

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

SOCIAL SMOKE, INC.,	§	
	§	
Plaintiff,	§	
	§	
v.	§	CIVIL ACTION NO. _____
	§	
GENISH PRODUCTS INC. d/b/a	§	JURY TRIAL DEMANDED
SOCIAL SMOKING,	§	
	§	
Defendant.	§	

**COMPLAINT FOR FEDERAL TRADEMARK INFRINGEMENT, FEDERAL
UNFAIR COMPETITION, TRADEMARK INFRINGEMENT AND UNFAIR
COMPETITION UNDER THE COMMON LAW OF TEXAS
WITH DEMAND FOR JURY TRIAL**

Plaintiff Social Smoke, Inc. files this its Original Complaint against Defendant Genish Products Inc. In support thereof, Plaintiff shows this Court as follows:

PARTIES

1. Plaintiff Social Smoke, Inc. ("Plaintiff" or "Social Smoke") is a Texas corporation having its principal place of business at 1200 Avenue H E, Arlington, Texas 76011.
2. Defendant Genish Products Inc. d/b/a Social Smoking ("Defendant" or "Genish") is a Florida corporation having its principal place of business at 5950 Fairview Road, Suite 600, Charlotte, NC 28210.

NATURE OF ACTION AND JURISDICTION

3. This is an action for trademark infringement and unfair competition under the Trademark Act of 1946, as amended, 15 U.S.C. § 1051 *et seq.* ("Lanham Act"), and the laws of the State of Texas.

4. This Court has original jurisdiction over this action under Section 39 of the Lanham Act, 15 U.S.C. § 1121, and Title 28 of the United States Code, §§ 1331 and 1338, because Plaintiff's claims arise under Sections 32 and 43 of the Lanham Act, 15 U.S.C. §§ 1114 and 1125. This Court has supplemental jurisdiction over Plaintiff's state law claims under 28 U.S.C. § 1367(a) because the subject matter of the state law claims are so related to the claims asserted under federal law so as to form the same case or controversy.

5. The Court further has original jurisdiction over this matter pursuant to 28 U.S.C. § 1332 because there is complete diversity of citizenship between Plaintiff and Defendant and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

6. Upon information and belief, Defendant has supplied and sold goods within the State of Texas, and regularly and knowingly conducts business in the State of Texas and with Texas residents through its Internet website. Thus, this Court's exercise of personal jurisdiction over Defendant is consistent with the Constitutions of the United States and the State of Texas, and the Court has personal jurisdiction over Defendant.

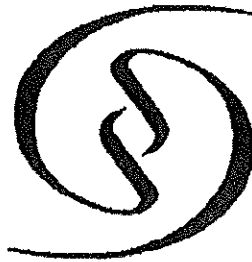
BACKGROUND FACTS

Social Smoke's Trademarks

7. Social Smoke is a leading hookah, shisha, and hookah wholesale company. Social Smoke offers hookahs, tobacco, and a variety of related products and services under the SOCIAL SMOKE brand.

8. Since at least as early as 2003, Social Smoke has continuously used the mark SOCIAL SMOKE, in commerce, in connection with a variety of products and services, including the sale and promotion of hookahs, tobacco, hookah parts and accessories, decals, clothing, and posters.

9. In addition to the SOCIAL SMOKE mark, since at least as early as 2004 Social Smoke has also continuously used the design logo depicted below (the “Double S Logo”), in commerce, in connection with a variety of products and services, including the sale and promotion of hookahs, tobacco, hookah parts and accessories, decals, clothing, and posters:



10. The SOCIAL SMOKE mark and Double S Logo are hereinafter collectively referred to as the “Social Smoke Marks.” The Social Smoke Marks are owned by Social Smoke. Relevant consumers recognize and rely upon the Social Smoke Marks as an indicator of origin and as symbols of quality and value.

11. The Social Smoke Marks have been extensively used and promoted by Social Smoke throughout the United States. Over the years, Social Smoke has invested substantial amounts in advertising and promoting its goods and services with the Social Smoke Marks, and has expended great efforts to ensure that its products and services meet high standards of quality, safety, and performance. As a result, Social Smoke has developed goodwill, public recognition, and strong rights in its Social Smoke Marks which consumers have come to know and trust as symbols of quality and value.

12. As a result of Social Smoke’s long use and promotion of its Social Smoke Marks, Plaintiff has acquired valuable common law rights in the Social Smoke Marks.

13. The SOCIAL SMOKE mark is registered in the United States. Specifically, Social Smoke is the owner of United States Trademark Registration No. 3148017 (attached as

Exhibit 1 and incorporated by reference herein), for the word mark SOCIAL SMOKE, which covers the following goods and services in International Class 34: “Tobacco pipes; Hookah pipes; tobacco; charcoal for use with hookah pipes; and accessories related to tobacco and hookah pipes, namely, replacement stems, hookah hoses, hookah bases, tobacco bowls, charcoal tongs, plastic hose tips, hookah foil, wind covers, charcoal screens, flip caps, hose plugs, base protectors, grommit sets, charcoal holders and cleaning kits.”

14. The SOCIAL SMOKE mark registration has become incontestable under Section 15 of the Lanham Act, 15 U.S.C. § 1065. As such, it constitutes conclusive evidence of Social Smoke’s right to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce.

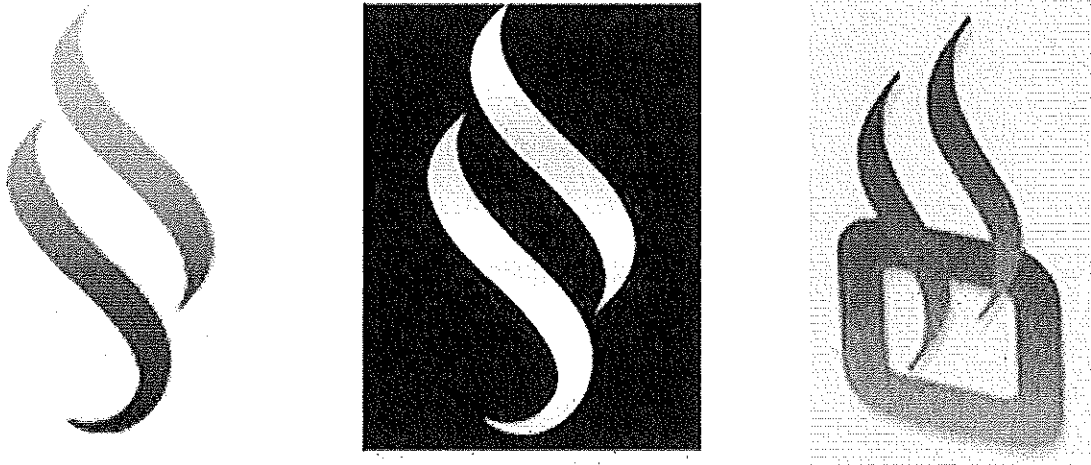
15. The Social Smoke Marks are inherently distinctive, serving to identify and indicate the source of Social Smoke’s products and services to the consuming public, and to distinguish its products and services from those of others.

16. Additionally, as a result of Social Smoke’s extensive use and promotion, its Social Smoke Marks are well-known and widely recognized by consumers in Texas and the United States. Social Smoke has invested substantial amounts in advertising and promoting its Social Smoke Marks and the goods and services sold under them, and has developed great and valuable goodwill in the Social Smoke Marks.

Defendant’s Unauthorized Use of Social Smoke’s Marks

17. Defendant has used and is using, without authority from Plaintiff, “Social Smoking” as both a business name and a brand name (“Infringing Social Smoking Mark”).

Defendant has further used and is using, without authority from Plaintiff, the double S logos depicted below (“Infringing Logos”) as both a business logo and a brand logo.



18. The Infringing Social Smoking Mark and Infringing Logos are hereinafter collectively referred to as the “Infringing Marks.”

19. Defendant has used and is using, without authority from Plaintiff, the Infringing Marks as both a business name and a brand name in connection with the sale and marketing of electronic cigarettes, flavor cartridges, refilling liquids, and other related products. Defendant further operates an active website at the domain address “socialsmoking.com” which offers for purchase electronic cigarettes, flavor cartridges, refilling liquids, and other related products using, and in many instances, bearing the Infringing Marks. Defendant further operates a Facebook page to promote its business and products at “<https://www.facebook.com/#!/SocialSmoking?fref=ts>”.

20. On information and belief, Defendant owns and controls a website with the domain name “socialsmoking.com” (“Infringing Website”). On information and belief, Roi Genish, President of Defendant, registered the domain name “socialsmoking.com” without the authorization or permission of Social Smoke.

21. The Infringing Social Smoking Mark and the Infringing Website incorporates the SOCIAL SMOKE mark, except that it uses the progressive tense of the verb “smoke” by replacing the “e” at the end with “ing.”

22. Plaintiff and Defendant market their respective products to the same consumers, including without limitation smokers of tobacco products.

23. Plaintiff and Defendant sell goods that are closely related and compete with each other. Both companies sell products that are used by smokers of tobacco products, sell products that are meant to be inhaled, and sell products to facilitate the inhalation of a vapor. The similarity of Plaintiff’s and Defendant’s goods is evidenced by the fact that other companies in the industry, for example Starbuzz, Inc., sell both tobacco and non-tobacco smoking apparatuses and products.

24. On information and belief, Defendant’s marketing activities focus on the health risks and purported negative implications of smoking traditional tobacco products. Specifically, Defendant’s Facebook page states that the “Mission” of the business is as follows:

Our mission is to quantitatively change the average deaths of smokers by offering a much healthier safer alternative. We care about smokers.

Defendant’s Facebook page further states under the “Company Overview” section:

Smoking doesn’t have to stain your teeth, destroy your lungs, and piss people off. Smoking has evolved and we are providing the newest and best technology in e-cigarettes combined with personal customer service and a money-back guarantee. You deserve better, choose Social Smoking.

The marketing of Defendant’s products under the Infringing Marks, with disparaging remarks about smoking, has the potential to adversely affect the reputation of Plaintiff and the Social Smoke Marks.

25. Defendant's use of the Infringing Marks is without the permission or authority of Plaintiff. Specifically, Defendant is intentionally using the Infringing Marks in commerce, even though Defendant has no permission to do so and is not affiliated with Plaintiff in any way.

26. The Infringing Social Smoking Mark is confusingly similar to Plaintiff's SOCIAL SMOKE mark. The Infringing Social Smoking Mark is similar to Plaintiff's SOCIAL SMOKE mark in sound, appearance, and meaning.

27. The Infringing Logos are confusingly similar to Plaintiff's Double S Logo. The Infringing Logos are similar to Plaintiff's Double S Logo in appearance and meaning.

28. Defendant's unauthorized use of the Infringing Marks is likely to cause confusion, to cause mistake, or to deceive customers and potential customers of the parties as to some affiliation, connection, or association of Defendant with Plaintiff or Plaintiff's products, Defendant's products with Plaintiff, or as to the origin, sponsorship, or approval of Defendant's products by Plaintiff.

29. Plaintiff, through its counsel, provided notice to Defendant of its unauthorized use of the Infringing Marks in a letter dated October 29, 2012.

CAUSES OF ACTION

COUNT I: FEDERAL TRADEMARK INFRINGEMENT (15 U.S.C. § 1114)

30. Plaintiff repeats the above allegations as if fully set forth herein.

31. Defendant's unauthorized advertising, marketing and sale of products and services in connection with the Infringing Social Smoking Mark, as alleged herein, is likely to deceive, mislead and/or confuse the relevant consumers. Such actions constitute

infringement of Plaintiff's federally registered SOCIAL SMOKE mark in violation of Section 32 of the Lanham Act, 15 U.S.C. § 1114.

32. As a proximate result of the acts of Defendant as alleged herein, Plaintiff has suffered and will continue to suffer great damage to its business, goodwill, reputation, and profits, while Defendant has profited from its wrongdoing.

33. Plaintiff has no adequate remedy at law for the infringement of its trademark as alleged herein. Unless Defendant's use of the Infringing Social Smoking Mark is preliminarily and then permanently enjoined by the Court pursuant to 15 U.S.C. § 1116, Plaintiff will continue to suffer irreparable harm.

34. Defendant's acts of infringement complained of herein have been reckless, deliberate, willful, intentional, and in bad faith, with full knowledge and conscious disregard of Plaintiff's rights. In view of the egregious nature of Defendant's actions, this is an exceptional case within the meaning of Section 35(a) of the Lanham Act, 15 U.S.C. § 1117(a).

COUNT II: FEDERAL UNFAIR COMPETITION (15 U.S.C. § 1125(a))

35. Plaintiff repeats the above allegations as if fully set forth herein.

36. The Social Smoke Marks are inherently distinctive and have become closely associated with and exclusively identify Plaintiff's business, products and services.

37. By reason of Defendant's unauthorized use of the Infringing Marks in connection with electronic cigarettes, flavor cartridges, refilling liquids, and other related products that are not affiliated with Plaintiff, consumers are likely to and will inevitably believe the electronic cigarettes, flavor cartridges, refilling liquids, and other related products are sponsored by or approved by Plaintiff, or are otherwise affiliated with Plaintiff. In fact, Defendant's electronic

cigarettes, flavor cartridges, refilling liquids, and other related products have no connection whatsoever with Plaintiff and are neither approved nor sponsored by Plaintiff.

38. Defendant's unauthorized, misleading and willful use of the Infringing Marks constitutes: (i) unfair competition/passing off; (ii) false designation of origin; (iii) false or misleading descriptions or representations of fact; (iv) trademark infringement; and (v) false advertising, which is likely to cause confusion, or to cause mistake or to deceive consumers as to an affiliation, connection or association between Plaintiff and Defendant, and as to the origin, sponsorship or approval of Defendant's goods and services, in and affecting interstate commerce, all in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

39. As a proximate result of the acts of Defendant as alleged herein, Plaintiff has suffered and will continue to suffer great damage to its business, goodwill, reputation, and profits, while Defendant has profited at Plaintiff's expense.

40. Plaintiff has no adequate remedy at law for Defendant's acts constituting unfair competition. Unless the use of the Infringing Marks is preliminarily and then permanently enjoined by the Court pursuant to 15 U.S.C. § 1116, Plaintiff will continue to suffer irreparable harm.

41. Defendant's acts of unfair competition complained of herein have been reckless, deliberate, willful, intentional, and in bad faith, with full knowledge and conscious disregard of Plaintiff's rights. In view of the egregious nature of Defendant's actions, this is an exceptional case within the meaning of Section 35(a) of the Lanham Act, 15 U.S.C. § 1117(a).

**COUNT III: TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION UNDER
THE COMMON LAW OF TEXAS**

42. Plaintiff repeats the above allegations as if fully set forth herein.

43. On information and belief, with full knowledge of Plaintiff's property rights in the Social Smoke Marks and of Plaintiff's reputation, and without Plaintiff's consent or knowledge, Defendant has used the Infringing Marks to advertise, promote, market and sell goods and services and to represent falsely to members of the trade and the public that Defendant is authorized, sponsored and approved by and affiliated with Plaintiff.

44. On information and belief, Defendant has deliberately and willfully used the Infringing Marks in commerce without authorization from Plaintiff, and has derived unlawful gains, profits and advantages from its infringement.

45. On information and belief, Defendant's infringing use as described above has impaired, is impairing and, unless enjoined by this Court, will continue to impair Plaintiff's reputation as accrued under the Social Smoke Marks, and has caused, is causing, and will continue to cause injury and damage to Plaintiff, which is presently indeterminate, but for which Plaintiff is entitled to relief under the common law of the state of Texas.

46. Plaintiff has no adequate remedy at law against this trademark infringement and unfair competition. Unless Defendant is enjoined by the Court, Plaintiff will continue to suffer irreparable harm.

JURY DEMAND

Under Fed. R. Civ. P. 38(b), Plaintiff demands a trial by jury on all issues triable of right by a jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that the Court enter judgment:

- a) In favor of Plaintiff and against Defendant on all of Plaintiff's claims;
- b) Defendant, Defendant's officers, agents, servants, employees, attorneys, and all those persons in active concert or participation with them, be preliminarily and permanently enjoined from using the domain name socialsmoking.com, and using or displaying the Infringing Marks, any of the Social Smoke Marks, and/or any other mark that is confusingly similar to any of the Social Smoke Marks;
- c) Defendant, Defendant's officers, agents, servants, employees, attorneys, and all those persons in active concert or participation with them, be required to immediately modify its property to remove or otherwise eliminate the marks specified above, including any advertisement bearing the Infringing Marks, any of the Social Smoke Marks, and/or any other mark that is confusingly similar to any of the Social Smoke Marks;
- d) Defendant, Defendant's officers, agents, and all those persons in active concert or participation with them, be required to immediately transfer to Plaintiff the domain name socialsmoking.com and the Social Smoking Facebook page found at <https://www.facebook.com/#!/SocialSmoking?fref=ts>, and any other domain names and Facebook pages containing the Infringing Marks, any of the Social Smoke Marks, and/or any other mark that is confusingly similar to any of the Social Smoke Marks.
- e) Defendant, Defendant's officers, agents, servants, employees, attorneys, and all those persons in active concert or participation with them, be required to

immediately cease use of the Infringing Marks, any of the Social Smoke Marks, and/or any other mark that is confusingly similar to any of the Social Smoke Marks, in telephone directory listings, online business listings, and any other business listings;

- f) Defendant, Defendant's officers, agents, servants, employees, attorneys, and all those persons in active concert or participation with Defendant be required to deliver to the Court for destruction, or show proof of destruction or obliteration of, any and all products, labels, signs, prints, packages, wrappers, containers, advertisements, letters, stationery, invoices, and any other materials in Defendant's possession or control that use or display the Infringing Marks, any of the Social Smoke Marks, and/or any other mark that is confusingly similar to any of the Social Smoke Marks;
- g) Defendant be ordered to file with this Court and to serve upon Plaintiff, within thirty (30) days after the entry and service on Defendant of such an injunction, a report in writing and under oath setting forth in detail the manner and form in which Defendant has complied with the injunction;
- h) Plaintiff recover all damages it has sustained as a result of Defendant's infringement and unfair competition, and that said damages be trebled;
- i) An accounting be ordered to determine Defendant's profits resulting from Defendant's activities, and that such profits be paid over to Plaintiff, increased as the Court finds to be just under the circumstances of this case;
- j) Plaintiff recover its reasonable attorney fees;

- k) Plaintiff recover its costs of this action and prejudgment and post-judgment interest; and
- l) Plaintiff recover such other and further general and equitable relief as this Court may deem just, proper and equitable.

Dated: January 3, 2013

Respectfully submitted,

s/ Mitchell S. Milby

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