Trademark Act, set forth at 15 U.S.C. § 1125(a).

38. Defendant TMI's wrongful conduct is likely to continue unless restrained and enjoined.

39. As a result of Defendant TMI's wrongful conduct, Plaintiff Tesoros has suffered and will continue to suffer damages. Plaintiff Tesoros is entitled to injunctive relief and to an order compelling the impounding of all imitation marks being used, offered, advertised, marketed, or distributed by Defendant TMI. Plaintiff Tesoros has no adequate remedy at law for Defendant TMI's wrongful conduct because, among other things, (a) Plaintiff Tesoros' mark, name and is unique and valuable intellectual property, (b) Defendant TMI's advertising and marketing, and distribution of goods constitutes harm to Plaintiff Tesoros such that Plaintiff Tesoros could not be made whole by



any monetary award, and (c) Defendant TMI's wrongful conduct, and the resulting damage to Plaintiff Tesoros is continuing.

***D. Claim Three  
Common Law Trademark Infringement and Unfair Competition  
by Defendant TMI***

40. Plaintiff Tesoros realleges and incorporates by this reference, each and every allegation set forth in paragraphs 1 through 39, inclusive.

41. Defendant TMI's acts referenced here and above constitute common law trademark infringement and unfair competition, and have created and will continue to create a likelihood of confusion, to the irreparable injury of Plaintiff Tesoros unless restrained by this Court. Plaintiff Tesoros has no adequate remedy of law for this injury.

42. Defendant TMI's acts, particularly after being notified by Plaintiff Tesoros of Defendant TMI's wrongful infringing activities, with full knowledge of Plaintiff Tesoros' protected mark and Plaintiff Tesoros' statutory and common law rights therein and without regard to the likelihood of confusion of the public created by Defendant TMI's activities.

43. Defendant TMI's actions demonstrate an intentional, willful, and malicious intent to trade on the goodwill associated with Plaintiff Tesoros, and to pass-off their goods as those of Plaintiff Tesoros, to the great and irreparable injury of Plaintiff Tesoros. In addition to being entitled to injunctive relief, Plaintiff Tesoros has been damaged in an amount to be determined at trial and is entitled to such damages.

***E. Claim Four  
State Trademark Dilution and Injury to Business Reputation***

44. Plaintiff Tesoros realleges and incorporates by this reference, each and every allegation set forth in paragraphs 1 through 51 inclusive.

45. Defendant TMI's is making unlicensed and unauthorized commercial use in commerce of Plaintiff Tesoros' protected Mark, and Defendant TMI's activities have caused and are causing dilution of the quality and value of Plaintiff Tesoros' protected Mark. Defendant TMI's conduct blurs the public's exclusive identification of the Mark with Plaintiff Tesoros and dilutes the value of Plaintiff Tesoros's intellectual property. As a result of Defendant TMI's acts referenced here and above, Plaintiff Tesoros has suffered and is likely to suffer irreparable injury to its business reputation and trade name.

46. Defendant TMI's acts constitute a violation of the Texas Anti-Dilution statute, Tex. Bus. & Comm. Code § 16.29. As a result of Defendant TMI's acts, Defendant TMI has caused and will continue to cause injury to Plaintiff Tesoros, and Plaintiff Tesoros is entitled to injunctive relief.

#### **V. JURY DEMAND**

47. Plaintiff Tesoros hereby demands a trial by jury on all issues and claims so triable.

#### **VI. PRAYER**

48. WHEREFORE, Plaintiff Tesoros respectfully requests judgment as follows:

- a. That the Court enter a judgment against Defendant TMI as indicated below:
  - i. That Defendant TMI has committed trademark infringement in violation of 15 U.S.C. § 1114.
  - ii. That Defendant TMI has committed and is committing acts of false designation of origin, false or misleading description of fact, and false or misleading representation against Plaintiff Tesoros in violation of 15 U.S.C. § 1125(a);
  - iii. that Defendant TMI has engaged in unfair competition in violation of Texas common law; and
  - iv. that Defendant TMI has diluted Plaintiff Tesoros' protected Mark and has otherwise injured the business reputation and business of Plaintiff Tesoros by the acts and conduct set forth in this Complaint.

- b. That the Court issue injunctive relief against Defendant TMI, and that Defendant

TMI, its directors, principals, officers, agents, representatives, servants, employees, attorneys, successors and assigns, and all others in active concert or participation with Defendant TMI, be enjoined and restrained from making any other infringing use of the following Trademark Registration Nos.: 1926836 and 2059225;

- c. That the Court enter an order pursuant to 15 U.S.C. § 1116(a)(d)(1)(A) and 17 U.S.C. § 503 impounding all infringing copies of purported Defendant TMI's products and/or materials bearing any of Plaintiff Tesoros' Mark and any related item in Defendant's possession or under its control;
- d. Defendant TMI be compelled to account to Plaintiff Tesoros for any and all profits derived by Defendant TMI for products or services found to violate Plaintiff Tesoros' rights and to pay damages to Plaintiff Tesoros for the acts forming the basis of this Complaint;
- e. That the Court order Defendant TMI to pay Plaintiff Tesoros' general, special, actual, and statutory damage as follows:
  - i. Plaintiff Tesoros' damages and Defendant TMI's profits pursuant to 17 U.S.C. § 1117(A), trebled pursuant to 15 U.S.C. § 1117(b) for Defendant TMI's willful violation of Plaintiff Tesoros' registered Mark or in the alternative, statutory damages pursuant to 15 U.S.C. § 1117(c) for each counterfeit mark; and
  - ii. Plaintiff Tesoros' damages and Defendant TMI's profits pursuant to Texas common law.

- f. That the Court order Defendant TMI to pay Plaintiff Tesoros both the costs of this action and the reasonable attorneys' fees incurred by it in prosecuting this action; and
- g. That the Court grant to Plaintiff Tesoros such other and additional relief as is just and proper.

Respectfully submitted,

**THE AKIN LAW FIRM, LLC**

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