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and Plaintiff Diesel U.S.A., Inc.*

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

DIESEL S.p.A.; and DIESEL U.S.A., INC.
Plaintiffs

v.

DIESEL POWER GEAR, LLC
Defendant

COMPLAINT

CIVIL ACTION NO. 19-cv-9308

JURY TRIAL REQUESTED

COMPLAINT

Plaintiff Diesel S.p.A., a Società Per Azioni organized and existing under the laws of Italy, and Plaintiff Diesel U.S.A., Inc. (collectively, “DIESEL” or “Plaintiffs”), a Delaware corporation headquartered in New York, by and through their undersigned counsel, hereby allege as follows:

NATURE OF THE ACTION

1. This action involves claims for trademark infringement of DIESEL’s federally registered trademarks and/or service marks in violation of § 32 of the Federal Trademark (Lanham)

Act, 15 U.S.C. §§ 1051 *et seq.*; dilution in violation of 15 U.S.C. § 1125(c); false designation of origin and unfair competition in violation of Section 43(a) of the Trademark Act of 1946, as amended (15 U.S.C. § 1125(a)); and a related common law claim (“Action”). Plaintiffs seek injunctive relief, an accounting, compensatory damages, enhanced discretionary damages, attorney’s fees and costs, and such other relief as the Court deems proper.

JURISDICTION AND VENUE

2. This Court has federal subject matter jurisdiction over the claims asserted in this action pursuant to 28 U.S.C. §§ 1331 and 1338(a), as well as pursuant to 15 U.S.C. § 1121, as an action arising out of violations of the Lanham Act, 15 U.S.C. §§ 1051 *et seq.*; pursuant to 28 U.S.C. § 1338(b) as an action arising out of claims for false designation of origin and unfair competition; and pursuant to 28 U.S.C. § 1332, as there is diversity between the parties and the matter in controversy exceeds, exclusive of interests and costs, the sum of seventy-five thousand dollars. This Court has supplemental jurisdiction pursuant to 28 U.S.C. § 1367(a), as the common law claim asserted hereunder is so closely related to the federal claims brought in this Action as to form part of the same case or controversy.

3. Personal jurisdiction exists over Defendant in this judicial district pursuant to N.Y.C.P.L.R. § 302(a)(1) and N.Y.C.P.L.R. § 302(a)(3) because, upon information and belief, Defendant regularly conducts, transacts, and/or solicits business in New York and in this judicial district, particularly via its fully interactive websites, including www.dieselpowergear.com and www.dieselsellerz.com (the “Websites”), supplies its goods (including, upon information and belief, Infringing Products, as defined *infra*) and services to consumers in New York and in this judicial district, and/or derives substantial revenue from its business transactions in New York and in this judicial district, and/or otherwise avails itself of the privileges and protections of the laws

of the State of New York such that this Court's assertion of jurisdiction over Defendant does not offend traditional notions of fair play and due process, and/or Defendant's infringing actions caused injury to Plaintiffs—one of which is headquartered in the State of New York and in this judicial district—in New York and in this judicial district, such that Defendant should reasonably expect its actions to have consequences in New York and in this judicial district.

4. Venue is proper, *inter alia*, pursuant to 28 U.S.C. § 1391 because, upon information and belief, Defendant conducts business in this judicial district, a substantial part of the events or omissions giving rise to the asserted counts occurred in this judicial district, and harm to Plaintiffs has occurred in this district.

THE PARTIES

5. Plaintiff Diesel S.p.A. is a Società Per Azioni organized and existing under the laws of Italy and located and doing business at Via Dell'industria 4-6, 36042 Breganze (Vi), Italy.

6. Plaintiff Diesel U.S.A., Inc. is a corporation organized and existing under the laws of the State of Delaware, with a principal place of business at 770 Lexington Avenue, New York, New York 10021.

7. Upon information and belief, Defendant is a limited liability company organized and existing under the laws of the State of Utah, with a place of business at 1955 S 1800 W, Woods Cross, Utah 84087.

GENERAL ALLEGATIONS

Plaintiffs, the DIESEL Marks and Well-Known DIESEL Products

8. Plaintiff Diesel S.p.A. is an internationally renowned lifestyle company, founded in 1978, which designs, manufactures, markets and distributes apparel, footwear and accessories for men, women and children, along with home and lifestyle products, among other things, under or in

connection with DIESEL and DIESEL formative marks (the “DIESEL Products”).

9. Plaintiff Diesel U.S.A., Inc., a wholly-owned subsidiary of Plaintiff Diesel S.p.A., has the exclusive license from Plaintiff Diesel S.p.A. to distribute and sell DIESEL Products and use the DIESEL Marks (as defined *infra*) in the United States.

10. Since its inception, DIESEL has become a leading pioneer in denim and casual fashion, known for moving ahead of the trends in its industry. Recently, DIESEL has evolved into the world of premium casual wear, becoming a true alternative to the established luxury market.

11. Capitalizing on its success, DIESEL has also partnered with several leading companies to expand its fashion and lifestyle consumer product categories.

12. DIESEL produces thousands of DIESEL Products every season and sells the same via thousands of points of sale worldwide, including throughout the United States and the State of New York.

13. More specifically, DIESEL sells its DIESEL Products in the United States through its own specialty retail and premium outlet stores—including one (1) retail store in this judicial district, a premium outlet store in Central Valley, New York, and another retail store in nearby King of Prussia, Pennsylvania—department stores, such as Bloomingdale’s, Nordstrom, Neiman Marcus, and Saks Fifth Avenue, as well as its website (www.diesel.com) and select online retailers.




14. Plaintiffs and their DIESEL Products have achieved great success over the past several decades, with millions of dollars of annual sales in the United States alone. For example, Plaintiffs’ annual net sales of DIESEL Products in the United States was approximately \$100,000,000 USD to \$140,000,000 USD per year from 2016 to 2018.

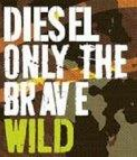
15. Throughout the years, Plaintiffs and their DIESEL Products have been prominently featured in a number of press publications, including, but not limited to, *Details*, *GQ*, *In Style*,

Interview, Nylon, The New York Times, Cosmopolitan, W, Elle, and Esquire.

16. Plaintiff Diesel S.p.A. owns all registered and unregistered intellectual property rights in and to its DIESEL brand and DIESEL Products, including both registered and unregistered copyrights and trademarks.

17. Plaintiff Diesel S.p.A. has protected its valuable rights by filing for, and obtaining, various federal trademark registrations covering its distinctive and famous DIESEL trademark and DIESEL formative trademarks. For example, Plaintiff Diesel S.p.A. owns the following in the United States:

<u>DIESEL REGISTRATIONS</u>				
MARK	REG. NO.	REG. DATE	CLASS	STATUS
DIESEL	1498698	Aug. 02, 1988	25	Incontestable
DIESEL	1564710	Nov. 07, 1989	25	Incontestable
DIESEL-ONLY-THE-BRAVE-DIESEL 	1605656	Jul. 10, 1990	25	Incontestable
DIESEL-ONLY-THE-BRAVE-DIESEL 	1939141	Dec. 05, 1995	3, 9, 14, 18, 24, 25	Incontestable
DIESEL	1989390	Jul. 30, 1996	3, 9, 14, 18, 24, 25	Incontestable
DIESEL	3524221	Oct. 28, 2008	11, 20, 21	Incontestable
DIESEL	3933720	Mar. 22, 2011	9, 41	Registered
DIESEL BLACK GOLD	3956724	May 10, 2011	9, 14, 18, 25	Registered
	4268432	Jan. 01, 2013	35, 45	Registered
DIESEL	4268431	Jan. 01, 2013	35, 45	Registered

	4715246	Apr. 07, 2015	3	Registered
DIESEL BAD	4835318	Oct. 20, 2015	3	Registered

(the “DIESEL Marks” and “DIESEL Registrations”, respectively). True and correct copies of the DIESEL Registrations are attached hereto as **Exhibit A** and incorporated herein by reference.

18. Plaintiffs have spent substantial time, money and effort in building up and developing consumer recognition, awareness and goodwill in the DIESEL Products and DIESEL Marks, including through their advertising and promotional efforts. For example, Plaintiffs’ advertising and promotional budget targeted towards the United States was approximately between \$5,000,000 USD and \$6,500,000 USD each year from 2016 through 2018.

19. Plaintiffs’ success is due in large part to their marketing, promotional, and distribution efforts, as well as the high quality materials used in making the DIESEL Products.

20. Since at least as early as the dates set forth on the DIESEL Registrations, Plaintiffs have continuously and extensively used their distinctive and famous DIESEL Marks on or in connection with a wide range of goods and services, including the DIESEL Products.

21. Plaintiffs have invested a substantial amount of time, effort, and money promoting their DIESEL Marks, and the goods and services sold thereunder, including the DIESEL Products, over a prolonged period of time. As a result of Plaintiffs’ efforts, the quality of the DIESEL Products, the extensive press and media coverage, the word-of-mouth buzz generated by consumers, and a tremendous volume of sales, the DIESEL Marks, individually and collectively, have become prominently placed in the minds of the public. Members of the public have become familiar with the DIESEL Marks, and have come to associate them exclusively with Plaintiffs.


Plaintiffs have acquired a valuable reputation and goodwill among the public as a result of such associations. Indeed, the DIESEL Marks are famous in the United States, among other countries.

Defendant's Wrongful and Infringing Conduct

22. Particularly in light of Plaintiffs' success, Plaintiffs and the DIESEL Marks have become targets for unscrupulous individuals and entities, who wish to capitalize on the goodwill, reputation and fame that Plaintiffs have amassed in the DIESEL Marks.

23. Plaintiffs investigate and enforce against such activities, and through such efforts, learned of Defendant's actions, which vary and include, using one or more of the DIESEL Marks, or at a minimum, design(s) or trademark(s) confusingly similar thereto (the "Infringing Mark(s)") on or in connection with Defendant's business(es), online retail services via the Websites, and Defendant's apparel and accessory products, among other things ("Defendant's Services" and "Infringing Products", respectively). True and correct photographs of Infringing Products, which were purchased by counsel for Plaintiffs, and shipped to New York, along with a receipt evidencing the same, are attached hereto as **Exhibit B** and incorporated herein by reference.

24. Defendant, which, upon information and belief, is owned and/or operated by the "Diesel Brothers", who have a show by the same name on the Discovery Channel, offer Defendant's Services and Defendant's Infringing Products to consumers throughout the United States, including those located in the State of New York, through, at a minimum, Defendant's Websites, as a well as a brick and mortar location at 1955 S 1800 W, Woods Cross, Utah 84087.

25. The willful nature of Defendant's actions, and its clear intent to trade off of the fame and favorable reputation that Plaintiffs and their DIESEL Marks have gained, is highlighted by Defendant's use of a near identical mark with the identical background color of one of Plaintiffs' DIESEL Marks (specifically, , and how Defendant highlights the term DIESEL

on Defendant's Infringing Products. Representative samples of such Infringing Products appear below:



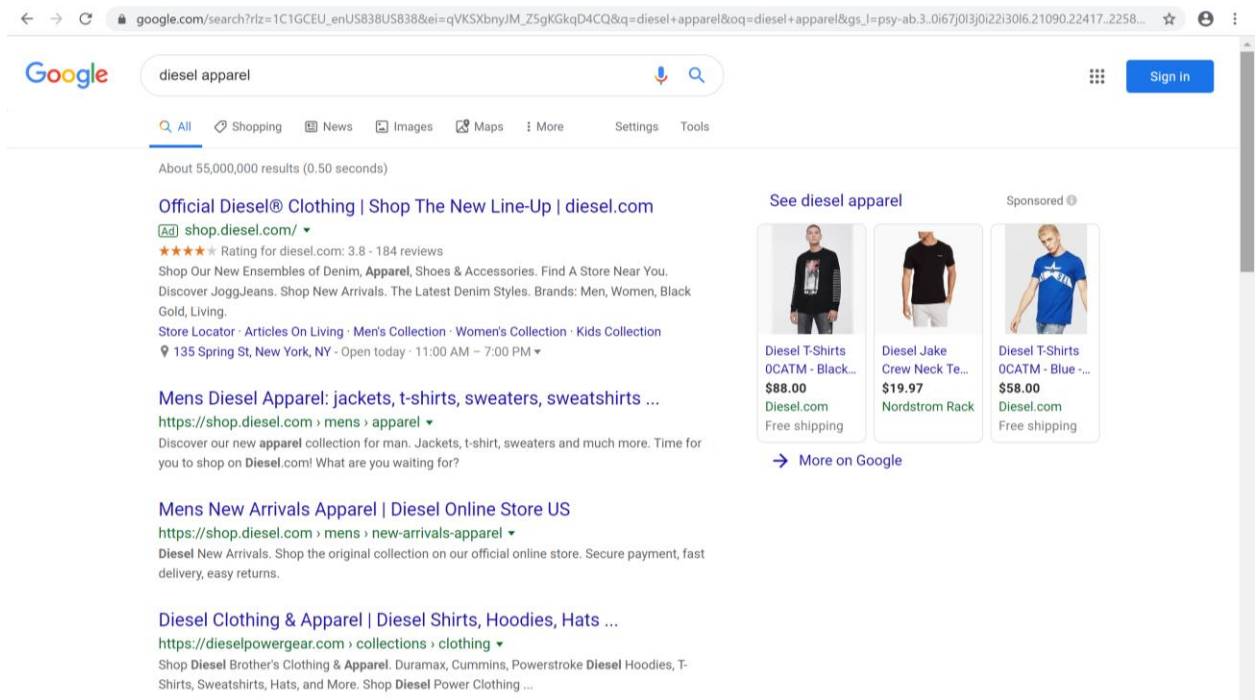
26. Further, Defendant's unquestionable bad faith intent is also evidenced by its font selection for the word "DIESEL", used in signage, as well as on the Websites, which, upon information and belief, is intended to evoke Plaintiffs' DIESEL Marks. For example:



27. Upon information and belief, Defendant advertises, markets and promotes Defendant's Services and Defendant's Infringing Products through a variety of media, including Google AdWords. Upon information and belief, Defendant bids on a number of keywords

comprised of the DIESEL Marks and Plaintiffs’ primary categories of DIESEL Products, such as “diesel apparel”, and “diesel clothing”.

28. In fact, a Google search for “diesel apparel” lists one of Defendant’s Websites as one of the top results, alongside DIESEL’s own website:



29. Upon information and belief, Defendant, with full knowledge of Plaintiffs’ famous DIESEL Marks, filed an application to register the trademark DIESEL POWER GEAR with the United States Patent and Trademark Office (“USPTO”), U.S. Trademark Application Serial No. 86/776,509 for “[a]thletic shirts; Baseball caps and hats; Camouflage shirts; Graphic T-shirts; Hats; Hooded sweat shirts; Long-sleeved shirts; Shirts; Shirts and short-sleeved shirts; Short-sleeved or long-sleeved t-shirts; Short-sleeved shirts; Sports caps and hats; T-shirts; Wristbands” in Class 25 on October 2, 2015 (the “Initial DP Application”).

30. Plaintiff Diesel S.p.A. opposed the Initial DP Application, Opp. No. 91229297, and the Trademark Trial and Appeal Board (the “Board”) sustained the opposition and refused the

registration in light of Defendant's default.

31. Thereafter, over two (2) years later, and notwithstanding Plaintiffs' prior rights in and to the DIESEL Marks, and Defendant's unquestionable knowledge of the same, on December 6, 2017, Defendant once again applied to register the trademark DIESEL POWER GEAR with the USPTO, U.S. Trademark Application Serial No. 87/710,791, once again for "[a]thletic shirts; Baseball caps and hats; Camouflage shirts; Graphic T-shirts; Hats; Hooded sweat shirts; Long-sleeved shirts; Shirts; Shirts and short-sleeved shirts; Short-sleeved or long-sleeved t-shirts; Short-sleeved shirts; Sports caps and hats; T-shirts; Wristbands" in Class 25 (the "Second DP Application").

32. Meanwhile, also on December 6, 2017, in clear disregard of Plaintiffs' prior rights in their DIESEL Marks, Defendant also applied to register the trademark DIESELSELLERZ with the USPTO, U.S. Trademark Application Serial No. 87/710,733 for "clothing, namely shirts, hoodies, sports caps, and hats" in Class 25 (the "Third DP Application").

33. Plaintiff Diesel S.p.A. opposed the Second DP Application, Opp. No. 91241641, and the Board recently granted summary judgment to Plaintiff Diesel S.p.A. on the ground of res judicata.

34. Plaintiff Diesel S.p.A. likewise opposed the Third DP Application, Opp. No. 91245400, and that proceeding is currently pending before the Board.

35. In addition to the filing of the oppositions, on July 21, 2017, Plaintiff Diesel S.p.A. also put Defendant on notice of the DIESEL Marks and the infringing and illegal nature of Defendant's actions by sending a cease and desist letter to Defendant (the "C&D"). A copy of the C&D is attached hereto as **Exhibit C** and incorporated herein by reference.

36. Despite having been placed on clear, *and repeated*, notice of its illegal and

infringing conduct, Defendant has continued to offer Defendant's Services and Defendant's Infringing Products under the Infringing Marks.

37. Neither Plaintiffs nor any authorized agents of Plaintiffs have consented to Defendant's use of the DIESEL Marks, nor have they consented to Defendant's use of any identical or confusingly similar marks (i.e., the Infringing Marks).

38. By Defendant's use of the Infringing Marks, as alleged herein, Defendant has violated Plaintiffs' exclusive rights in their famous DIESEL Marks, and has used Infringing Marks that are confusingly similar to, identical to, and constitute dilution of Plaintiffs' DIESEL Marks, to confuse consumers and aid in the promotion of Defendant's business(es), Defendant's Services, and Defendant's Infringing Products. Defendant's conduct and use began long after Plaintiffs' adoption and use of their DIESEL Marks.

39. Prior to and contemporaneous with their unlawful actions alleged herein, Defendant had knowledge of Plaintiff Diesel S.p.A.'s ownership of its DIESEL Marks and of the extraordinary fame and strength of the DIESEL Marks and the incalculable goodwill associated therewith, and in bad faith adopted the Infringing Marks.

40. Defendant was repeatedly placed on notice of its illegal actions, yet continues to engage in such illegal and infringing actions, knowingly and intentionally, or with reckless disregard or willful blindness to Plaintiffs' rights, or in bad faith, for the purpose of trading on the goodwill and reputation of the DIESEL Marks.

41. Defendant's willful, wrongful actions alleged herein will impair the distinctiveness of the famous DIESEL Marks.

42. Defendant's actions will also cause confusion, mistake, and deceive consumers, the public, and the trade with respect to the source or origin of Defendant's Services and Defendant's

Infringing Products, and cause consumers to erroneously believe that the same are licensed by, or otherwise associated with Plaintiffs, thereby damaging Plaintiffs.

43. In committing these acts, Defendant has, among other things, willfully and in bad faith committed the following, all of which have caused and will continue to cause irreparable harm to Plaintiffs: infringed and diluted the DIESEL Marks, and committed unfair competition.

44. Unless enjoined, Defendant will continue to cause irreparable harm to Plaintiffs.

FIRST CAUSE OF ACTION
(Infringement of Registered Trademarks)
[15 U.S.C. § 1114/Lanham Act § 32(a)]

45. Plaintiffs repeat and re-allege each and every allegation set forth in the foregoing paragraphs as though fully set forth herein.

46. As noted *supra*, Plaintiffs have continuously used the DIESEL Marks in interstate commerce since at least as early as the dates set forth on the DIESEL Registrations.

47. Plaintiffs, as the owner and exclusive licensee of all right, title, and interest in and to the DIESEL Marks have standing to maintain an action for trademark infringement under 15 U.S.C. § 1114.

48. Defendant was, at the time it engaged in its actions as alleged herein, actually aware that Plaintiff Diesel S.p.A. is the owner of the DIESEL Marks and DIESEL Registrations.

49. Defendant did not seek, and thus inherently failed to obtain consent or authorization from Plaintiff Diesel S.p.A. as the registered trademark owner of the DIESEL Marks, and Plaintiff Diesel U.S.A., Inc., as the exclusive U.S. licensee, to use the DIESEL Marks in the United States or elsewhere.

50. Defendant knowingly and intentionally used the DIESEL Marks, or marks that are identical or confusingly similar thereto, on or in connection with Defendant's business(es),

Defendant's Services, and the manufacture, importation, exportation, advertisement, marketing, promotion, distribution, offering for sale and/or sale of Infringing Products.

51. Defendant's egregious and intentional use of the DIESEL Marks, or marks that are identical or confusingly similar thereto (i.e., the Infringing Marks), in commerce on or in connection with Defendant's business(es), Defendant's Services, and Defendant's Infringing Products has caused, and is likely to continue to cause, actual confusion and mistake, and has deceived, and is likely to continue to deceive, the general purchasing public as to the source or origin of Defendant's business(es), Defendant's Services, and Defendant's Infringing Products, and is likely to deceive the public into believing that Defendant's business(es), Defendant's Services, and Defendant's Infringing Products are associated with or authorized by Plaintiffs.

52. Defendant's actions have been deliberate and committed with knowledge of Plaintiffs' rights and goodwill in the DIESEL Marks, as well as with bad faith and the intent to cause confusion, mistake, and deception.

53. Defendant's continued, knowing, and intentional use of the Infringing Marks without Plaintiffs' consent or authorization constitutes intentional infringement of Plaintiffs' federally registered DIESEL Marks in violation of §32 of the Lanham Act, 15 U.S.C. § 1114.

54. As a direct and proximate result of Defendant's illegal and infringing actions as alleged herein, Plaintiffs have suffered substantial monetary loss and irreparable injury, loss and damage to their business(es) and their valuable rights in and to the DIESEL Marks and the goodwill associated therewith in an amount as yet unknown, but to be determined at trial, for which they have no adequate remedy at law, and unless immediately enjoined, Defendant will continue to cause such substantial and irreparable injury, loss, and damage to Plaintiffs and their valuable DIESEL Marks.

55. Based on Defendant's actions as alleged herein, Plaintiffs are entitled to injunctive relief, damages for the irreparable harm that Plaintiffs have sustained, and will sustain, as a result of Defendant's unlawful and infringing actions as alleged herein, and all gains, profits and advantages obtained by Defendant as a result thereof, enhanced discretionary damages, as well as other remedies provided by 15 U.S.C. §§ 1116, 1117, and 1118, and reasonable attorneys' fees and costs.

SECOND CAUSE OF ACTION
(Trademark Dilution)
[15 U.S.C. § 1125(c)/Lanham Act § 43(c)]

56. Plaintiffs repeat and re-allege each and every allegation set forth in the foregoing paragraphs as though fully set forth herein.

57. Plaintiffs, as the owner and exclusive licensee of all common law right, title, and interest in and to the DIESEL Marks, have standing to maintain an action for trademark dilution under the Lanham Act § 43(c), 15 U.S.C. § 1125(c).

58. Plaintiffs' DIESEL Marks, individually and collectively, are inherently distinctive and/or have acquired distinctiveness, and are famous.

59. Without Plaintiffs' authorization or consent, and with knowledge of Plaintiffs' well-known and prior rights in its DIESEL Marks, and long after the DIESEL Marks became famous, Defendant knowingly used Infringing Marks in connection with Defendant's business(es), Defendant's Services, and Defendant's Infringing Products, in or affecting interstate commerce.

60. Defendant's intentional use of Infringing Marks is likely to cause confusion, mistake, and deception among the general purchasing public as to the origin of Defendant's business(es), Defendant's Services, and Defendant's Infringing Products, and is likely to deceive consumers, the public and the trade into believing that the same originate from, are associated with

or are otherwise authorized by DIESEL, thereby allowing Defendant to make substantial profits and gains to which it is not entitled in law or equity.

61. Defendant's actions, , as set forth herein, have diluted, and will continue to dilute, Plaintiffs' famous DIESEL Marks, and are likely to impair the distinctiveness, strength and value of the DIESEL Marks, thereby injuring Plaintiffs' business(es) and reputation.

62. Defendant's unauthorized use of the Infringing Marks was done with notice and full knowledge that such use was not authorized or licensed by Plaintiffs or their authorized agents and with the deliberate intention to unfairly benefit from the incalculable goodwill inherent in Plaintiffs' famous DIESEL Marks.

63. Defendant's actions constitute willful dilution by blurring of Plaintiffs' DIESEL Marks in violation of 15 U.S.C. § 1125(c).

64. Defendant's acts have caused substantial and irreparable injury and damage to Plaintiffs and their valuable DIESEL Marks for which Plaintiffs have no adequate remedy at law, and unless immediately enjoined, Defendant will continue to cause damage to Plaintiffs and their valuable DIESEL Marks in an amount as yet unknown but to be determined at trial.

65. Based on such conduct, Plaintiffs are entitled to injunctive relief, damages that Plaintiffs have sustained and will sustain as a result of Defendant's actions as alleged herein, and all gains, profits and advantages obtained by Defendant as a result thereof, enhanced discretionary damages, as well as other remedies provided by 15 U.S.C. §§ 1116, 1117(a), and 1118, and reasonable attorneys' fees and costs.

THIRD CAUSE OF ACTION
(Federal Unfair Competition)
[15 U.S.C. § 1125(a)/Lanham Act § 43(a)]

66. Plaintiffs repeat and re-allege each and every allegation set forth in the foregoing

paragraphs as though fully set forth herein.

67. Plaintiffs, as the owner and exclusive licensee of all common law right, title, and interest in and to the DIESEL Marks, have standing to maintain an action for unfair competition under the Lanham Act § 43(a), 15 U.S.C. § 1125.

68. Defendant knowingly and willfully used in commerce Infringing Marks that are identical or confusingly similar to Plaintiffs' DIESEL Marks, and/or affixed, applied and/or used other words, names, symbols or designs in connection with the promotion of Defendant's business(es), Defendant's Services, and Defendant's Infringing Products with the intent to cause confusion, to cause mistake and to deceive the purchasing public into believing, in error, that Defendant's business(es), Defendant's Services and Defendant's Infringing Products are authorized, sponsored, approved endorsed or licensed by Plaintiffs, and/or that Defendant is affiliated, connected or associated with Plaintiffs, thereby creating a likelihood of confusion by consumers as to the source of Defendant's business(es), Defendant's Services, and Defendant's Infringing Products, and allowing Defendant to capitalize on the goodwill associated with, and the consumer recognition of, Plaintiffs' DIESEL Marks, to Defendant's substantial profit in blatant disregard of Plaintiffs' rights.

69. By using Infringing Marks that are identical, or confusingly similar, to Plaintiffs' DIESEL Marks, Defendant has traded off the extensive goodwill of Plaintiffs and their DIESEL Marks to induce customers to use Defendant's Services and/or purchase Defendant's Infringing Products, and will continue to induce such customers to do the same. Such conduct has permitted, and will continue to permit, Defendant to make substantial sales and profits based on the goodwill and reputation of Plaintiffs, which they have amassed through their nationwide marketing, advertising, sales and consumer recognition.

70. Defendant knew, or by the exercise of reasonable care should have known, that its adoption and commencement of and continuing use in commerce of Infringing Marks that are identical or confusingly similar to Plaintiffs' DIESEL Marks would cause confusion, mistake, or deception among purchasers, users and the public.

71. Upon information and belief, Defendant's aforementioned wrongful actions have been knowing, deliberate, willful, intended to cause confusion, to cause mistake and to deceive the purchasing public and with the intent to trade on the goodwill and reputation of Plaintiffs and their DIESEL Marks.

72. As a direct and proximate result of Defendant's aforementioned actions, Defendant has caused irreparable injury to Plaintiffs by depriving Plaintiffs of the value of their DIESEL Marks as commercial assets, for which they have no adequate remedy at law, and unless immediately restrained, Defendant will continue to cause substantial and irreparable injury to Plaintiffs and the goodwill and reputation associated with the value of Plaintiffs' DIESEL Marks in an amount as yet unknown, but to be determined at trial.

73. Based on Defendant's wrongful conduct, Plaintiffs are entitled to injunctive relief, as well as monetary damages and other remedies as provided by the Lanham Act, including damages that Plaintiffs have sustained and will sustain as a result of Defendant's unlawful and infringing actions as alleged herein, and all gains, profits and advantages obtained by Defendant as a result thereof, enhanced discretionary damages and reasonable attorneys' fees and costs.

FOURTH CAUSE OF ACTION
(Unfair Competition)
[New York Common Law]

74. Plaintiffs repeat and re-allege each and every allegation set forth in the foregoing paragraphs as though fully set forth herein.

75. By using the Infringing Marks on or in connection with Defendant's business(es), Defendant's Services, and Defendant's Infringing Products and/or the advertisement, marketing, promotion, and/or offering for sale of Defendant's business(es), Defendant's Services, and Defendant's Infringing Products, Defendant has traded off the extensive goodwill of Plaintiffs and their DIESEL Marks and DIESEL Products to induce, and did induce and intends and will continue to induce, customers to use Defendant's Services and/or purchase Defendant's Infringing Products, thereby directly competing with Plaintiffs. Such conduct has permitted and will continue to permit Defendant to make substantial sales and profits based on the goodwill and reputation of Plaintiffs, which Plaintiffs have amassed through their nationwide marketing, advertising, sales and consumer recognition.

76. Defendant's use of the Infringing Marks was and is in violation and derogation of Plaintiffs' rights and is likely to cause confusion and mistake, and to deceive consumers and the public as to the source, origin, sponsorship or quality of Defendant's business(es), Defendant's Services, and Defendant's Infringing Products.

77. Defendant knew, or by the exercise of reasonable care should have known, that its use of the Infringing Marks on or in connection with Defendant's business(es), Defendant's Services, and Defendant's Infringing Products would cause confusion and mistake, or deceive purchasers, users and the public.

78. Upon information and belief, Defendant's aforementioned wrongful actions have been knowing, deliberate, willful, intended to cause confusion and mistake, and to deceive, in blatant disregard of Plaintiffs' rights, and for the wrongful purpose of injuring Plaintiffs and their competitive position while benefiting Defendant.

79. As a direct and proximate result of Defendant's aforementioned wrongful actions,

Plaintiffs have been and will continue to be deprived of substantial sales of their DIESEL Products in an amount as yet unknown but to be determined at trial, for which Plaintiffs have no adequate remedy at law, and Plaintiffs have been and will continue to be deprived of the value of their DIESEL Marks as commercial assets in an amount as yet unknown but to be determined at trial, for which Plaintiffs have no adequate remedy at law.

80. As a result of Defendant's actions alleged herein, Plaintiffs are entitled to injunctive relief, an order granting Plaintiffs' damages and Defendant's profits stemming from its infringing activities and exemplary or punitive damages for Defendant's intentional misconduct.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request the following relief:

- A. An award of Defendant's profits and Plaintiffs' damages in an amount to be proven at trial for Defendant's willful trademark infringement of Plaintiffs' federally registered DIESEL Marks, and such other compensatory damages as the Court determines to be fair and appropriate pursuant to 15 U.S.C. § 1117(a);
- B. An award of Defendant's profits and Plaintiffs' damages in an amount to be proven at trial for Defendant's willful trademark dilution under 15 U.S.C. §1125(c), and such other compensatory damages as the Court determines to be fair and appropriate pursuant to 15 U.S.C. § 1117(a);
- C. An award of Defendant's profits and Plaintiffs' damages in an amount to be proven at trial for false designation of origin and unfair competition under 15 U.S.C. §1125(a), and such other compensatory damages as the Court determines to be fair and appropriate pursuant to 15 U.S.C. § 1117(a);
- D. An award of damages to be proven at trial for common law unfair competition;

- E. An order that registration of the Third DP Application be denied by the USPTO;
- F. A preliminary and permanent injunction by this Court enjoining and prohibiting Defendant, or its agents, and any employees, agents, servants, officers, representatives, directors, attorneys, successors, affiliates, assigns, and entities owned or controlled by Defendant, and all those in active concert or participation with Defendant, and each of them who receives notice directly or otherwise of such injunction from:
 - i. manufacturing, importing, exporting, advertising, marketing, promoting, distributing, displaying, offering sale, selling and/or otherwise dealing in Infringing Products;
 - ii. directly or indirectly infringing in any manner any of Plaintiffs' trademarks or other rights (whether now in existence or hereafter created) including, without limitation, Plaintiffs' DIESEL Marks;
 - iii. using any reproduction, counterfeit, copy or colorable imitation of Plaintiffs' trademarks or other rights (whether now in existence or hereafter created) including, without limitation, Plaintiffs' DIESEL Marks to identify any goods or services not authorized by Plaintiffs;
 - iv. using any of Plaintiffs' trademarks or other rights (whether now in existence or hereafter created) including, without limitation, Plaintiffs' DIESEL Marks, or any marks confusingly similar thereto, including DIESEL POWER GEAR and DIESELSELLERZ, on or in connection with Defendant's business(es), Defendant's Services or Defendant's manufacture, importation, exportation, advertisement, promotion,

- distribution, display, offering for sale and/or sale of Infringing Products;
- v. using any false designation of origin or false description or engaging in any action that is likely to cause confusion, cause mistake, and/or to deceive members of the trade and/or the public as to the affiliation, connection or association of any product manufactured, imported, exported, advertised, marketed, promoted, distributed, displayed, offered for sale, or sold by Defendant with Plaintiffs, and/or as to the origin, sponsorship, or approval of any product manufactured, imported, exported, advertised, marketed, promoted, distributed, displayed, offered for sale, or sold by Defendant and Defendant's commercial activities by Plaintiffs;
 - vi. engaging in the unlawful, unfair, or fraudulent business acts or practices, including, without limitation, the actions described herein;
 - vii. engaging in any other actions that constitute unfair competition with Plaintiffs;
 - viii. engaging in any other act in derogation of Plaintiffs' rights;
 - ix. secreting, destroying, altering, removing, or otherwise dealing with the Infringing Products or any books or records that contain any information relating to manufacturing, importing, exporting, advertising, marketing, promoting, distributing, displaying, offering for sale, selling and/or otherwise dealing in the Infringing Products;
 - x. effecting assignments or transfers, forming new entities or associations, or utilizing any other device for the purpose of circumventing or

otherwise avoiding the prohibitions set forth in any Final Judgment or Order in this action; and

- xi. instructing, assisting, aiding or abetting any other person or entity in engaging in or performing any of the activities referred to in subparagraphs (i) through (x) above; and

- G. An order of the Court requiring that Defendant deliver up for destruction to Plaintiffs any and all Infringing Products and any and all packaging, labels, tags, advertising, and promotional materials and any other materials in the possession, custody or control of Defendant that infringe any of Plaintiffs' trademarks or other rights including, without limitation, Plaintiffs' DIESEL Marks, or bear any marks or artwork that are confusingly similar to Plaintiffs' DIESEL Marks pursuant to 15 U.S.C. § 1118;
- H. An order from the Court requiring that Defendant provide complete accountings for any and all monies, profits, gains and advantages derived by Defendant from its manufacturing, importing, exporting, advertising, marketing, promoting, distributing, displaying, offering for sale, sale and/or otherwise dealing in the Infringing Products as described herein, including prejudgment interest;
- I. An order from the Court that an asset freeze or constructive trust be imposed over any and all monies, profits, gains and advantages in Defendant's possession that rightfully belong to Plaintiffs;
- J. An award of exemplary or punitive damages in an amount to be determined by the Court;
- K. Plaintiffs' reasonable attorneys' fees;

- L. All costs of suit; and
- M. Such other and further relief as the Court may deem just and equitable.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury of all issues so triable.

Dated: October 8, 2019

EPSTEIN DRANGEL LLP

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