IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS FORT WORTH DIVISION

YANMAR AMERICA CORPORATION,	8	
	§	
Plaintiff,	§	
v.	§	
	§	CIVIL ACTION NO.
BIG RED'S EQUIPMENT A/K/A BIG	§	
RED'S EQUIPMENT SALES, AND	§	
JODY BERMAN,	§	
	§	
Defendants.		

ORIGINAL COMPLAINT AND APPLICATION FOR PRELIMINARY AND PERMANENT INJUNCTION

Yanmar America Corporation files this Original Complaint and Application for Preliminary and Permanent Injunction against Big Red's Equipment a/k/a Big Red's Equipment Sales and Jody Berman, and in support hereof would show as follows:

I. <u>PARTIES</u>

- 1. Plaintiff Yanmar America Corporation ("YAC") is a subsidiary of Yanmar Company Limited ("YCL"), a Japanese corporation. YAC is a citizen of Georgia, organized under the laws of Georgia, with its principal place of business at 101 International Parkway, Adairsville, Georgia.
- 2. Defendant Big Red's Equipment a/k/a Big Red's Equipment Sales is a citizen of Texas, organized or operating under the laws of Texas, with its principal place of business at 105 Bolton Road, Granbury, TX 76049, Hood County, Texas, and may be served at the foregoing address.

3. Defendant Jody Berman is an individual and citizen of Texas and may be served at 105 Bolton Road, Granbury, TX 76049, Hood County, Texas.

II. NATURE OF THE CASE

- 4. This is an action for trademark infringement and unfair competition under federal and state law. As described more fully below, upon information and belief, Defendants have knowingly, willfully, and/or intentionally imported, distributed, offered to sell, facilitated the import and sale of, and/or sold "gray market" Yanmar tractors through interstate commerce in a manner that violates YAC's valuable intellectual property rights, damages YAC's business reputation, and subjects YAC to unfair competition and lost profits, irreparable harm, and other monetary damages.
- 5. "Gray market" goods are items manufactured abroad and bearing the trademark owner's authentic mark but imported for resale in this country without the trademark owner's consent. Often gray market goods may have material differences in their physical characteristics from authorized goods, such as different internal parts, faster or slower speeds, and fewer safety features. There may be material differences in non-physical characteristics as well, such as a lack of warranties and post-sale services. When there are material differences, whether physical or non-physical, between the gray market imports and the trademark owner's goods, sale of the gray market goods is likely to cause consumer confusion and lead to unlawful competition.
- 6. YAC brings this action under the Lanham Act, including 15 U.S.C. §§ 1114, 1124 and 1125 (Importation of Goods Bearing Infringing Marks); 15 U.S.C. § 1117 (Registered Trademark Infringement); 15 U.S.C. § 1125 (Trademark Dilution in Violation of the Federal Trademark Dilution Act); 15 U.S.C. § 1125 (False Designation of Origin); the Tariff Act (19 U.S.C. § 1526); for injury to business reputation and trademark dilution in violation of Texas

Business and Commerce Code §§ 16.26, et. seq.; and unfair competition, misappropriation; and palming off under the common law of the State of Texas. YAC seeks equitable relief and monetary damages.

III. JURISDICTION AND VENUE

- 7. This Court has subject matter jurisdiction over YAC's claims pursuant to 15 U.S.C. § 1121 (actions arising under the Lanham Act), 28 U.S.C. § 1331 (actions arising under the laws of the United States), 28 U.S.C. §§ 1331, 1332(a), 1338(a) 1338(b), and under 28 U.S.C. § 1367 for purposes of supplemental jurisdiction.
- 8. This Court has personal jurisdiction over Defendants and venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2) because Defendants are a resident of this District and the conduct giving rise to the claims in this action occurred in this District.

IV. FACTS

YANMAR

- 9. YAC's parent company, YCL, was founded 100 years ago, in 1912. YCL developed the world's first commercially viable small diesel engine in 1933. Today, YCL is engaged in the manufacture, sale, promotion and worldwide distribution of tractors, marine engines, construction equipment and other products under its famous trademark: YANMAR®.
- 10. YAC was formed in 1979 to distribute for sale YANMAR® diesel engines and industrial and construction equipment to customers in the United States.
- 11. In 1994, YAC assumed responsibility for sales and distribution of replacement parts for YANMAR® tractors in the U.S. market through acquisition of Yanmar Tractor Inc.

12. Today, YAC manufactures YANMAR® tractors for distribution and sale to the United States market and in Texas.

THE YANMAR TRADEMARKS

- 13. YCL is the owner of a family of registered United States trademarks including the term "YANMAR®" (hereinafter collectively referred to as the "YANMAR® trademarks").
- 14. Specifically, YCL owns the following valid and subsisting registrations or applications containing the common term YANMAR®:

Trademark	Application / Registration Number	Status	Goods And Services
YANMAR	4,019,424	Registered	International Class 012: Tractors; Tractors for agricultural purposes; Utility tractors; Compact tractors; Sub-Compact tractors; Crawler tractors.
YANMAR	4,019,417	Registered	International Class 012: Tractors; Tractors for agricultural purposes; Utility tractors; Compact tractors; Sub-Compact tractors; Crawler tractors.
YANMAR	2,893,755	Registered	International Class: 035: Providing consumer information on machinery, namely, motors and engines of all kinds, ships, air-conditioning apparatus, generators of electricity with waste heat utilization systems, construction machines and apparatus, agricultural machines, agricultural implements other than hand-operated, generators of electricity, tractors and parts and accessories for the foregoing; retail outlets featuring machinery, namely, motors and engines of all kinds, ships, air-conditioning apparatus, generators of electricity with waste heat utilization systems, construction machines and apparatus, agriculture machines, agriculture implements other than hand-operated, generators of electricity, tractors and parts and accessories for the foregoing.
			International Class: 037: Repair and maintenance of machinery, namely,

			motors and engines of all kinds, ships, air- conditioning apparatus, generators of electricity with waste heat utilization systems, construction machines and apparatus, agricultural machines, agricultural implements other than hand-operated, generators of electricity, tractors and parts and accessories for the foregoing; providing information on repair and maintenance of machinery, namely motors and engines of all kinds, ships, air-conditioning apparatus, generators of electricity with waste heat utilization systems, construction machines and apparatus, agricultural machines, agricultural implements other than
			hand-operated, generators of electricity, tractors, and parts and accessories for the foregoing.
	1,042,688	Renewed	International Class: 007: Metal working machines; construction and civil engineering machines- namely, bulldozers, oil scrapers, graders, road and garden rollers, tamping machines, mixers being machines, asphalting machines, cranes, crushers, digging machines, disintegrators, piling presses, conveyors, and winches; cargo handling machines-namely, elevators, escalators and powered jacks; fishing machines- namely, line haulers, trawl winches, whale harpoon line winches, and net haulers, lumbering machines-namely, band saw mills, circular saws, saw sharpeners, wood lathes and wood millers; wood working machines; boilers as parts of machines or engines; steam engines; jet engines; and turbines.
YANMAR	1,019,852	Renewed	International Class: 007: Construction and civil engineering machines and instruments-namely, bulldozers, oil scrapers, graders, road and garden rollers, tamping machines, mixing machines, asphalting machines, cranes, crushers, digging machines, disintegrators, piling presses, power shovels, conveyors' and winches and structural parts and attachments therefor.

AMAR	927,739	Renewed	International Class 007: Agricultural machines and implements and parts thereof.
YANMAR	927,224	Renewed	International Class 007: Agricultural machines and implements and parts thereof.
YANMAR	800,653	Renewed	International Class 007: Diesel engines, parts thereof and accessories therefor.
AND THE REST OF THE PERSON OF	726,216	Renewed	International Class 007: Diesel engines, parts and accessories thereof.

- 15. Copies of the trademark registrations referenced in the above chart are attached hereto and incorporated collectively as Exhibit A.
- 16. Pursuant to YAC's trademark license agreement with YCL, YAC is entitled to pursue actions against infringers of the YANMAR® Trademarks.
- 17. Only YAC and YCL have the right to distribute for sale YANMAR® tractors and other YANMAR® products in the United States.

- 18. YAC advertises its tractor sales and service through print media, trade shows, and the Internet, and in industry publications. Its annual advertising expenditures exceed \$1 million, independent from any advertising in the United States initiated and paid for by YCL.
- 19. Under its previous name, Yanmar Diesel Engine Co., Ltd. ("YDEC"), YCL began manufacturing YANMAR® tractors in 1964. Since then, approximately 760,000 YANMAR® tractors have been manufactured and sold worldwide.
- 20. As a result of the extensive sales and advertising in the United States and throughout the world conducted by YCL and YAC, the YANMAR® Trademarks enjoy significant goodwill among relevant consumers in the United States.
- 21. As a result of extensive sales and advertising in the United States and throughout the world for more than 30 years, the YANMAR® Trademarks are famous.
- 22. YAC also enjoys significant residual goodwill associated with the YANMAR® Trademarks' use on older YANMAR® tractors through ongoing sales of replacement parts and service through the network of YAC's authorized YANMAR® parts and service dealers.

JAPANESE-MARKET YANMAR TRACTORS ARE MATERIALLY DIFFERENT FROM U.S.-MARKET YANMAR TRACTORS

- 23. YCL manufactures YANMAR® tractors in Japan for many different countries, including Japan and the United States.
- 24. YANMAR® tractors manufactured for use in the Japanese local market are materially different from YANMAR® tractors manufactured for use in the United States.
- 25. The YANMAR® tractors manufactured for the Japanese local market with less than 50 horsepower (hereinafter "YANMAR® Japanese-market tractors") are used primarily in flat, muddy rice paddies and are generally equipped with only one implement, namely, a small rotary tiller.

- 26. The YANMAR® tractors manufactured for the U.S. market (hereinafter "YANMAR® U.S.-market tractors" or "authorized tractors") are intended for use in agriculture and light construction, on a variety of different terrains and with various implements, including but not limited to front-end loaders, backhoes, and large rotary mowers.
- 27. The YANMAR® Japanese-market tractors were designed and manufactured in accordance with applicable Japanese standards and regulations.
- 28. The YANMAR® U.S.-market tractors always have been and continue to be designed and manufactured in accordance with applicable U.S. standards and regulations.
- 29. As a result of the differences in purpose, environments of use, consumer preferences, and applicable standards and regulations, there are "material differences" between many models of the YANMAR® Japanese-market tractors and many models of the YANMAR® U.S.-market tractors.
- 30. These "material differences," several of which have safety implications, include, but are not limited to: throttles which operate in the opposite sense, *i.e.*, pushing on the throttle control will cause a YANMAR® Japanese-market tractor to decelerate, but will cause a YANMAR® U.S.-market tractor to accelerate; operation manuals and on-product warning and instructional decals are in the Japanese language for YANMAR® Japanese-market tractors and in the English language for YANMAR® U.S.-market tractors; and the YANMAR® Japanese-market tractors and the YANMAR® U.S.-market tractors have different power take-off speeds for driving implements, which can lead to dangerous and catastrophic failure of United States market implements when connected to YANMAR® Japanese-market tractors.

- 31. YCL and YAC have been sued for personal injury and wrongful death by persons who operated YANMAR® Japanese-market tractors in the United States, thereby increasing YCL's and YAC's products liability exposure.
- 32. Although all YANMAR® Japanese-market tractors meet applicable Japanese safety standards, they do not always meet all applicable U.S. safety standards.
- 33. At one time, YCL's predecessor, YDEC, also manufactured tractors intended for the local Japanese-market for a large farm cooperative in Japan known as Zen-Noh. These tractors were labeled as Zen-Noh tractors, but also contained YANMAR® Trademarks in various places.
- 34. The Zen-Noh tractors manufactured by YDEC for the local market in Japan also had the same "material differences" from authorized YANMAR® U.S.-market tractors as did the YANMAR® tractors manufactured for the local market in Japan. To the extent referenced herein, the term "YANMAR® Japanese-market tractors" includes Zen-Noh tractors.

RELATIONSHIP AMONG THE DEFENDANTS

- 35. Big Red's Equipment a/k/a Big Red's Equipment Sales is a dealership in Granbury, Texas that traffics in gray market tractors. In July 2012, at least twenty of YANMAR® Japanese-market tractors were present at their dealership. Big Red's Equipment a/k/a Big Red's Equipment Sales operates a website, http://www.bigredsonline.net and advertises its gray market YANMAR® inventory on its website.
- 36. Upon information and belief, Jody Berman ("Berman") is the owner of Big Red's Equipment a/k/a Big Red's Equipment Sales and is an officer or agent of Big Red's Equipment a/k/a Big Red's Equipment Sales. Berman's actions, omissions, and wrongs were undertaken during the course and scope of his employment with Big Red's; they were within the general

authority given to him by Defendants; for the furtherance of Defendants' business; and for the accomplishment of the actions for which Berman was employed. They thus represent the actions and wrongs of Defendants, for which Defendants are vicariously liable. To the extent that Berman is not an officer or agent of Big Red's Equipment a/k/a Big Red's Equipment Sales, he is personally responsible for actions, omissions, and wrongs alleged herein.

37. When any action, omission, or wrong of Defendants are alleged herein, it is alleged to encompass actions, omissions, or wrongs done by each of the Defendants individually and by way of vicarious liability by operation of agency principles.

DEFENDANTS' WRONGFUL ACTS

- 38. Defendants' wrongful acts include, but are not limited to, the following:
- 39. YCL and YAC are not related in any way to Defendants. Defendants are not a licensed or authorized distributor of YANMAR® tractors.
- 40. <u>Defendants' infringement is wide-spread</u>. For some period of time before and as late as July 2012, Defendants advertised unauthorized gray market YANMAR® tractors for sale on its website, http://www.bigredsonline.net. Prices for the tractors range between \$6,999.00 and \$13,199.00. Defendants' "General Information" section on each tractor fails to disclose to consumers the age of each vehicle, despite providing a space for "Model Year" above the price. Defendants' website also advertises other manufacturers' models of used tractors, but "refurbished" YANMAR® Japanese-market tractors comprise the biggest part of Defendants' Pre-Owned In-Stock inventory. (Exhibit B website printouts). Moreover, Defendants offer infringing tractors for sale on other websites, as well, including Tractor House: http://www.tractorhouse.com/listingsdetail/detail.aspx?OHID=5713061. (Exhibit C). On that

¹ One of the 16 advertised gray market tractors in July 2012 is a Zen-Noh ZL3001 that was manufactured by YCL's predecessor, YDEC, for the Zen-Noh farm cooperative in Japan.

site, Defendants offer for sale a "Yanmar YM2610D" model tractor, which would have been produced for the Japanese market. YAC has even received a communication from a Colorado dealer who fielded customer inquiries concerning that same model number tractor for sale by Defendants.

- Defendants' infringement is open and notorious. YAC's investigator visited 41. Defendants' dealership on July 19, 2012. YAC's investigator also discussed the sale of YANMAR® tractors with owner Jody Berman. Berman informed YAC's investigator that they buy the infringing YANMAR® tractors in Asia, import them from Vietnam, and "refurbish" The investigator witnessed and photographed numerous infringing gray-market them. YANMAR® tractors that Defendants were offering for sale openly and notoriously on its premises. A conservative estimate of these YANMAR® Japanese-market tractors would place the number at approximately 20 tractors, which was the majority of its inventory. investigator also witnessed, and the photographs depict, the placement of new YANMAR® tractor labels over the model number of the hood or in place of old YANMAR® Japanese-market tractors labels. The infringing tractors also appeared to be repainted and had non-factory, nonmanufacturer attachments, such as front-end loaders, with a round blue "V2a" decal and a "VTEK" decal affixed to them. YAC's investigator's affidavit is attached hereto as Exhibit D. It is evident that Defendants' infringement is continuous, wide-spread, and open and notorious.
- 42. <u>Defendants' infringement is intentional, willful, and deliberate</u>. Defendants have actual knowledge that they are selling unauthorized gray market tractors which have traveled through interstate commerce and which are infringing upon the YANMAR® Trademarks.
- 43. On November 10, 2008, YAC sent Defendants a registered letter demanding that Defendants stop selling the retrofitted YANMAR® Japanese-market tractors, warning:

Yanmar does not support and is not involved in the importation of these grey market tractors. The tractors in question were made solely for use in Japan under applicable regulations. They do not meet OSHA standards and therefore pose a significant safety concern to those who purchase and operate them, if are not retrofitted and equipped with safety features.

(Exhibit E — letter).

- 44. The cease and desist letter further warned Defendants that people had been killed or injured by non-compliant gray market tractors and that YAC and YCL had been forced into litigation over products that they did not import into the U.S. market. YAC referred Defendants to its website, www.yanmar.com, for more information on the impropriety of selling the YANMAR® Japanese-market tractors.
- 45. Despite this clear admonishment, upon information and belief, Defendants deliberately continued to infringe upon YAC's goodwill by offering for sale the YANMAR® Japanese-market tractors to the public.
- 46. Defendants' website perpetuates consumer confusion by failing to disclose many things, including the following:
 - (a) Defendants are not an authorized dealer of any YANMAR® United States tractor;
 - (b) YANMAR® Japanese-market tractors are materially different from YANMAR® U.S.-market tractors;
 - (c) YANMAR® Japanese-market tractors are used primarily in flat, muddy rice paddies and are generally equipped with only one implement, namely, a small rotary tiller;
 - (d) YANMAR® U.S.-market tractors are intended for use in agriculture and light construction, on a variety of different terrains and with various

- implements, including but not limited to front end loaders, backhoes, and large rotary mowers;
- (e) The YANMAR® Japanese-market tractors are not manufactured in accordance with applicable U.S. standards and regulations; and
- (f) There are "material differences" between many models of the YANMAR® Japanese-market tractors and many models of the YANMAR® U.S.-market tractors. Several of these "material differences" have safety implications, some of which are summarized above.
- 47. Additionally, Defendants' websites fail to disclose that the dealership has no affiliation with the YANMAR® Trademarks or that any parts sold for the gray market tractors are, or are not, genuine YANMAR® brands.
- 48. These actions by Defendants and/or its agents have created and continue to create a likelihood of consumer, user, and general public confusion with YAC and the YANMAR® Trademarks, with possible public safety consequences, as well as products liability exposure for YAC, with consequent harm to YAC's reputation and goodwill and the YANMAR® brand.

DEFENDANTS' PRIOR AND ONGOING INJURY TO YAC

- 49. Defendants are without a license to use, adopt or employ for commercial gain the YANMAR® Trademarks. Defendants' actions involve interstate commerce and have injured, and if permitted to continue, will irreparably injure YAC, its licensed marks, the goodwill associated with YAC's licensed marks, and YAC's reputation for quality products in the following ways:
 - (a) Defendants have knowingly, willfully, and/or intentionally acted in a manner that is likely to cause confusion, mistake, or deception as to the

- source, origin, sponsorship, authorization, or affiliation of Big Red's tractors;
- (b) Defendants' website falsely suggests a sponsorship, connection, license, or association of its tractors with YAC. In combination with the above, the result is a wrongful diversion of profits from YAC to Defendants;
- (c) Defendants have deliberately interfered with and damaged, and will continue to damage YAC's relationship with purchasers, potential purchasers, and users of the YANMAR® tractors and other products; and
- (d) Defendants' actions will increase the products liability exposure of YAC, with consequent harm to its licensed trademarks, reputation, and goodwill.
- 50. Yanmar has no adequate remedy at law for many of these injuries, and thus seeks preliminary and ultimately permanent injunctive relief.

V. <u>CLAIMS FOR RELIEF</u>

APPLICATION FOR PRELIMINARY INJUNCTION AND PERMANENT INJUNCTION

- 51. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section. The foregoing and subsequent allegations demonstrate YAC's likelihood of success on the merits of its cause of action against Defendants.
- 52. By the actions alleged above with respect to the importation of the YANMAR® Japanese-market tractors, Defendants have used in commerce a word, term, symbol or device, either in interstate commerce or with respect to goods that have traveled through interstate

commerce, that is a false designation of origin or a false or misleading description of fact in violation of Section 43(a)(1)(A) of the Lanham Act, as amended, 15 U.S.C. § 1125(a)(1)(A).

- 53. Defendants' promotion, advertising, and sales of gray market YANMAR® Japanese-market tractors, either in interstate commerce or with respect to goods that have traveled through interstate commerce, have caused and are likely to continue to cause confusion, mistake or deception as to the origin, sponsorship or approval of the tractors such that consumers believe they are purchasing genuine YAC tractors.
- 54. The foregoing willful and deliberate acts of Defendants in promoting, advertising and selling gray market YANMAR® Japanese-market tractors constitute false and misleading advertising by misrepresenting the source, nature, characteristics, qualities and/or origin of Defendants' products, in violation of Section 43(a)(1)(B) of the Lanham Act.
- 55. Defendants' promotion, advertising, and sales of gray market Japanese YANMAR® tractors and/or replacement parts is an intentional attempt to trade off of YAC's goodwill.
- 56. Defendants have imported goods bearing infringing marks calculated to induce the public to believe that the goods are authorized for sale or may be lawfully sold in the United States in violation of Section 42 of the Lanham Act, as amended, 15 U.S.C. § 1124.
- 57. Defendants' importation, promotion and distribution of gray market YANMAR® Japanese-market tractors and/or replacement parts constitutes a wrongful use in commerce of an unauthorized reproduction, counterfeit, copy or colorable imitation of one or more of the registered YANMAR® Trademarks set forth in Exhibit A.

- 58. Defendants' importation, promotion and distribution of gray market Japanese YANMAR® tractors and/or replacement parts have caused and are likely to continue to cause confusion, or to cause mistake, or to deceive.
- Tariff Act, 19 U.S.C. § 1526(c); and Tex. Bus. & Comm. Code § 16.29, and implementing and related regulations, rules, and procedures, YAC is entitled to immediate preliminary and ultimately permanent injunctive relief to prevent ongoing serious damage to YAC from Defendants' continuing violations. YAC will suffer irreparable injury if a preliminary injunction is not granted, because Defendants will be permitted to continue to knowingly, willfully, and/or intentionally import, distribute, offer to sell, facilitate the importation and sell infringing and potentially unsafe YANMAR® Japanese-market tractors, resulting in great injury to YAC. The damages to YAC from denying the injunctive relief far outweigh those that Defendants may incur from granting it. Injunctive relief is in the best interest of the public because it will preclude Defendants from continuing to conduct business concerning YANMAR® Japanese-market tractors and/or replacement parts that are not designed to meet the safety requirements of the U.S. market, and thereby subjecting consumers to potential physical injuries and YAC to potential lawsuits arising out of Defendants' actions.

COMMON LAW UNFAIR COMPETITION AND TRADEMARK INFRINGEMENT UNDER THE LANHAM ACT, 15 U.S.C. § 1125 (A)(1)(A)

- 60. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section.
- 61. By the actions alleged above with respect to the importation of YANMAR® Japanese-market tractors, Defendants have used in commerce a word, term, symbol or device that is a false designation of origin or a false or misleading description of fact.

- 62. Defendants' promotion, advertising, and sales of gray market YANMAR® Japanese-market tractors have caused and are likely to continue to cause confusion, mistake or deception as to the origin, sponsorship or approval of the tractors such that consumers believe they are purchasing genuine YAC tractors.
- 63. Defendants' promotion, advertising, and sales of gray market YANMAR® Japanese-market tractors constitute false designation of origin in violation of the common law prohibition against unfair competition and in violation of Section 43(a)(1)(A) of the Lanham Act, as amended, 15 U.S.C. § 1125 (a)(1)(A).
- 64. As a direct and proximate result of Defendants' trademark infringement and unfair competition, YAC has suffered damages in an amount to be determined at trial.
- 65. Furthermore, pursuant to Section 35 of the Lanham Act, 15 U.S.C. § 1117, YAC is entitled to monetary damages, Defendants' profits, YAC's lost profits, costs, and prejudgment interest.
- 66. Due to Defendants' malicious, fraudulent, or willful conduct demonstrating a high degree of culpability, this is an exceptional case under Section 35 of the Lanham Act, 15 U.S.C. § 1117(a), entitling YAC to recover its attorneys' fees and up to three times its actual damages.
- 67. Pursuant to Section 34 of the Lanham Act, 15 U.S.C. § 1116, YAC is entitled to immediate preliminary and ultimately permanent injunctive relief to prevent damage to YAC and to prohibit Defendants from further violations of the Lanham Act.

FALSE ADVERTISING UNDER THE LANHAM ACT, 15 U.S.C. §1125

68. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section.

- 69. By the actions alleged above with respect to the importation of the YANMAR® Japanese-market tractors, Defendants have used in commerce a word, term, symbol or device that is a false designation of origin or a false or misleading description of fact.
- 70. The foregoing willful and deliberate acts of Defendants in promoting, advertising and selling gray market YANMAR® Japanese-market tractors constitute false and misleading advertising by misrepresenting the source, nature, characteristics, qualities and/or origin of Defendants' products, in violation of Section 43(a)(1)(B) of the Lanham Act, 15 U.S.C. §1125.
- 71. Defendants' promotion, advertising, and sales of gray market YANMAR® Japanese-market tractors is an intentional attempt to trade off of YAC's goodwill.
- 72. As a direct and proximate result of Defendants' false advertising, YAC has suffered damages in an amount to be determined at trial.
- 73. Furthermore, pursuant to Section 35 of the Lanham Act, 15 U.S.C. § 1117(a), YAC is entitled to monetary damages, Defendants' profits, YAC's lost profits, costs, and prejudgment interest.
- 74. Due to Defendants' malicious, fraudulent, or willful conduct demonstrating a high degree of culpability, this is an exceptional case under Section 35 of the Lanham Act, 15 U.S.C. § 1117(a), entitling YAC to recover its attorneys' fees and up to three times its actual damages.
- 75. Pursuant to Section 34 of the Lanham Act, 15 U.S.C. § 1116, YAC is entitled to immediate preliminary and ultimately permanent injunctive relief to prevent damage to YAC and to prohibit Defendants from further violations of the Lanham Act.

TRADEMARK INFRINGEMENT UNDER THE LANHAM ACT, 15 U.S.C. § 1124

- 76. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section.
- 77. By the actions alleged above with respect to the importation of YANMAR® Japanese-market tractors, Defendants have imported goods bearing infringing marks calculated to induce the public to believe that the goods are authorized for sale or may be lawfully sold in the United States in violation of Section 42 of the Lanham Act, as amended, 15 U.S.C. § 1124.
- 78. As a direct and proximate result of Defendants' trademark infringement and unfair competition, YAC has suffered damages in an amount to be determined at trial.
- 79. Furthermore, pursuant to Section 35 of the Lanham Act, 15 U.S.C. § 1117(a), YAC is entitled to monetary damages, Defendants' profits, YAC's lost profits, costs, and prejudgment interest.
- 80. Due to Defendants' malicious, fraudulent, or willful conduct demonstrating a high degree of culpability, this is an exceptional case under Section 35 of the Lanham Act, 15 U.S.C. §1117(a), entitling YAC to recover its attorneys' fees and up to three times its actual damages.
- 81. Pursuant to Section 34 of the Lanham Act, 15 U.S.C. § 1116, YAC is entitled to immediate preliminary and ultimately permanent injunctive relief to prevent damage to YAC and to prohibit Defendants from further violations of the Lanham Act.

INFRINGEMENT OF REGISTERED TRADEMARKS UNDER THE LANHAM ACT, 15 U.S.C. § 1114

82. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section.

- 83. YAC is a licensee of the YANMAR® Trademarks protected by YCL's U.S. Trademark Registrations set forth in Exhibit A.
- 84. Pursuant to its contract with YCL, YAC may file suit for infringement of those registered marks.
- 85. Defendants' importation, promotion and distribution of gray market YANMAR® Japanese-market tractors and/or replacement parts constitutes a wrongful use in commerce of an unauthorized reproduction, counterfeit, copy or colorable imitation of one or more of the registered YANMAR® Trademarks set forth in Exhibit A.
- 86. Defendants' importation, promotion and distribution of gray market YANMAR® Japanese-market tractors and/or replacement parts have caused and are likely to continue to cause confusion, or to cause mistake, or to deceive.
- 87. Defendants' importation, promotion and distribution of gray market YANMAR® Japanese-market tractors and/or replacement parts constitute an intentional attempt to trade off the goodwill of YAC.
- 88. As a direct and proximate result of Defendants' trademark infringement and unfair competition, YAC has suffered damages in an amount to be determined at trial.
- 89. Furthermore, pursuant to Section 35 of the Lanham Act, 15 U.S.C. § 1117(a), YAC is entitled to monetary damages, Defendants' profits, costs, and prejudgment interest.
- 90. Due to Defendants' malicious, fraudulent, or willful conduct demonstrating a high degree of culpability, this is an exceptional case under Section 35 of the Lanham Act, 15 U.S.C. § 1117(a), entitling YAC to recover its attorneys' fees and up to three times its actual damages.

91. Pursuant to Section 34 of the Lanham Act, 15 U.S.C. § 1116, YAC is entitled to immediate preliminary and ultimately permanent injunctive relief to prevent damage to YAC and to prohibit Defendants from further violations of the Lanham Act.

FEDERAL TRADEMARK DILUTION UNDER THE LANHAM ACT, 1S U.S.C. § 1125(C)

- 92. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section.
- 93. The YANMAR® trademark is a "famous" mark as defined by 15 U.S.C. § 1125(c)(1) by reason of its continued use over 30 years and YCL's and YAC's advertising and marketing.
- 94. Defendants' importation, distribution and sale of gray market YANMAR® tractors and/or replacement parts have caused actual dilution of the famous YANMAR® Trademarks in that their actions have likely lessened the capacity of the marks to identify and distinguish YAC's goods and services, notwithstanding any question of competition and/or the likelihood of confusion, as defined in 15 U.S.C. § 1125(c)(2).
- 95. Defendants' importation, distribution and sale of gray market YANMAR® Japanese-market tractors and/or replacement parts have caused actual dilution of the famous YANMAR® Trademarks in that Defendants' conduct has tarnished the business reputation of YAC due to negative consumer reaction caused by concern that YANMAR® Japanese-market tractors are not safe and that YAC does not provide service and parts support for YANMAR® products.
- 96. As a direct and proximate result of Defendants' actions, YAC has suffered and will continue to suffer damages in an amount presently unknown, but to be determined at the time of trial.

- 97. Pursuant to Section 34 of the Lanham Act, 15 U.S.C. § 1116, YAC is entitled to immediate preliminary and ultimately permanent injunctive relief to prevent damage to YAC and to prohibit Defendants from further violations of the Lanham Act.
 - 98. YAC has no adequate remedy at law for these particular violations.

UNLAWFUL IMPORTATION OF TRADEMARKED GOODS UNDER THE TARIFF ACT, 19 U.S.C. § 1526(A) – (C), (E), AND (F)

- 99. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section.
- 100. Upon information and belief, Defendants have knowingly, willfully, and/or intentionally imported, facilitated the importation, or aided and abetted the importation and sale of YANMAR® tractors, without the consent of YAC.
- 101. Under 19 U.S.C. § 1526(b), YAC seeks the seizure and forfeiture of all YANMAR® tractors imported into the United States in violation of the provisions of this section or violation of the customs laws.
- 102. YAC seeks the fullest extent of monetary damages allowable under 19 U.S.C. § 1526(c), including all gross profits obtained by Defendants from the same all YANMAR® tractors and all gross profits lost by YAC because of Defendants' sale of all YANMAR® tractors.
- 103. Pursuant to 19 U.S.C. § 1526(c), YAC is also entitled to immediate preliminary and ultimately permanent injunctive relief to prevent damage to YAC and to prohibit Defendants from further violations of the Tariff Act.

INJURY TO BUSINESS REPUTATION, TRADE NAME, AND TRADEMARK IN VIOLATION OF TEX. BUS. & COMM. CODE § 16.29

- 104. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section.
- 105. Defendants' conduct, as alleged above, has caused injury to YAC's business reputation, trade name, and YANMAR® Trademarks through actual or possible consumer confusion.
- 106. Defendants' importation, distribution and sale of gray market YANMAR® Japanese-market tractors and/or replacement parts have caused actual dilution of the famous YANMAR® Trademarks in that Defendants' conduct has tarnished the business reputation of YAC due to negative consumer reaction caused by concern that YANMAR® Japanese-market tractors are not safe and that YAC does not provide service and parts support for YANMAR® products.
- 107. As a direct and proximate result of Defendants' actions, YAC has suffered and will continue to suffer damages in an amount presently unknown, but to be determined at the time of trial.
- 108. YAC is entitled to immediate preliminary and ultimately permanent injunctive relief to prevent damage to YAC and to prohibit Defendants from further violations of the Lanham Act.
 - 109. YAC has no adequate remedy at law for these particular violations.

UNFAIR COMPETITION IN VIOLATION OF TEXAS COMMON LAW

110. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section.

- 111. The foregoing willful and deliberate acts of Defendants constitute unfair competition in Texas because Defendants have used deceptive representations or designations of geographic origin in connection with goods, by reason of which YAC has suffered, and will continue to suffer, irreparable injury.
- 112. The foregoing willful and deliberate acts of Defendants constitute unfair competition in Texas because Defendants have represented that YANMAR® Japanese-market tractors have sponsorship, approval, characteristics, parts, uses, benefits or qualities that they do not have, by reason of which YAC has suffered, and will continue to suffer, irreparable injury.
- 113. The foregoing willful and deliberate acts of Defendants constitute unfair competition in Texas, where Defendants have engaged in other conduct which similarly creates likelihood of confusion or of misunderstanding, by reason of which YAC has suffered, and will continue to suffer, irreparable injury.
- 114. Due to the ongoing irreparable nature of Defendants' violations, YAC is entitled to injunctive relief as well as attorneys' fees and costs of this action.
 - 115. YAC has no adequate remedy at law for these particular violations.

PALMING OFF IN VIOLATION OF TEXAS COMMON LAW

- 116. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section.
- 117. The foregoing willful and deliberate acts of Defendants constitute palming off in Texas because the YANMAR® Trademarks have developed, as explained above, distinctive and secondary meaning, and Defendants' use of the YANMAR® Trademarks will and likely has caused confusion in the public as to the source of the YANMAR® tractors sold by Defendants, as described in detail above. Defendants have used deceptive representations or designations of

geographic origin in connection with goods, by reason of which YAC has suffered, and will continue to suffer, irreparable injury.

- 118. The foregoing willful and deliberate acts of Defendants constitute unfair competition and misappropriation in Texas, where Defendants have engaged in other conduct which similarly creates likelihood of confusion or of misunderstanding, by reason of which YAC has suffered, and will continue to suffer, irreparable injury.
- 119. Due to the ongoing irreparable nature of Defendants' violations, YAC is entitled to injunctive relief as well as attorneys' fees and costs of this action.
 - 120. YAC has no adequate remedy at law for these particular violations.

MISAPPROPRIATION IN VIOLATION OF TEXAS COMMON LAW

- 121. YAC repeats, reiterates, and realleges the allegations set forth in the preceding paragraphs fully herein to the extent consistent with the relief requested in this section.
- 122. Defendants have engaged in misappropriation by trading on YAC's extensive time, labor, skill, and money in creating YANMAR® products for specific markets, including but not limited to disregarding features implemented by YAC for the U.S. market, while acting in competition with YAC for the sale of YANMAR® products.
- 123. The foregoing willful and deliberate acts of Defendants constitute misappropriation in Texas, where Defendants have engaged in other conduct which similarly creates likelihood of confusion or of misunderstanding, by reason of which YAC has suffered, and will continue to suffer, irreparable injury.
- 124. Due to the ongoing irreparable nature of Defendants' violations, YAC is entitled to injunctive relief, as well as attorneys' fees and costs of this action.
 - 125. YAC has no adequate remedy at law for these particular violations.

VI. PRAYER FOR RELIEF

WHEREFORE, YAC respectfully prays that the Court enter judgment in its favor on each and every claim for relief set forth above and award it relief against all Defendants holding them jointly and severally liable for, including, but not limited to, the following:

- A. A preliminary and ultimately permanent injunction enjoining Defendants, their officers, directors, employees, agents, subsidiaries, representatives, distributors, dealers, related companies, and all persons in active concert or participation with any of them, from using any of the YANMAR® Trademarks or colorable imitations thereof;
- B. A preliminary and ultimately permanent injunction enjoining Defendants, its officers, directors, employees, agents, subsidiaries, representatives, distributors, dealers, related companies, and all persons in active concert or participation with any of them, from importing, facilitating the import and/or sale, marketing, offering for sale, selling, advertising, promoting, and distributing any gray market YANMAR® Japanese-market tractors and/or gray market Zen-Noh tractors manufactured originally by YDEC;
- C. Ordering the impounding and eventual destruction of Defendants' infringing goods;
- D. Ordering delivery to YAC of Defendants' records documenting the purchase, acquisition, receipt, importation, manufacture, sale, servicing or distribution of things involved in violations alleged herein;
- E. Ordering Defendants to notify each and every one of its previous purchasers of a gray market YANMAR® Japanese tractor of the "material differences" between the YANMAR® Japanese tractor and the YANMAR® United States tractor and to buy-back the

tractor of any customer so requesting, and further ordering that any such tractor re-purchased by the Defendants be impounded and destroyed;

- F. Awarding YAC the fullest extent of monetary relief, including damages sustained by YAC, Defendants' profits from the sale of YANMAR® Japanese-market tractors and/or replacement parts, the profits lost by YAC based on Defendants' sale of YANMAR® Japanese-market tractors and/or replacement parts, the costs of this action, treble damages and/or statutory damages pursuant to 15 U.S.C. §§ 1117(a), (b) and (c), and/or pursuant to common law;
- G. YAC's costs and attorneys' fees in this action pursuant to 15 U.S.C. §1117 and other applicable laws, pre-judgment interest, post-judgment interests;
- H. Notification to the Director of the U.S. Patent and Trademark Office, as required by 15 U.S.C. § 1116(c);
 - I. Such other relief as this Court may deem appropriate; and
 - J. YAC hereby demands a trial by jury on all of the above issues.

Respectfully submitted,

By: E. Stratton Horres, Jr.

State Bar No. 10011800

stratton.horres@wilsonelser.com

William J. Akins

State Bar No. 24011972

william.akins@wilsonelser.com

Valeri Williams

State Bar No. 24058797

valeri.williams@wilsonelser.com

WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER LLP 4800 Bank of America Plaza 901 Main Street Dallas, Texas 75202 (214) 698-8000 (Telephone) (214) 698-1101 (Facsimile)

ATTORNEYS FOR PLAINTIFF

EXHIBIT A

Manited States of America United States Patent and Trademark Office

YANMAR

Reg. No. 4,019,424

YANMAR CO., LTD. GAPAN CORPORATION!

1-02 C, IAYAN AUTH, K, IA LA

Registered Aug. 30, 2011 OSAKA, EARAN

Int. Cl.: 12

FOR TRACTORS TRACTORS FOR AGRICULTURAL PURPOSES TUTLITY TRACTORS COMPACT TRACTORS SUB-COMPACT TRACTORS CRAWLER TRACTORS IN CLASS 12 (U.S. CLS. 19-21-23-31-35-ANTS-45).

TRADEMARK

PRINCIPAL REGISTER

THEST USIGNO-1964; IN COMMUNICION-2004.

OWNER OF U.S. REG. NOS. 8W-650, 1.267/79 AND OTHERS.

THE MARK CONSISTS OF THE STYLIZED WORD YANMAR.

SER, NO. 85-237,083, VT. FD 2-8-2011.

PAGE MORLING, EXAMINING ATTORNEY



United States of America United States Patent aud Erademark Office

YANMAR

Reg. No. 4,019,417

YANMAR CO., LID. DAPAN CORPORAL ON

1-32 CHAYAMACIB, KAIA KL

Registered Aug. 30, 2011 OSAKA, JAPAN

Int. Cl.: 12

TOB TRACTORS, TRACTORS FOR AGRICULTURAL PERPOSES, 17TH ITY TRACTORS, COMPACT PRACTORS, SIGN-COMPACT PRACTORS, CRAWLER PRACTORS, IN CLASS 12 (U.S. CES. 19, 21, 25, 21, 25 AND 14).

TRADEMARK

THEST DIST D-0-1964; IN COMMERCE D-0-2004.

PRINCIPAL REGISTER

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OWNER OF USE RISE NOS. SOMESE, 1,2672,79 AND CYTHERS.

SER, NO. 85-296,077, P.J. 80, 2-8-2011.

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Int. Cis.: 35 and 37

Prior U.S. Cis.: 100, 101, 102, 103, and 106

United States Patent and Trademark Office

Reg. No. 2,893,755 Registered Oct. 12, 2004

DEBUICE MADE

SERVICE MARK PRINCIPAL REGISTER

YANMAR

YANMAR CO., L.TD. (JAPAN CORPORATION)
LAL CHAYAMACHI, KITA-KU
CORPORATE APTAIRS DEPT
OSAKA, JAPAN SU-8311

FOR: PROVIDING CONSUMER INFORMATION ON MACHINERY, NAMELY, MOTORS AND ENGINES OF ALL KINDS, SHIPS, AIR-CONDITION-ING APPARATUS, GENERATORS OF ELECTRICITY WITH WASTI: HEAT UTILIZATION SYSTEMS, CONSTRUCTION MACHINES AND APPARATUS, AGRICULTURAL MACHINES AODICULTURAL DEPLEMENTS OTHER THAN HAND-OPERATED, GENERATORS OF ELECTRICITY, TRACTORS AND PARTS AND ALCESSORIES FOR THE PORRIGOING RETAIL OF THE FRAPEURING MACHINERY, NAMELY, MOTORS AND ENGINES OF ALL KINDS, SHIPS, AIR-CONDITIONING APPARATUS, CENERATORS OF ELECTRICITY-WITH WASTE HEAT UTILIZATION SYSTEMS. CONSTRUCTION MACHINES AND APPARATUS, AGRICULTURE MACHINES, AGRICULTURE MACHINES, AGRICULTURE IMPLEMENTS OTHER THAN HAND-OPERATED, GENERATORS OF ELECTRICITY, TRACTORS AND EARTS AND ACCUSSORIES FOR THE FOREGOING, IN CLASS AS (U.S. CLS. 101, IDI AND 162).

PERST USE 7-8-2002; IN COMMERCE 7-8-2002.

FOR: REPAIR AND MAINTENANCE OF MA-CHINERY, NAMELY, MOTORS AND ENGINES OF ALL KINDS, SHIPS, AIR-CONDITIONING APPARATUS. GENERATORS OF HEETRICITY WITH WASTE HEAT-UTILIZATION SYSTEMS. CONSTRUCTIONMACHINES AND APPARATUS. AGRICULTURAL MACHINES, AGRICULTURAL IMPLEMENTS OTHER THAN HAND-OPERATED. GENERATORS OF BECTRICITY. TRACTORS AND PARTS AND ACCESSORIES FOR THE FORE-GOING, PROYHONG INFORMATION ON REPAIR AND MAINTERANCE OF MACHINERY, NAMELY MOTORS AND ENGINES OF ALL KINDS. SHIPS. AIR-CONDITIONING APPARATUS GENERATORS OF ELECTRICITY WITH WASTE HEAT UTILIZATION SYSTEMS, CONSTRUCTION MACHINES AND APPARATUS. AGRICULTURAL MACHINES. AGRICULTURAL IMPLEMENTS OTHER THAN HAND-OPERATISD, GENBRATORS OF ELECTRICITY. TRACTORS, AND FARTS AND ACCESSORIES FOR THE FOREGOING, IN CLASS 17 (U.S. CLS. 100. 103 AND 106).

FIRST USE 7-8-2002: IN COMMERCE 7-8-2002.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USH "VANMAR", APART FROM THE MARK AS SHOWN.

SN 76-432-916, FILLED 7-2-2002.

MIDGE BUTLER, EXAMINING ATTORNEY

Cat Cls 7

Prior U.S. Class 23 and 24

United States Patent and Tradomark Office

Reg. No. 1,042,680

19 Year Resease

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TRADEMARK PRINCIPAL REGISTER



TAMMAR DIBBEL DIGING CO, LITOL UAPAN CARRORATION 62, CRATAMACH KITAMUL OSAKA, JAPAN

CHUNER OF JAPAN REIJ. NO. 193907, DATED B 9 1947. OWNER OF ILS. REO. NOS 126,216, 927,719 AND OTHERS.

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PRESSES, CONVEYORE, AND WINCHES, CAROD HAMILLY MACHINES.
NAMELY, BLEVATORS, ESCALATORS AND ROWMERD JACKS, PISHING WA-CHENES NAMERY, LINE HAULENS, IRAWE WHALLE, CINCHES MARILY, CHROMEN MARILY, PARD SAW MILLS, CIRCULAR SAWS, SAW SHAPPHIRES, WHO'D LATTICE AND WWOOD MILLESS, WOOD WORK, SAW SHAPPHIRES, WHO'D LATTICE AND WWOOD MILLESS, WOOD WORK, SAW SHAPPHIRES, WHO'D LATTICE AND WOOD MILLESS, WOOD WORK, SAW SHAPPHIRES, WHO'D LATTICE AND WOOD MILLESS, WOOD WORK, SAW SHAPPHIRES, WHO'D WORK, SAW SHAPPHIRES, WHO'D WORK, SAW SHAPPHIRES, WHO'D WORK, AND WACHINES OR ENGINES; SYEAM DRIBES, IN CLASS 7 (U.S. CLE. 2) AND 24.

9091, NO. 73 040,321, PHACO 12 21 127".

In testimony whereof I have hereunto set my hand and caused the seal of The Patern and Trademark Office to be affixed on Sup. 10, 1996.

COMMISSIONER OF PATIONS AND TRADEMARKS

United States Patent Office

927,224 Registered Jan. 18, 1972

PRINCIPAL REGISTER Trademark

Ser. No. 341,970, filed Oct 28, 1969

YANMAR

Yanmar Diesel Engine Co., Ltd. (Japanese emperation) 62 Chaya-Maohi Kita-ku, Oraka, Japan For: AGRICULTURAL MACHINES AND IMPLEMENTS AND PARTS THEREOF, in CLASS 23 (JNT. CL. 7).

Owner of Japanese Reg. No. 682,388, dated July 28, 1965; and U.S. Rag. Nos. 726,216 and 800,653.

G. R. LEADER, Examiner

Int. Ch.: 7

Prior U.S. Cl.: 23

United States Patent Office

Reg. No. 1,019,852 Registered Sept. 9, 1975

TRADEMARK Principal Register

YANMAR

Yanmar Diesel Engino Co., Ltd. (Japánese corporation) 67, Chayamachi Kita-ku, Osaka, Japan

PM: CONSTRUCTION AND CIVIL ENGINERRING MACHINES AND INSTRUMENTS—NAMELY, BUILDOZERS, OIL SCRAPERS, GRADERS, ROAD AND GARDEN ROLLERS, TAMPING MACHINES, MOXING MACHINES, ASPHALTING MACHINES, CRANES, CRUSHERS, DIGGING MACHINES, DISTINTEGRATORS, PLING FRESSES, FOWER

SHOVELS, CONVEYORS AND WINCHES AND STRUCTURAL PARTS AND ATLACHMENTS THEREFOR—in CLASS 7 (U.S. CL. 23).

Owner of Japanese Reg. No. 582,186, dated July 28, 1965, and U.S. Reg. Nos, RO0,653 and 927,224.

Ser. No. 23,402, filed June 5, 1974.

CHARLES R. FOWLER, Supervisory Exemiser GARY KRUGMAN, Exeminer

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Prior U.S. Cl., 23

· United States Patent and Trademark Office

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TRADEMARK PRINCIPAL REGISTER



Yandar diesel bygine od, Ltd. Uapan Corforation) 42 Chaya-Nachi Kita-Ku, Chara, Japan

OWNER OF JAPAN REG. NO. 18081, DATED 8-8-1867.

OWNER OF U.S. REG. NOS. 724.16
AND 800.651
POB. AGRICULTURAL MACHINES
AND IMPLEMENTS AND PARTS
TREASOF, IN CLASS 12 (INT. CL. 7). SER. NO. 19-341,971, PILED 10-28-1969.

In testimony whereof I have bereunto vet my hand and coused the seal of The Falmi and Trademork Office to be affixed on Mar. 3, 1992.

COMMISSIONER OF PATENTS AND TRADEMAKES

Page 1 of 1

United States Patent Office

800,653 Registered Dec. 21, 1965

PRINCIPAL REGISTER Trademark

Ser. No. 315,471, filed Mar. 31, 1965

YANMAR

Yanmar Thesel Regime Cat, Ltd. (Jupanese corporation) 67 Chayanachi Kita-ku, Osoku, Japan

Port DIESEL ENGINES, PARTS THERROT AND ACCESSORES THERRODS, In CLASS 22. Owner of Japanes Roy. No. 364,768, Jated May 14, 1946; and U.S. Rog. No. 792,126.

W. J. VARKER, Examiner,

Page 1 of 1

United States Patent Office

726,216 Registered Jan. 9, 1962

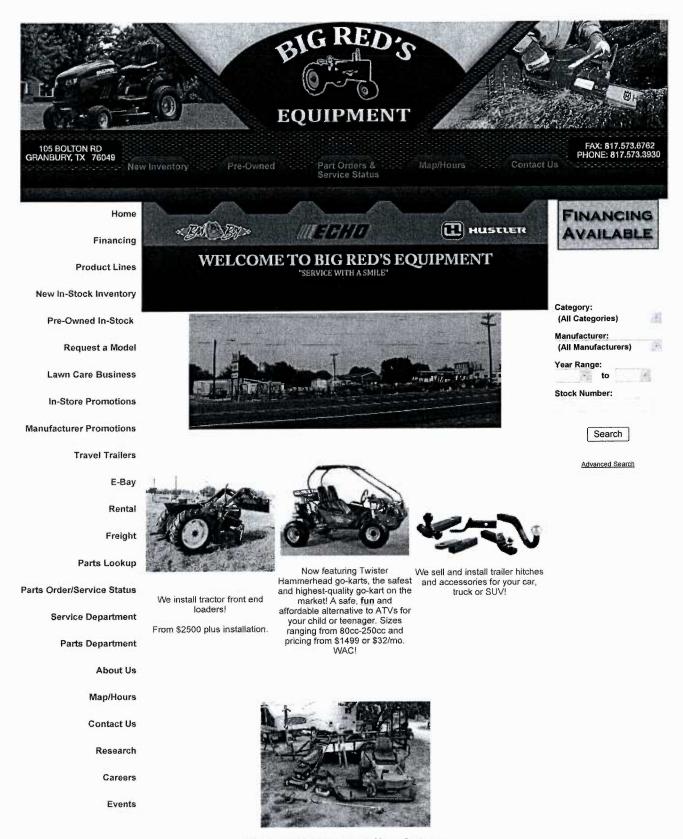
PRINCIPAL REGISTER Trademark

Sec. No. 77,238, God July 7, 1959



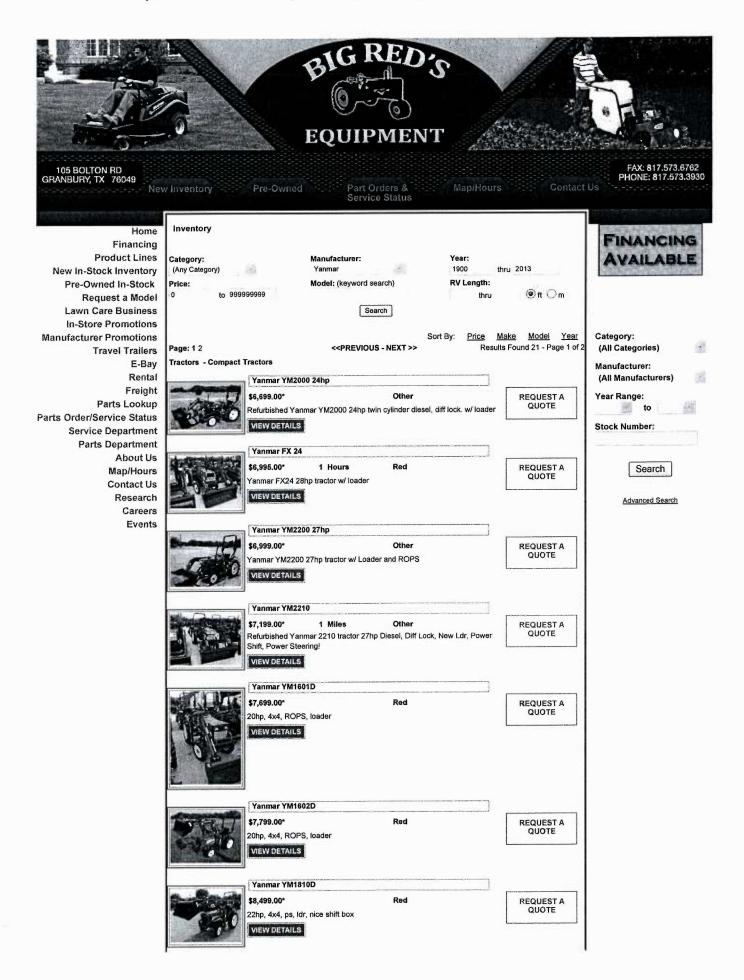
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May 23, 1959; Kag, No. 371,397, dated May 1, 1961.

EXHIBIT B



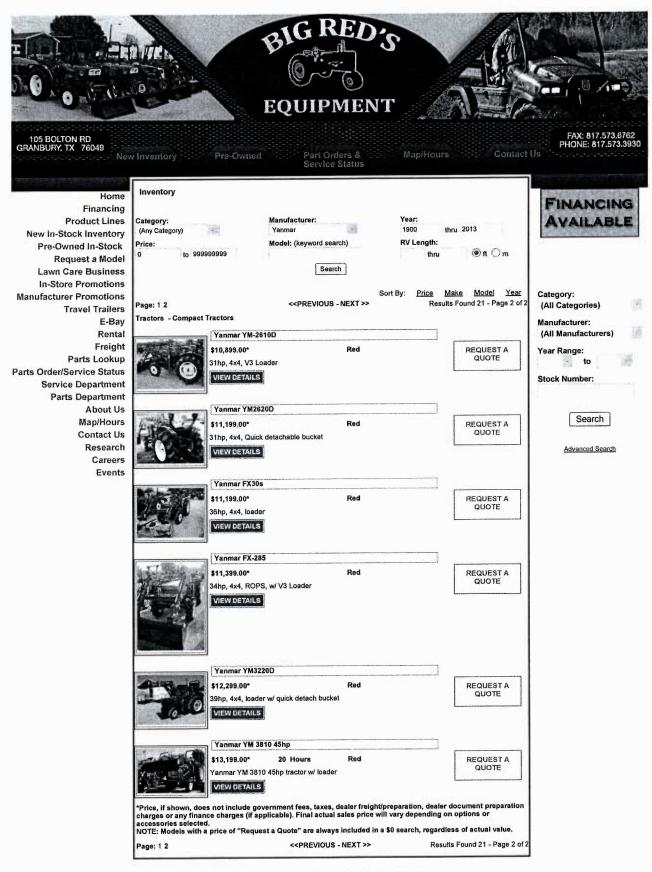
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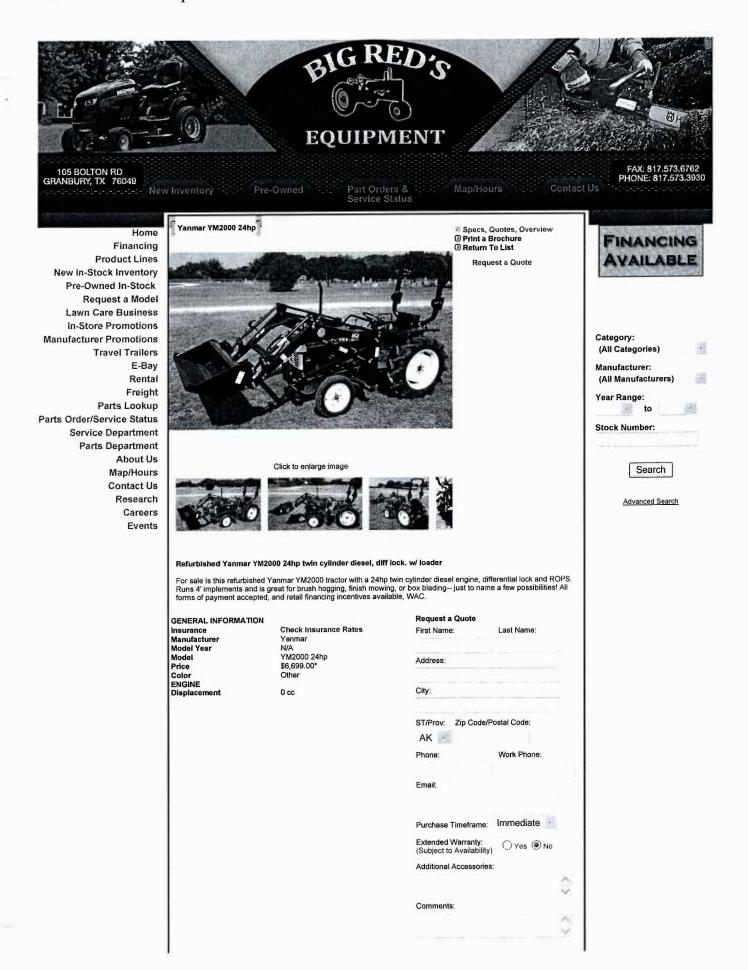


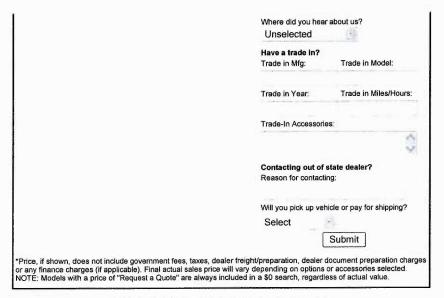
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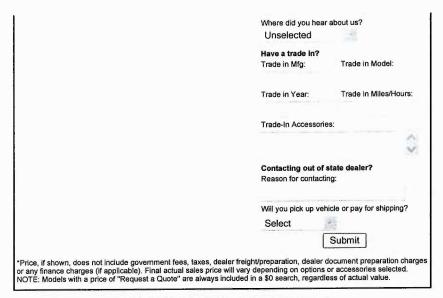
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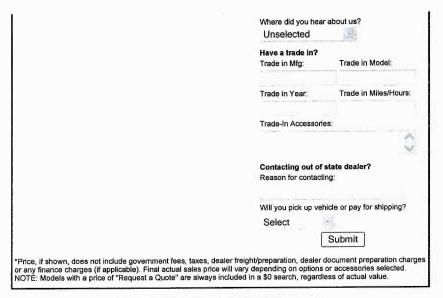
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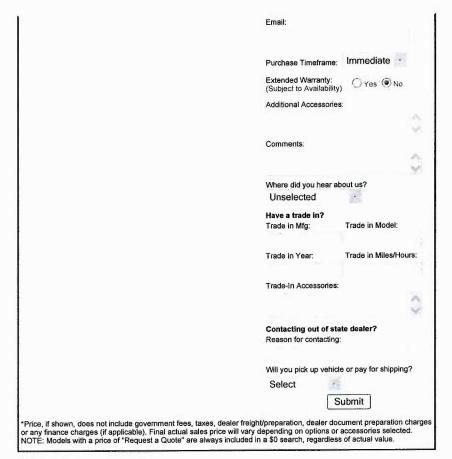
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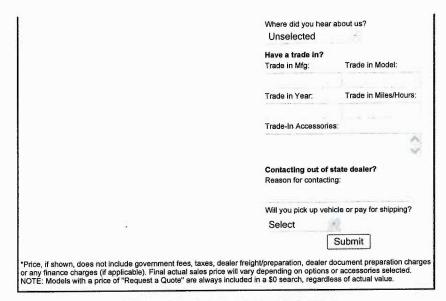
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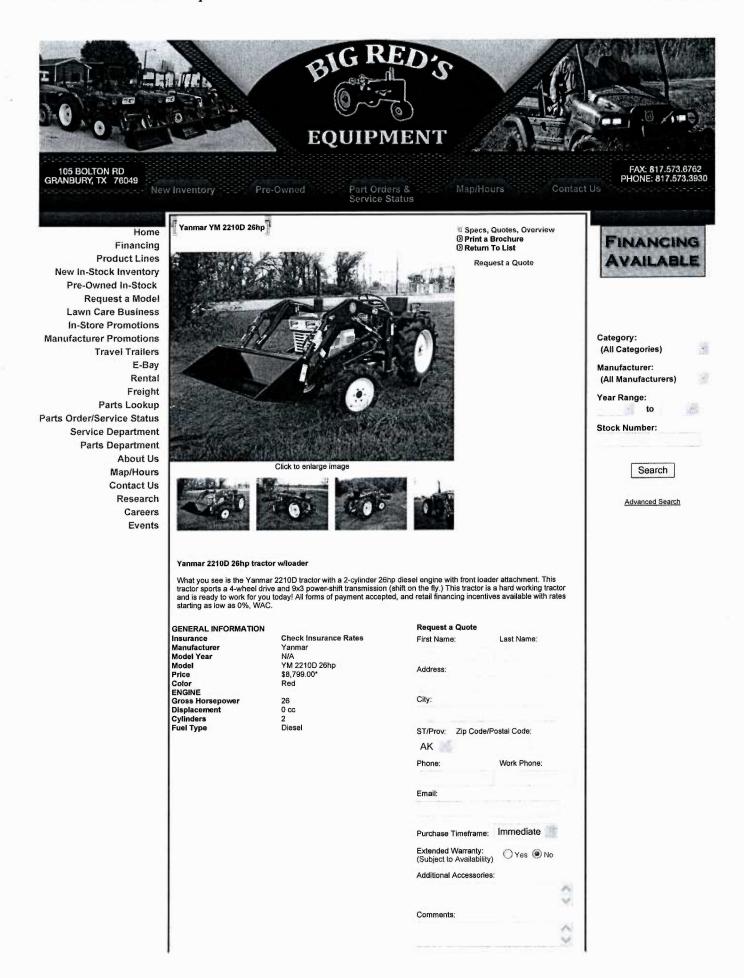


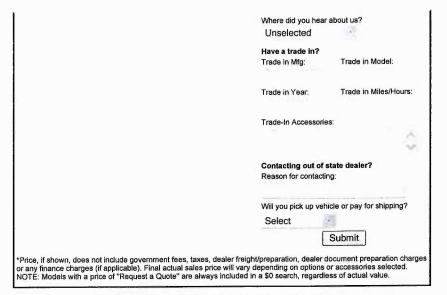
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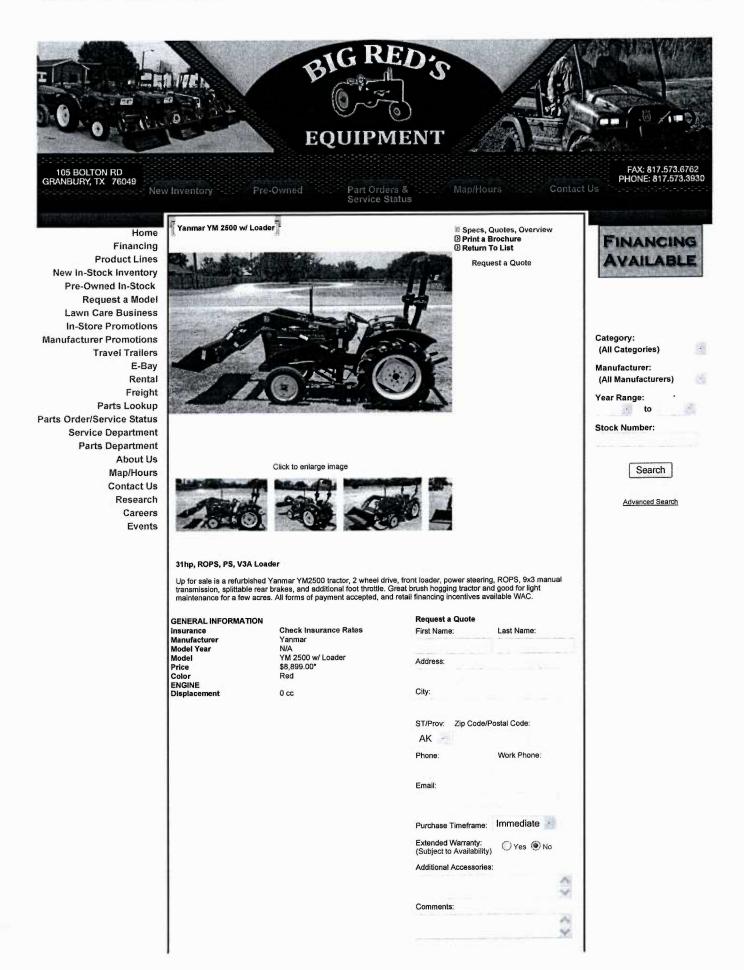
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*Price, if shown, does not include government fees, taxes or any finance charges (if applicable). Final actual sales p NOTE: Models with a price of "Request a Quote" are alw.	price will vary depending on option	is or accessories selected.	

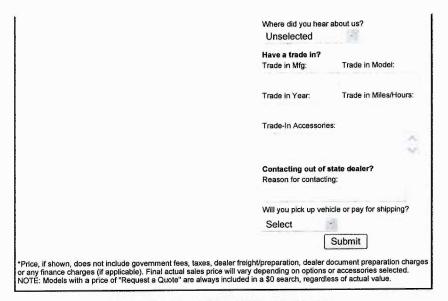
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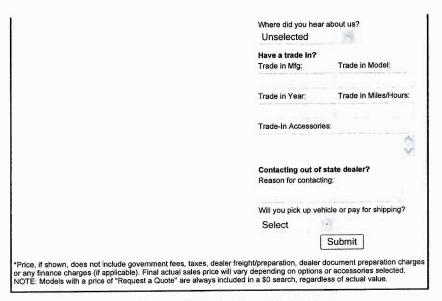
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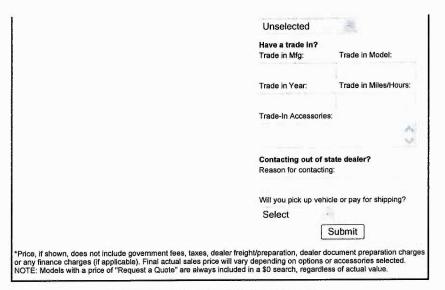
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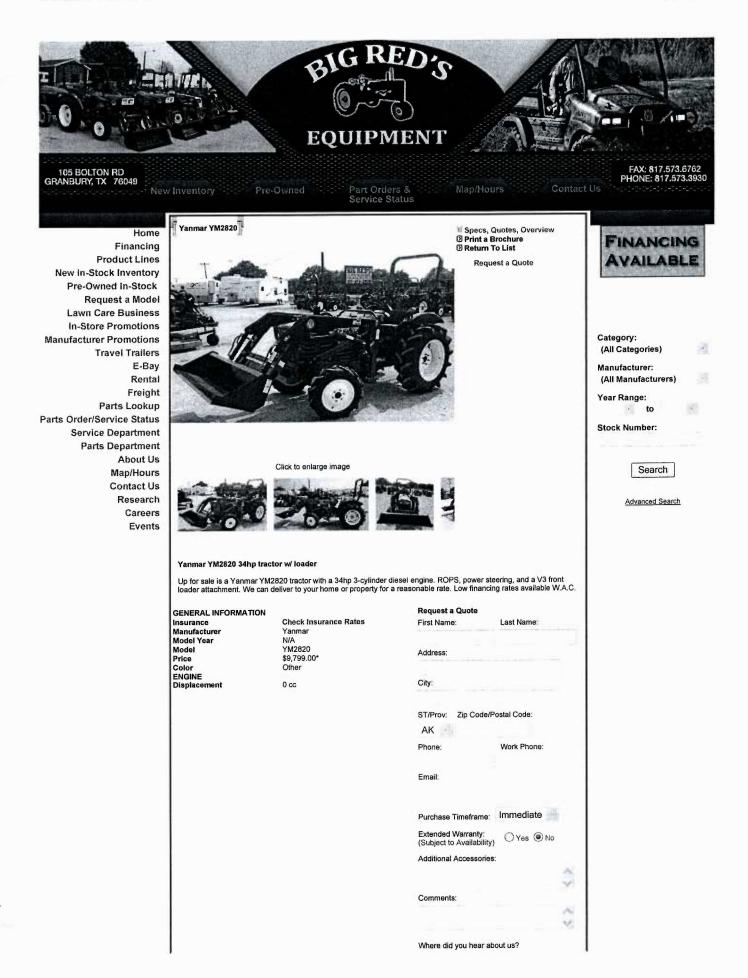


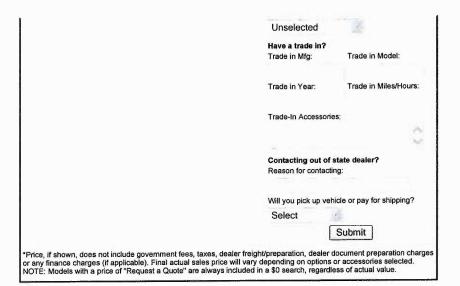
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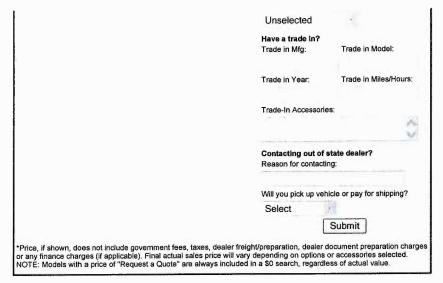
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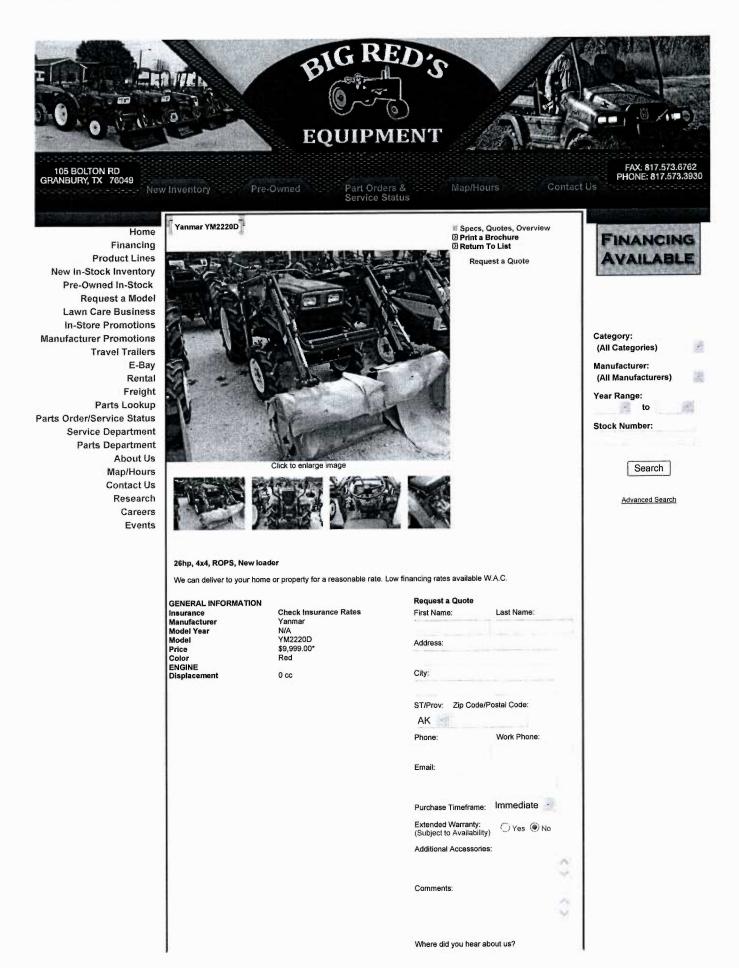


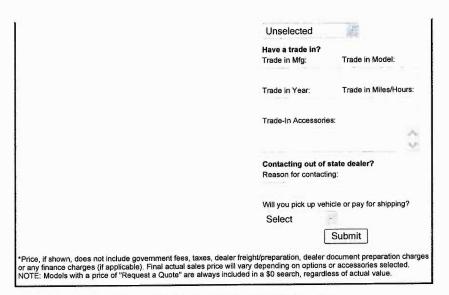
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	Where did you hear about us?	
	Unselected	109.
	Have a trade in?	
	Trade in Mfg:	Trade in Model:
	Trade in Year:	Trade in Miles/Hours:
		4 4
	Trade-In Access	ories:
		0
		(2001)
	Contacting out of state dealer? Reason for contacting:	
		27.
	Will you pick up vehicle or pay for shipping?	
	Select	N.
		Submit
*Price, if shown, does not include government fees, taxes, dealer freight or any finance charges (if applicable). Final actual sales price will vary d NOTE: Models with a price of "Request a Quote" are always included in	epending on optio	ns or accessories selected.

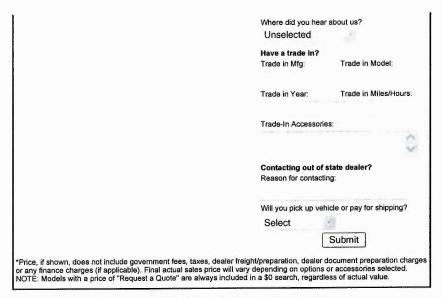
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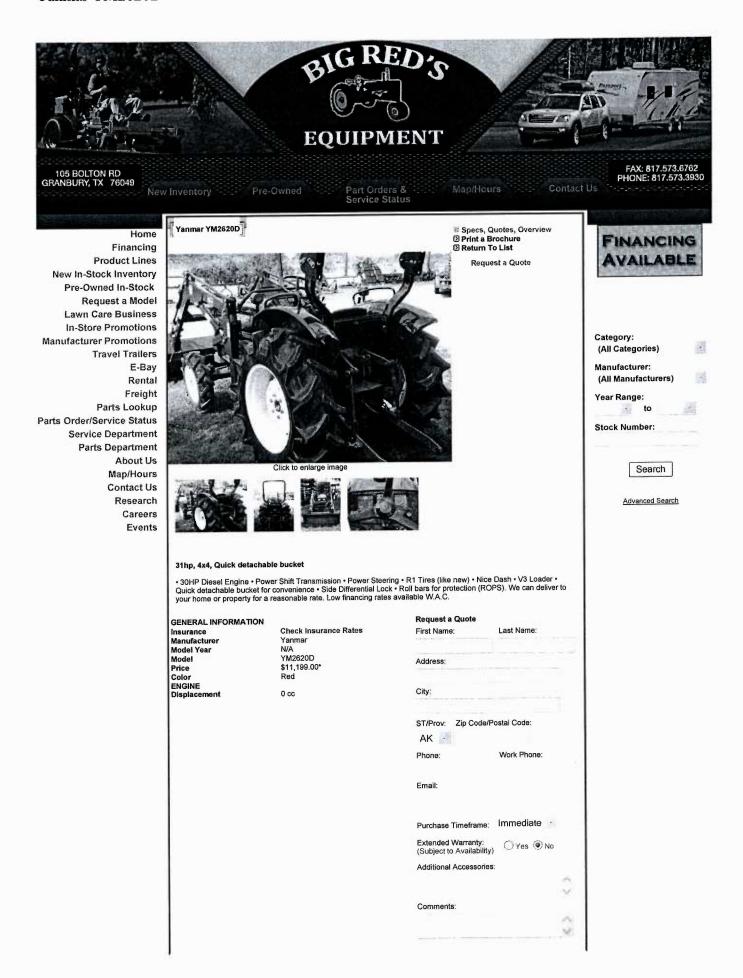


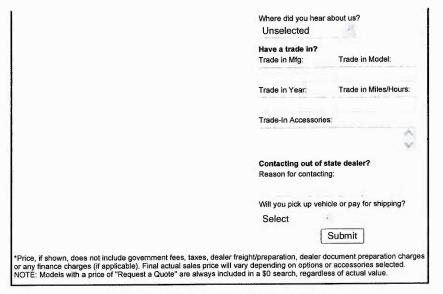
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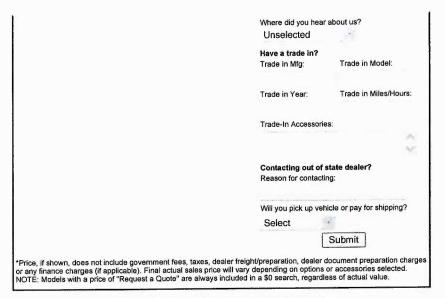
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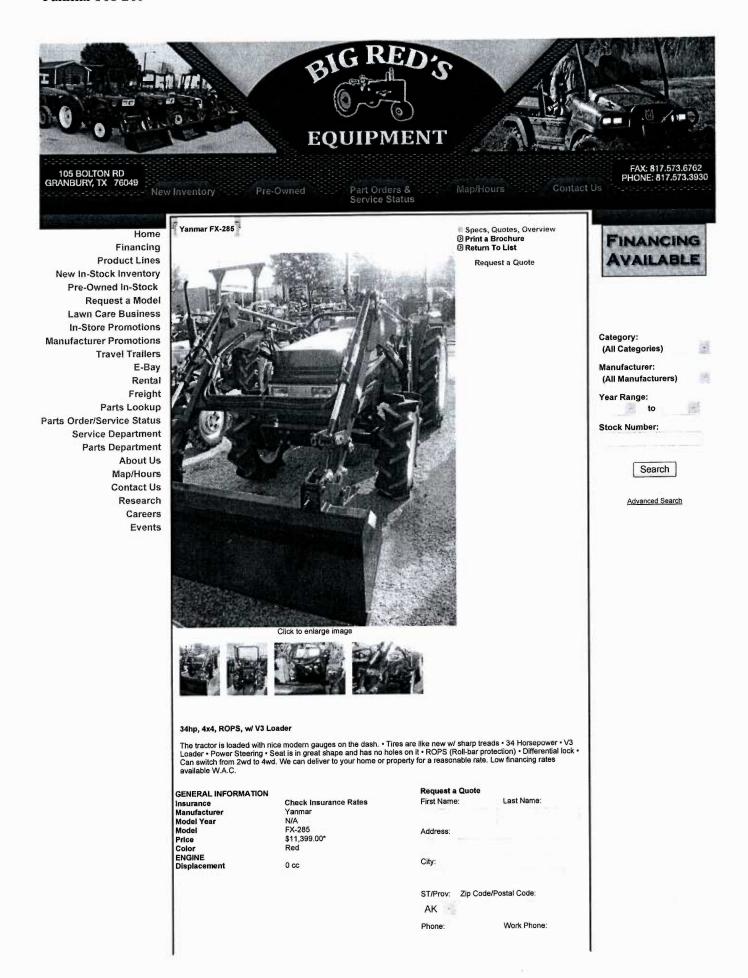


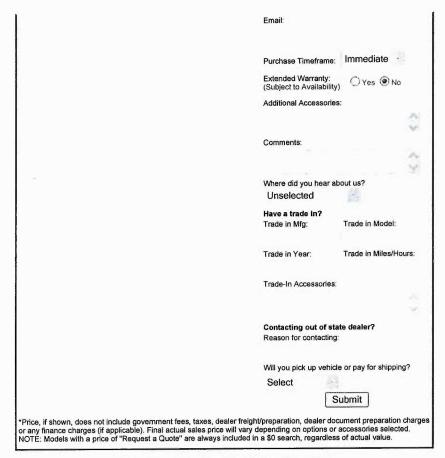
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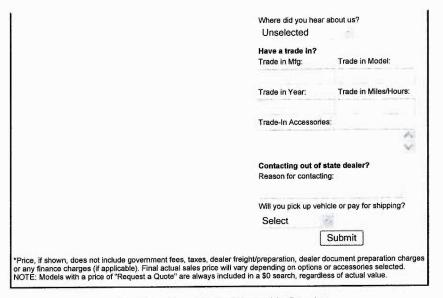
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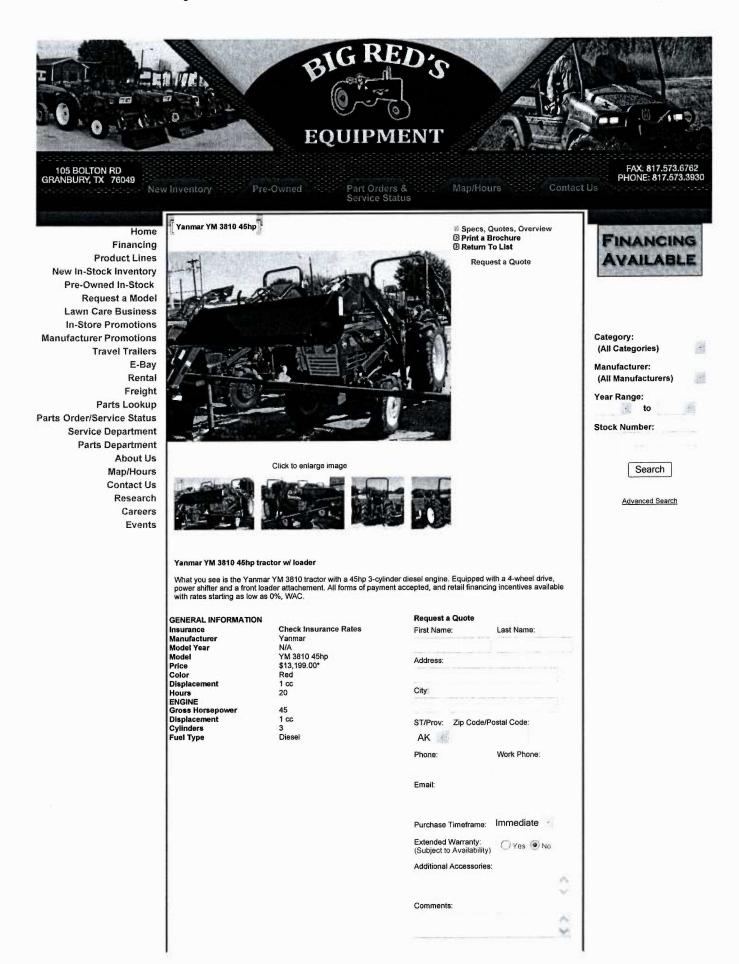


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Where did you he Unselected	ar about us?	
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Trade in Year:	Trade in Miles/Hours:	
Trade-In Accesso	ries:	
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Contacting out of Reason for contacting		
Will you pick up v	Will you pick up vehicle or pay for shipping?	
Select	8	
	Submit	

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Yanmar YM2200 27hp



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Return to List **Make Another Selection**

Yanmar YM2200 27hp

\$6,999 Other

Check Insurance Rates For This Vehicle

Yanmar YM2200 27hp tractor w/ Loader and ROPS



You Could VIN 1 of 12 H-D® Motorcycles saffibar. VISA APPLY NOW!



You are looking at a remanufactured Yanmar YM2200 tractor with a brand new front loader attachment. It sports a 27hp twin-cylinder, liquid-cooled diesel engine, 6x2 standard transmission, excellent ag tires, four-speed PTO, splittable rear brakes, power steering, ROPS, and additional foot throttle. The PTO is the standard 1 3/8" shaft and the three-point is standard as well, so this tractor is ready for you to hook onto the implement of your choice and get right to work!

Specifications

Insurance: Shipping: Manufacturer: ModelYear: Model: Vehicle Type:

Color:

Request A Quote Ship this Vehicle Yanmar YM2200 27hp Compact Tractors \$6,999

Yanmar YM2200 27hp tractor w/ Loader and ROPS

Dealer Contact

Big Red's Equipment 105 Bolton Rd.

Email: tim@bigredsonline.net

Visit the Big Red's Equipment web site for additional information.

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Get an Insurance Quote

Ship this Vehicle

PowerSports Network Tip:

Insurance is a part of the cost of any vehicle purchase. Click here for a free insurance quote on this vehicle. You can also get a quote for your car.

Request More Information

First Name: Last Name:

Address:

City:

Work Phone:

ST/Prov: Select Home Phone:

Purchase Timeframe:

Zip/Postal:

Preferred Color:

1 Month O Yes 🖲 No

Extended Warranty:

Additional Accessories:

Comments:

Where did you hear about us? Unselected

Have a trade in?

Trade In Mfg:

Trade In Model:

Trade In Year:

Trade In Miles:

Trade-In Accessories:

Contacting out of state dealer? Reason for contacting dealer

Will you pick up vehicle or pay for shipping?

Select

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Submit

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Classifieds

indus



Price: Color: \$7,799 Red Return to List

Make Another Selection

Check Insurance Rates For This Vehicle

20hp, 4x4, ROPS, loader





This Yanmar YM 1602D tractor is a one of a kind. It runs very smoothly and looks great! Some features: • 20 horsepower 3-cylinder diesel engine • 4x4 suspension with new tires • Adjustable ROPS • 9x3 Power shift transmission • Category 1 hitch • Standard differential lock • Good paint and seat • V1A loader • Power Steering

Specifications

Insurance: Shipping: Manufacturer: ModelYear: Model: Vehicle Type: Price:

Color:

Request A Quote Ship this Vehicle Yanmar N/A YM1602D Compact Tractors \$7,799 Red

20hp, 4x4, ROPS, loader

Dealer Contact

Big Red's Equipment 105 Bolton Rd. Granbury, TX

Email: tim@bigredsonline.net

Visit the <u>Big Red's Equipment web site</u> for additional information.

VIEW OUR INVENTORY

Get an Insurance Quote

Ship this Vehicle

PowerSports Network Tip:

Insurance is a part of the cost of any vehicle purchase. Click here for a free insurance quote on this vehicle. You can also get a quote for your car.

First Name: Last Name: Address: ST/Prov: City: Zip/Postal: Select -Home Phone: Work Phone: Email: Purchase Timeframe: Preferred Color: 1 Month Extended Warranty: (Subject to Availability) Yes No Additional Accessories: Comments: Where did you hear about us? Unselected Have a trade in? Trade In Model: Trade In Year: Trade In Miles:

Request More Information

H-D® Motorcycles

APPLY NOW!

WIN 1 of 12



Contacting out of state dealer?
Reason for contacting dealer

Trade-In Accessories:

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Select

✓ Want to receive our Newsletter?

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Frequently includes money saving coupons on accessories

Submit

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EXHIBIT C

YANMAR YM2610D

Hide Main Picture





Equipment Specifi	cations
Manufacturer	YANMAR
Model	YM2610D
Price	US \$10,899
Location	Granbury, Texas
Serial Number	02444
Condition	Used
Hours	20
Horsepower	31
Drive	4WD

General Information

Refurbished Yanmar YM2610D 31hp Tractor w/ Ldr, P/S, P/Sh

Detailed Description

Refurbished 31hp tractor w/ loader, power steering, power shift, and more! Powered by a smooth, liquid cooled Yanmar diesel engine. 4 wheel drive is recommended for heavy loader usage, but 2wd is fine for light, occasional use. This tractor is great when used in conjunction with a brush hog, box blade, disc, etc. A great landowner tractor! Pulls 5' implements and some 6' units as well.

All forms of payment accepted, and retail financing incentives available with rates starting as low as 0%, WAC.

Length: 118, Height: 74, Weight: 2,712

Contact:

Big Red's Equipment Machine is located in:

Granbury, Texas Phone: (888)499-6212 Fax: (817)573-6762

http://www.tractorhouse.com/listingsdetail/printdetail.aspx?OHID=5713061... 7/20/2012

EXHIBIT D

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS FORT WORTH DIVISION

YANMAR AMERICA CORPORATION, Plaintiff,	\$ \$ \$ \$					
v. BIG RED'S EQUIPMENT A/K/A BIG	9 9 9	CIVIL ACTION NO.				
RED'S EQUIPMENT SALES, AND JODY BERMAN,	§ 8					
Defendants.	§ §					
AFFIDAVIT OF DAVID ELDRIDGE						
THE STATE OF TEXAS	§					

BEFORE ME, the undersigned authority, personally appeared David Eldridge, who being sworn on his oath, deposed and stated as follows:

888

- 1. "My name is David Eldridge. I am over the age of eighteen years, competent to make this affidavit, and have never been convicted of a felony. I have personal knowledge of all the facts set forth in this affidavit and all the facts herein are true and correct.
 - 2. I am an investigator retained by Yanmar America Corporation.
- 3. I visited the dealership of Big Red's Equipment on July 19, 2012. At that dealership, I witnessed the presence of numerous YANMAR® tractors. I witnessed new YANMAR® labels and decals affixed to the tractors. I also witnessed and photographed numerous YANMAR® tractors that were being offered for sale on its premises. The photographs are attached hereto as Exhibit 1. The YANMAR® tractors also appeared to be

COUNTY OF DALLAS

repainted and had non-factory, non-manufacturer attachments, such as front-end loaders, with the round blue "V2a" decal and "VTek" decal affixed to them.

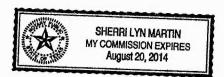
4. I discussed the sale of YANMAR® tractors with owner Jody Berman. Mr. Berman informed me that they obtain the YANMAR® tractors from Vietnam. A conservative estimate of these YANMAR® tractors would be at least 20 tractors, which was the majority of its inventory."

Further Affiant Sayeth Not.

David Eldridge

SUBSCRIBED AND SWORN TO before me on this the 3 day of July 2012, which witness my hand and seal of office.

[seal]



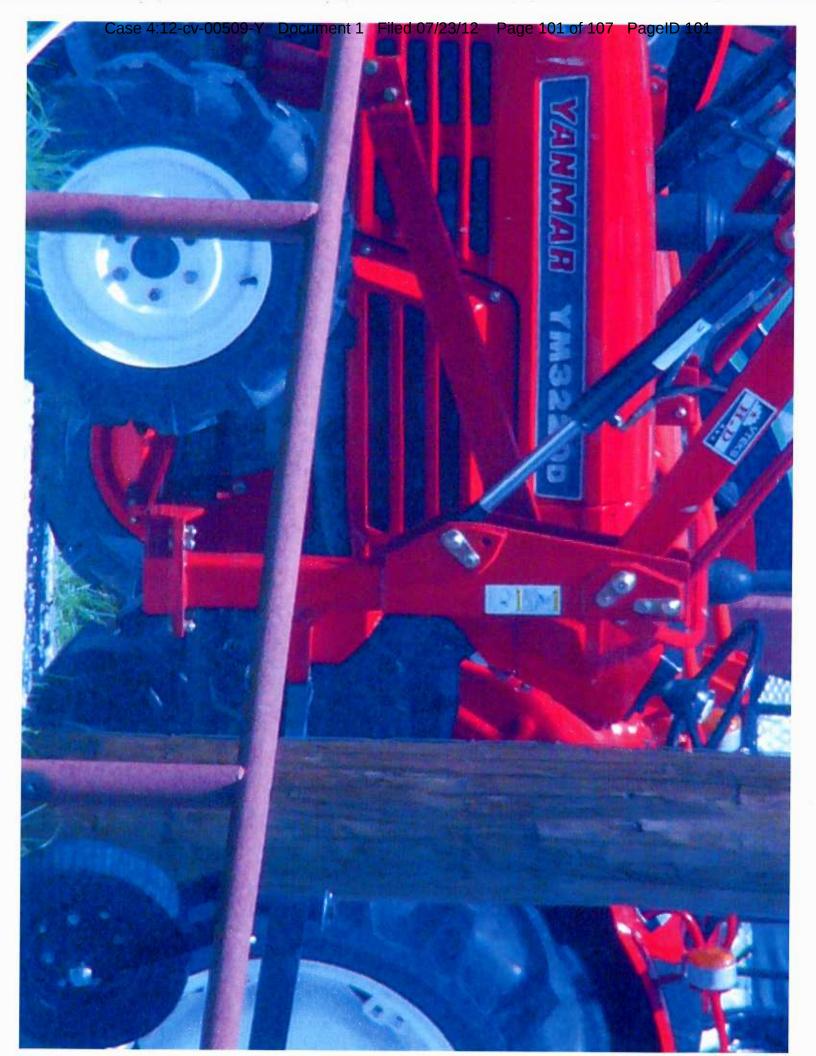
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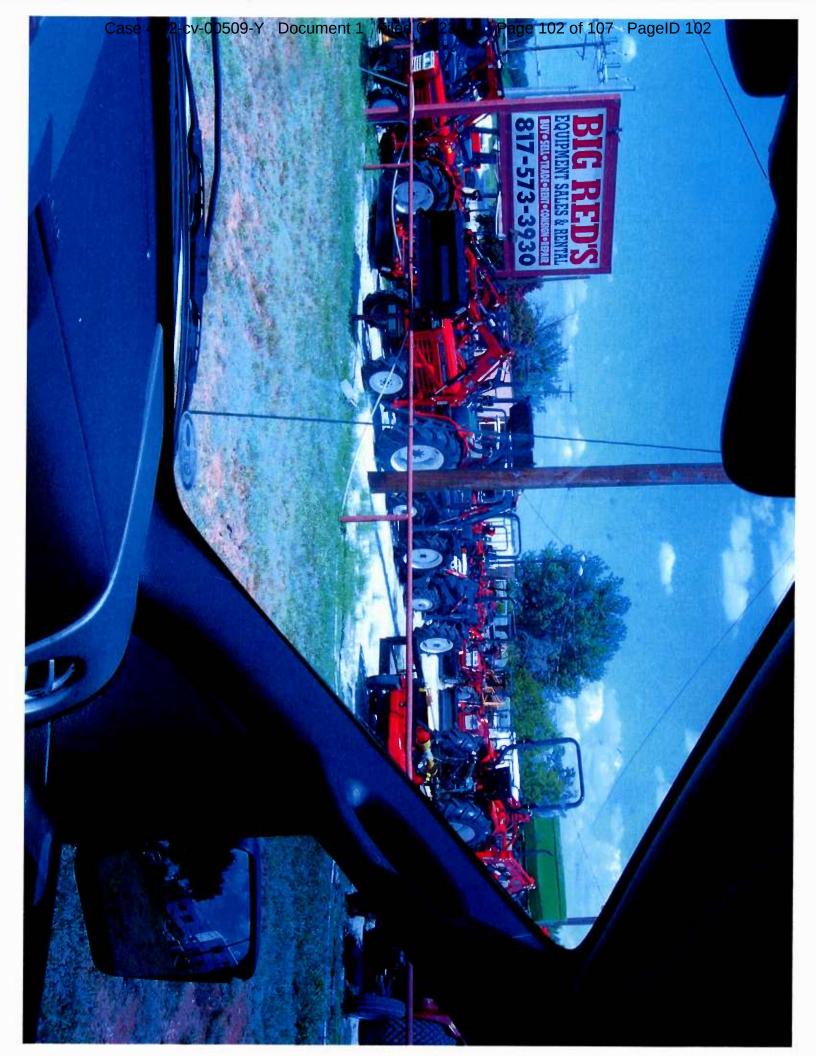
EXHIBIT 1















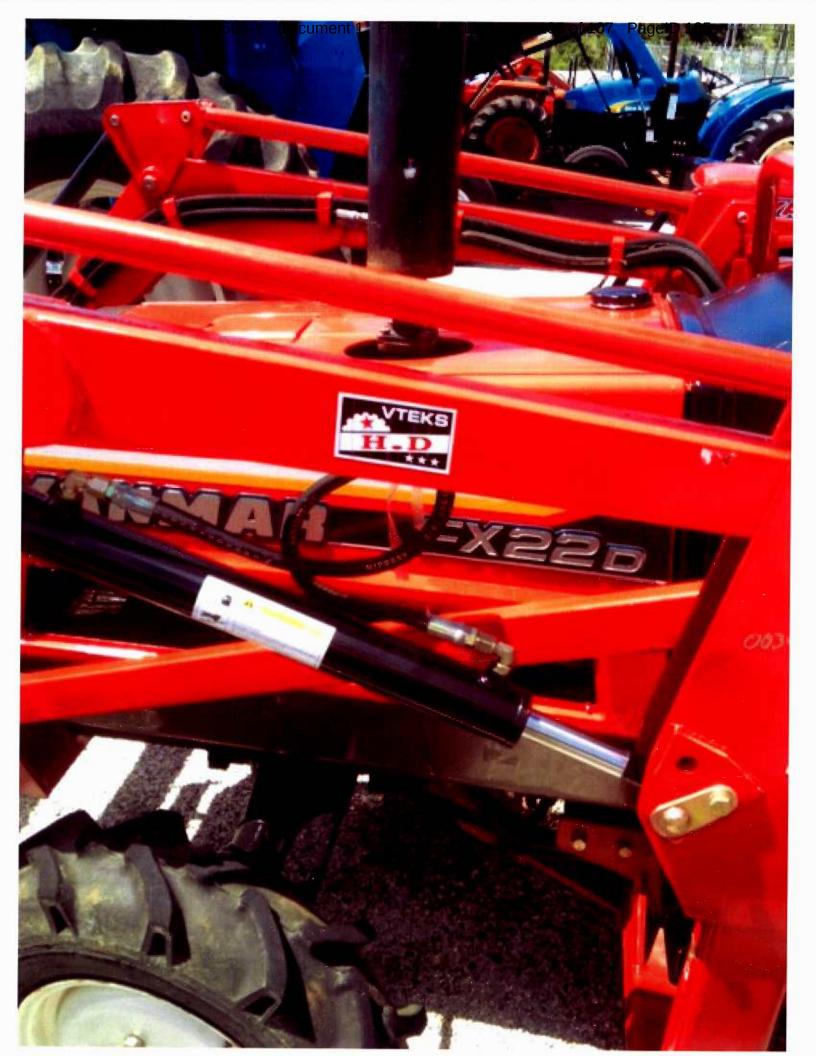


EXHIBIT E



YANMAR AMERICA CORPORATION

101 International Parkway, Adairsville, Georgia 30103 Telephone 770-877-9894 FAX 770-877-9009

November 10, 2008

VIA Registered Mail Return Receipt Requested

Big Red's Equipment Attn: Timothy Berman 4308 Weatherford Highway Granbury, TX 76049

Re: Yanmar "Grey Market" Tractors

Dear Sir:

It has come to my attention that you are selling Yanmar "Grey Market" tractors.

As I am sure you know, or should know, these aged tractors have been imported into the United States and sold in non-compliance with applicable OSHA safety regulations and requirements. Yanmar does not support and is not involved in the importation of these grey market tractors. The tractors in question were made solely for use in Japan under applicable regulations. They do not meet OSHA standards and therefore pose a significant safety concern to those who purchase and operate them, if they are not retrofitted and equipped with required safety features.

There are legal matters pending at this time where people have been killed or injured by grey market tractors that have not been properly retrofitted with required safety features, and not only is Yanmar being required to address these legal claims, but so are the parties that distributed and sold these tractors into the general public.

Accordingly, it is Yanmar's continued intention to do everything within its ability to stop these non-compliant tractors' circulation by grey market importers, distributors, and auctioneers. This includes the possibility of legally involving the dealer or distributor who is aware of the impropriety of these tractors, in lawsuits connected with the sale of grey market tractors.

Although you are aware, or should be aware, of the impropriety and danger of these non-compliant tractors, let this further serve as direct notice.

Should you have any questions please don't hesitate to contact me. Further, our website at www.yanmar.com has a clear posting related to grey market tractors. I have enclosed a courtesy copy for your review. Thank you.

Sincerely,

Corporate Counsel

North American Operations