

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

WHEEL PROS, LLC,	:	
	:	
Plaintiff,	:	
v.	:	Case No. _____
	:	
WHEELS OUTLET, INC., ABDUL	:	
NAIM, AND DOES 1-25,	:	
	:	Electronically Filed
Defendants.	:	JURY DEMANDED
	:	

PLAINTIFF’S ORIGINAL COMPLAINT - JURY DEMANDED

1. Plaintiff Wheel Pros, LLC brings this suit against Defendants Wheels Outlet, Inc., Abdul Naim, and Does 1-25 for unauthorized and willful infringement and counterfeiting of Wheel Pros’ trademarks in connection with Defendants’ wheel products, product packaging, and promotional materials. Wheel Pros seeks preliminary and permanent injunctions; statutory damages; treble damages or profits; compensatory damages; punitive damages; pre-judgment interest; attorneys’ fees; and investigator fees and costs as a result of Defendants’ sale, offers for sale, distribution, promotion, and advertising of wheel products infringing on Wheel Pros’ federally registered trademarks and patents.

THE PARTIES

2. Plaintiff Wheel Pros, LLC is a limited liability company organized and existing under the laws of the State of Delaware with its principal place of business at 5347 S. Valentia Way, Suite 200, Greenwood Village, Colorado 80111.

3. Wheel Pros is informed and believes, and on that basis alleges, that defendant Wheels Outlet, Inc. is a corporation organized and existing under the laws of the State of Texas with a distribution center located at 2449 Houston Street, Grand Prairie, Texas 75050.

4. Wheel Pros is informed and believes, and on that basis alleges, that defendant Abdul Naim is a resident of Texas.

5. Doe Defendants 1 – 25 are entities and individuals who acted jointly and in concert to commit the acts complained of herein. The Doe Defendants' true names and capacities are presently unknown to Wheel Pros but are likely to be obtained through discovery. Together with Defendants Wheels Outlet and Naim, each of the fictitiously named Doe Defendants is responsible in some manner for the acts and occurrences alleged in this complaint. Defendants Wheels Outlet, Naim, and each of the fictitiously named defendants proximately caused the damages alleged.

JURISDICTION AND VENUE

6. This Court has original jurisdiction over the infringement claims under 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338, and supplemental jurisdiction over the state law claims under 28 U.S.C. § 1367 (a) because the state law claims are so related to the federal claims that they form part of the same case or controversy and derive from a common nucleus of operative fact.

7. The Court also has diversity jurisdiction over all claims under 28 U.S.C. § 1332, as there is complete diversity of citizenship between Wheel Pros and Defendants, and the amount in controversy exceeds \$75,000 exclusive of interest and costs.

8. Venue is proper in the United States District Court for the Northern District of Texas, Dallas division under 28 U.S.C. § 1391(b) because a substantial part of the events giving rise to the claims herein occurred in this judicial district.

GENERAL ALLEGATIONS

A. Wheel Pros' business, patents, and trademarks.

9. Wheel Pros distributes more than two dozen brands of high-performance wheels and tires for cars, trucks, and SUVs to customers in roughly 30 countries worldwide. Two of its biggest designs are wheels marketed under the XD Series Rockstar patent and trademarks and the KMC trademarks.

10. Wheel Pros has provided consumers with goods under its XD Series Rockstar design marks and patents and the KMC trademarks since at least 2005.

11. Wheel Pros owns a federal design patent registration for the XD Series Rockstar XD775, Patent No. D509,783, issued September, 20, 2005. A true and correct copy of the design patent is attached as Exhibit A.

12. Wheel Pros owns a federal design patent registration for the XD Series Rockstar XD811, Patent No. D709,018, issued July 15, 2014. A true and correct copy of the design patent is attached as Exhibit B.

13. Wheel Pros' patents are associated with Wheel Pros in the minds of consumers, the public, and the automotive industry. They identify high quality products associated with and originating from Wheel Pros.

14. Wheel Pros owns a federal trademark registration for the XD Series Star design mark, Reg. No. 4,513,500, for "automotive vehicle wheels and components thereof" in Class 12. The XD Series Star design mark appears as follows:



A true and correct copy of the XD Series Star design mark registration is attached as Exhibit C.

15. Wheel Pros owns a federal trademark registration for the KMC design mark, Reg. No 3,027,059, for "automotive vehicle wheels and components thereof" in Class 12. The KMC design mark appears as follows:



A true and correct copy of the KMC design mark registration is attached as Exhibit D.

16. Wheel Pros' trademarks are associated with Wheel Pros in the minds of consumers, the public, and the automotive industry. They identify high quality products associated with and originating from Wheel Pros.

17. Wheel Pros has gone to great lengths to protect its name and enforce the Wheel Pros' patents and trademarks. These trademarks and patents are in full force and effect and have become incontestable under 15 U.S.C. § 1065.

B. Defendants' wrongful conduct.

18. Upon information and belief, long after Wheel Pros' federal patent and trademark registrations, Defendants began selling, offering for sale, distributing, promoting, and advertising in interstate commerce counterfeit wheels infringing on Wheel Pros' XD Series Rockstar patents and trademarks and KMC trademark.

19. The spurious marks or designations used by Defendants in interstate commerce are identical with or substantially indistinguishable from Wheel Pros' patents and trademarks.

20. On information and belief, Defendants are producing, distributing, and selling custom wheels appearing as follows:



21. Defendants' wheel is identical to Wheel Pros' patented XD Series Rockstar Design, and the logos on the spoke are almost identical to the XD Series design mark and the KMC design marks as used by Wheel Pros since at least 2005.

22. On or about July 7, 2014, Wheel Pros received a wheel it had trap purchased from Wheels Outlet. A true and correct copy of the receipt for this purchase is attached as Exhibit E. Digital images of this counterfeit wheel (in the style of Rockstar XD775) are attached as Exhibit F.

23. On July 8, 2014, counsel for Wheel Pros sent Defendant Abdul Naim a cease and desist letter informing him of the illegality and potential penalties for the sale of infringing and counterfeit Wheel Pros merchandise by registered mail, return receipt requested. Counsel for Wheel Pros did not receive a response to its correspondence, even though it was accepted and signed for. A true and correct copy of this correspondence is attached as Exhibit G.

24. On or about November 20, 2014, a Wheel Pros customer informed Wheel Pros that Defendants are now selling additional counterfeit wheels (in the style of Rockstar XD811). Digital images of this counterfeit wheel are attached as Exhibit H.

25. Defendants are not now, nor have they ever been, associated, affiliated, or connected with, or endorsed or sanctioned by Wheel Pros. Wheel Pros has never authorized or consented in any way to the use by Defendants of the Wheel Pros registered patents, trademarks, or copies thereof.

26. Defendants use of the Wheel Pros' patents, trademarks, or copies thereof on Defendants' products is likely to cause consumers, the public, and

the automotive industry to erroneously believe that the goods sold by Defendants emanate or originate from Wheel Pros, or that said items are authorized, sponsored, or approved by Wheel Pros, even though they are not. This confusion causes irreparable harm to Wheel Pros and weakens the distinctive quality of the Wheel Pros patents and trademarks.

27. Defendants are trading on the goodwill and reputation of Wheel Pros and creating the false impression that Defendants goods are Wheel Pros' legitimate products. Defendants have been unjustly enriched by illegally using and misappropriating Wheel Pros' intellectual property for Defendants' own financial gain. Furthermore, Defendants have unfairly benefited and profited from Wheel Pros' outstanding reputation for high quality products and its significant advertising and promotion of its wheels.

28. Defendants have also disparaged Wheel Pros, its patents, trademarks, and wheels by creating a false association with Wheel Pros, its genuine goods, and its patents and trademarks. Wheel Pros has no control over the nature and quality of the counterfeit products sold by Defendants bearing infringements of Wheel Pros' patents and trademarks. Further, Defendants' counterfeit wheels are not manufactured with safe processes and could be potentially dangerous to the public. The mounting pad of Defendants' counterfeit wheels is painted, which any reputable manufacturer would not allow. The paint on the mounting pad formed "clumps" that created an irregular raised surface on the mounting pad. *See Exhibit I.* This would lead to a false torque reading of the wheel when installed. Further, as the paint clumps break up under normal use, the wheel would likely come loose and potentially cause grave harm to the consumer. A consumer is likely to think these safety issues are Wheel Pros' fault.

29. Defendants' acts are calculated to confuse and deceive the public and are performed with full knowledge of Wheel Pros' rights.

30. Upon information and belief, Defendants have acted with reckless disregard for Wheel Pros' rights or were willfully blind in connection with their unlawful activities.

31. Upon information and belief, Defendants have willfully and maliciously engaged in their counterfeiting and infringing activities.

32. Defendants' wrongful acts will continue unless enjoined by the court. Accordingly, Defendants must be restrained and enjoined from any further counterfeiting or infringement of Wheel Pros' patents and trademarks.

FIRST CLAIM FOR RELIEF

Federal Trademark Infringement and Counterfeiting Under 15 U.S.C. § 1114(1)(a)

Wheel Pros incorporates by reference the allegations set forth in Paragraphs 1 through 32.

33. Defendants' unauthorized use of the XD Series Rockstar design as part of their series of custom wheels and their related services, promotional materials, and advertising materials constitutes trademark infringement of the Wheel Pros XD Series design mark and the KMC design mark in violation of 15 U.S.C. § 1114(1)(a). Defendants' use of Wheel Pros' design mark is likely to cause, and on information and belief has actually caused, confusion, mistake, or deception in the market as to the source or origin of Defendants' products, and has falsely suggested that Defendants' goods are sponsored or endorsed by, connected to, or affiliated with Wheel Pros.

34. As a direct and proximate result of Defendants' conduct, Wheel Pros has suffered, and will continue to suffer, irreparable injury to its business, reputation, and goodwill, unless and until Defendants' actions are enjoined.

Wheel Pros has no adequate remedy at law and has suffered irreparable injury and is, therefore, entitled to injunctive relief.

35. As a direct and proximate result of Defendants' actions, Wheel Pros has also suffered, and will continue to suffer, monetary damages in an amount to be proven at trial.

36. Defendants' unauthorized use of these marks was and is knowing, deliberate, and willful. Wheel Pros is, therefore, entitled to recover three times the amount of its damages as well as its attorney fees and costs incurred in this action.

SECOND CLAIM FOR RELIEF

Federal Trademark Counterfeiting 15 U.S.C. § 1114(1)

Wheel Pros incorporates by reference the allegations set forth in Paragraphs 1 through 36.

37. Defendants' acts constitute trademark counterfeiting in violation of Section 32 of the Lanham Act, 15 U.S.C. § 1114(1).

38. Defendants have used spurious designations that are identical with, or substantially indistinguishable from, the Wheel Pros trademarks on goods covered by the registration for the trademarks. Defendants have used these spurious designations knowing they are counterfeit in connection with the advertisement, promotion, sale, offering for sale, and distribution of goods.

39. Defendants use of the Wheel Pros marks to advertise, promote, distribute, and sell Defendants' wheels was and is without the consent of Wheel Pros and were willful and malicious.

40. Defendants unauthorized use of the Wheel Pros trademarks is likely to: (a) cause confusion, mistake, and deception, (b) cause the public to believe that Defendants' wheels are the same as Wheel Pros' wheels or that

Defendants are authorized, sponsored, or approved by Wheel Pros or that Defendants are affiliated, connected, or associated with or in some way related to Wheel Pros; and (c) result in Defendants unfairly benefiting from Wheel Pros' advertising and promotion and profiting from the reputation of Wheel Pros and its XD Series and KMC trademarks all to the substantial and irreparable injury of Wheel Pros and the substantial goodwill it has built.

41. Under 15 U.S.C. § 1117, Defendants are liable to Wheel Pros for: (a) statutory damages in the amount of up to \$1,000,000 for each mark counterfeited, or at Wheel Pros' election an amount representing three times Wheel Pros' damages or Defendants' illicit profits; and (b) reasonable attorneys' fees, investigative fees, and pre-judgment interest.

THIRD CLAIM FOR RELIEF

Federal Trademark Dilution 15 U.S.C. § 1125(c)

Wheel Pros incorporates by reference the allegations set forth in Paragraphs 1 through 41.

42. Wheel Pros is the largest aftermarket wheel company in the world and its brands, including the XD Series and KMC Series trademarks, are famous and distinctive. Wheel Pros has used the XD Series and KMC trademarks in commerce since at least 2005.

43. Defendants used these marks as late as 2014 after Wheel Pros marks have become famous.

44. Defendants' use of the marks is likely to cause dilution of Wheel Pros' distinctive quality.

45. Defendants have profited through the infringement of Wheel Pros' patents and, as a result of Defendants' unlawful infringement of Wheel Pros XD Series and KMC trademarks, Wheel Pros has suffered and will continue

to suffer damages. Wheel Pros is entitled to recover from Defendants the damages suffered by Wheel Pros as the result of its unlawful acts.

46. On information and belief, Defendants intend to continue their unlawful infringing activity and Wheel Pros will continue to suffer irreparable harm for which there is no adequate remedy at law unless the Court enjoins Defendants from further infringing and diluting activities

FOURTH CLAIM FOR RELIEF

Patent Infringement 35 U.S.C. §§ 271, 289

Wheel Pros incorporates by reference the allegations set forth in Paragraphs 1 through 46.

47. Wheel Pros is the owner of all right, title, and interest in the XD Series Rockstar wheel design — U.S. Patent Nos. D509,783 and D709,018.

48. Upon information and belief, in violation of 35 U.S.C. § 271, Defendants are and have been directly infringing, contributing to the infringement of, or inducing others to infringe on the XD Series Rockstar patent by making, using, selling, or offering to sell in the United States, or importing into the United States, products or processes protected by the Wheel Pros patents.

49. Defendants have profited through the infringement of the Wheel Pros patent and as a result of Defendants unlawful infringement of the XD Series Rockstar patents, Wheel Pros has suffered and will continue to suffer damages. Wheel Pros is entitled to recover from Defendants the damages suffered by Wheel Pros as the result of its unlawful acts.

50. On information and belief, Defendants intend to continue their unlawful infringing activity, and Wheel Pros will continue to suffer

irreparable harm for which there is no adequate remedy at law unless the Court enjoins Defendants from further infringing activities.

FIFTH CLAIM FOR RELIEF

Federal Unfair Competition Lanham Act / False Representation 15 U.S.C. § 1125(a)

Wheel Pros incorporates by reference the allegations set forth in Paragraphs 1 through 50.

51. Defendants' use in commerce of a copy or colorable imitation of Wheel Pros' XD Series Rockstar patents and XD Series and KMC trademarks constitutes a misappropriation of a distinguishing characteristic of Wheel Pros itself and a false representation to the public of the character and quality of Defendants' goods and services, and is likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of the Defendants with Wheel Pros as to the origin, sponsorship, or approval of Defendants' goods by Wheel Pros, as well as confusion, mistake, or deception concerning the source of Wheel Pros' patents and trademarks, all in violation of 15 U.S.C. § 1125(a) and to the great damage of Wheel Pros and the public.

52. As a direct and proximate result of Defendants' false representations and misappropriation of Wheel Pros' patents and design marks, through the use of a copy, counterfeit, or colorable imitation thereof in interstate commerce, Defendants have and continue to injure Wheel Pros, and Wheel Pros has sustained and will continue to sustain substantial damage to its business, goodwill, reputation, and profits. The precise nature and amount of these accrued and continuing damages are not presently known to Wheel Pros. As a result of Defendants' wrongful conduct, Wheel Pros has also been forced to incur attorneys' fees and costs.

53. Wheel Pros has no adequate remedy at law against Defendants' acts of false representation and unfair competition. Unless Defendants are enjoined from their above-identified conduct, Wheel Pros will continue to suffer irreparable harm. Wheel Pros is entitled to preliminary and permanent injunctive relief under 15 U.S.C. § 1116.

54. Wheel Pros is also entitled to an award of Defendants' profits unlawfully obtained by way of its infringing uses under 15 U.S.C. § 1117. Such profits constitute the gross sales by Defendants of all products using the XD Series Rockstar patents and XD Series and KMC marks.

55. Wheel Pros also seeks to have all of Defendants' products and advertisements, and other infringing uses of Wheel Pros' mark in the possession, custody, or control of Defendants or their agents, employees, or attorneys, or those persons or entities otherwise acting in concert with Defendants, destroyed under 15 U.S.C. § 1118.

56. Wheel Pros is also informed and believes that Defendants contend their conduct does not constitute false representation or unfair competition. Accordingly, Wheel Pros requests a declaratory judgment from this Court declaring the rights of Wheel Pros as the sole owner and exclusive user of the XD Series Rockstar patents and XD Series and KMC design marks, as well as Defendants' lack of any rights to use or continue to use these marks in interstate commerce.

57. To the extent Defendants' violations of 15 U.S.C. § 1125(a) were and continue to be intentional, Wheel Pros is also entitled to an award of treble damages, prejudgment interest, and reasonable attorneys' fees against Defendants under 15 U.S.C. § 1117.

SIXTH CLAIM FOR RELIEF
State law trademark infringement and dilution under
TEX. BUS. & COMM. CODE §§ 16.102-16.104

Wheel Pros incorporates by reference the allegations set forth in Paragraphs 1 through 57.

58. Defendants' unauthorized use of the XD Series Rockstar design as part of their series of custom wheels and their related services, promotional materials, and advertising materials constitutes trademark infringement of the Wheel Pros XD Series design mark and the KMC design mark in violation of TEX. BUS. & COMM. CODE §§ 16.102-16.104. Defendants' use of Wheel Pros' design mark is likely to cause, and on information and belief has actually caused, confusion, mistake, or deception in the market as to the source or origin of Defendants' products, and has falsely suggested that Defendants' goods are sponsored or endorsed by, connected to, or affiliated with Wheel Pros.

59. As a direct and proximate result of Defendants' conduct, Wheel Pros has suffered, and will continue to suffer, irreparable injury to its business, reputation, and goodwill, unless and until Defendants' actions are enjoined. Wheel Pros has no adequate remedy at law and has suffered irreparable injury and is, therefore, entitled to injunctive relief.

60. As a direct and proximate result of Defendants' actions, Wheel Pros has also suffered, and will continue to suffer, monetary damages in an amount to be proven at trial.

61. Defendants unauthorized use of these marks was and is knowing, deliberate, and willful. Wheel Pros is, therefore, entitled to recover three

times the amount of its damages as well as its attorney fees and costs incurred in this action.

SEVENTH CLAIM FOR RELIEF

State law unfair competition by misappropriation

Wheel Pros incorporates by reference the allegations set forth in Paragraphs 1 through 61.

62. Defendants conduct constitutes an unfair, fraudulent, or unlawful business act or practice in violation of Texas common law, specifically unfair competition by misappropriation.

63. Wheel Pros has no adequate remedy at law against Defendants' unfair business acts or practices. Unless Defendants are enjoined from this conduct, Wheel Pros will continue to suffer irreparable harm and Defendants will be unjustly enriched. Accordingly, Wheel Pros seeks preliminary and permanent injunctive relief precluding Defendants from any further use in commerce of the XD Series design mark and the KMC design mark or any copy, counterfeit, or colorable imitation of Wheel Pros' XD Rockstar Series wheels.

64. Under Texas law, Wheel Pros seeks to have all of the profits which are the product of Defendants' unfair business acts or practices disgorged and paid over to Wheel Pros.

PRAYER FOR RELIEF

Plaintiff Wheel Pros, LLC hereby demands a jury trial on all issues so triable. Wheel Pros prays for judgment against Defendants as follows:

(a) For preliminary and permanent injunctive relief, enjoining Defendants and each of their partners, officers, directors, associates, agents, servants, and employees, and all others acting or attempting to act in concert with Defendants, from directly or indirectly infringing on Wheel Pros' patents and

trademarks, specifically, the XD Series Rockstar patents, XD Series design mark, and the KMC design mark and from continuing to sell, market, offer, dispose of, license, transfer, display, advertise, reproduce, develop, or manufacture any services, events, products, or goods using Wheel Pros' trademarks or trade dress or any confusingly similar version of such trademarks or trade dress, or to assist or participate in any such activity;

(b) For a preliminary and permanent injunction enjoining Defendants and each of their partners, officers, directors, associates, agents, servants, and employees, and all others acting or attempting to act in concert with Defendants, from taking any action which may confuse Wheel Pros' customers or the public about the sponsorship or source of Defendants' events, services, or goods, or about Wheel Pros being the source or sponsor of events, services, or goods that are not licensed or authorized by Wheel Pros;

(c) For an order requiring Defendants: (i) to pay all of Wheel Pros' compensatory damages, including but not limited to, damages based upon the Defendants' acts of trademark infringement under the Lanham Act, 15 U.S.C. § 1051, et seq., and all other causes of action herein; (ii) to account to Wheel Pros and disgorge all profits that Defendants have derived from the infringing use of Wheel Pros' trademarks; and (iii) to pay Wheel Pros all damages that Wheel Pros has sustained by reason of Defendants' conduct alleged herein, including treble damages for willful infringement;

(d) For an order requiring Defendants to provide restitution for their actual and exemplary damages under Texas law;

(e) For prejudgment interest as authorized by law;

(f) For Wheel Pros' reasonable attorneys' fees and costs of suit incurred in bringing this action to prevent and redress Defendants' knowing, deliberate, willful, and fraudulent infringement; and

(g) For such other and further relief as the Court deems just and proper.

Respectfully submitted,

By: /s/Susan Egeland

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