

AO 120 (Rev. 3/04)

TO: Mail Stop 8 Director of the U.S. Patent and Trademark Office P.O. Box 1450 Alexandria, VA 22313-1450	REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK
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In Compliance with 35 U.S.C. § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been filed in the U.S. District Court **Eastern District Washington** on the following Patents or Trademarks:

DOCKET NO. CV-08-5072-FVS	DATE FILED 10/10/2008	U.S. DISTRICT COURT Eastern District of Washington at Spokane
PLAINTIFF CarMax Business Services, LLC, a Delaware limited liability company		DEFENDANT Car Max Auto Sales, a Washington company; Marie Mendoza
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 SEE ATTACHED	COPY OF COMPLAINT	FOR TRADEMARK INFRINGEMENT
2 2,082,615	1,974,856	
3 1,959,875	2,001,858	
4 1,963,876	2,032,449	
5 1,998,608	1,948,397	

In the above—entitled case, the following patent(s)/ trademark(s) have been included:

DATE INCLUDED	INCLUDED BY <input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading	
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 1,929,336		
2 1,934,822		
3 2,000,241		
4 1,941,353		
5 1,954,468		

In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT

CLERK	(BY) DEPUTY CLERK	DATE
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Copy 1—Upon initiation of action, mail this copy to Director Copy 3—Upon termination of action, mail this copy to Director
 Copy 2—Upon filing document adding patent(s), mail this copy to Director Copy 4—Case file copy

FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

OCT 10 2008

JAMES R. LARSEN, CLERK
DEPUTY
SPOKANE, WASHINGTON

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8 UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF WASHINGTON

10 CARMAX BUSINESS SERVICES,)
11 LLC, a Delaware limited liability)
12 company,)

13 Plaintiff,)

14 vs.)

15 CAR MAX AUTO SALES, a)
16 Washington company; MARIE)
17 MENDOZA,)

18 Defendants.)
19)

No. CV-08-5072-FVS

COMPLAINT

Demand for Jury Trial

20 Plaintiff CarMax Business Services, LLC ("Plaintiff" or "CBS, LLC") by
21 counsel, for cause of action and complaint against Defendants Carmax Auto
22 Sales and Marie Mendoza (each individually a "Defendant" and collectively
23 "Defendants") respectfully allege as follows:
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SUBJECT MATTER JURISDICTION

1. This is an action for trademark infringement, trademark dilution, and unfair competition arising under the Lanham Act, 15 U.S.C. §§ 1051 et seq., the laws of the state of Washington, and the common law.

2. This Court has jurisdiction over the subject matter of this action pursuant to 15 U.S.C. § 1121, and 28 U.S.C. §§ 1331, 1338(a), 1367.

3. This Court also has jurisdiction of the action under § 1332, as there is diversity of citizenship between the parties, and the amount in controversy exceeds the sum of Seventy-Five Thousand Dollars (\$75,000).

PERSONAL JURISDICTION

4. Personal jurisdiction over Defendants is proper because Defendants regularly conduct business in this judicial district, and because Defendants have committed, directed, authorized, endorsed and/or approved of acts of infringement in the Eastern District of Washington, Richland Division.

VENUE

5. Venue is proper in this district pursuant to 28 U.S.C. § 1391 because Defendants' principal place of business is within this judicial district, Defendants conduct substantial business activities within this district, and the acts complained of were committed by Defendants in this district.

1 **PARTIES**

2 6. Plaintiff CarMax Business Services, LLC is a Delaware limited
3 liability company, with its principal place of business at 12800 Tuckahoe Creek
4 Parkway, Richmond, Virginia 23238.

5
6 7. On information and belief, Defendant Car Max Auto Sales is a
7 Washington company with its principal place of business located at 518 ½ W.
8 Columbia Drive, Kennewick, Washington 99336-3650 ("Columbia Drive
9 Property").
10

11
12 8. On information and belief, Defendant Marie Mendoza is the owner
13 of Defendant Car Max Auto Sales.

14 **FACTS APPLICABLE TO ALL COUNTS**

15
16 9. CarMax, Inc., including its affiliates and subsidiaries, including
17 CBS, LLC (collectively "CarMax"), is the nation's leading specialty retailer of
18 used cars, operating ninety-nine superstores throughout the United States.
19

20 10. CarMax operates numerous repair shops throughout the United
21 States, which are co-located with its superstores.

22
23 11. Through these superstores, CarMax offers the sale and lease of new
24 and used vehicles, repair and maintenance services pertaining to vehicles,
25 warranty services pertaining to vehicles, and other vehicle-related goods and
26 services.
27

1 12. The products marketed by CarMax are distributed throughout the
2 United States through the stream of interstate commerce.

3
4 13. CBS LLC owns the intellectual property for CarMax, including the
5 rights to various CARMAX marks that have been in continuous use since 1993
6 in connection with the goods and services provided by CarMax.

7
8 14. CBS LLC is the title owner of U.S. Service Mark Registration No.
9 1,941,353, which is incontestable, for the mark CARMAX for use in connection
10 with "retail outlets featuring automobiles and trucks." See Exhibit A.

11
12 15. CBS LLC is the title owner of U.S. Service Mark Registration No.
13 2,082,615, for the mark THE AUTO SUPERSTORE for use in connection with
14 "leasing services featuring automobiles and trucks," and Registration Nos.
15 1,959,875, 1,963,876, 1,998,608, 1,929,336, 1,934,822, and 2,000,241 for
16 various other CARMAX THE AUTO SUPERSTORE marks (collectively with
17 all other marks using the "CarMax" name, the CARMAX marks). See
18 Exhibit B.

19
20
21 16. CBS LLC is the title owner of more than twenty-five federally
22 registered marks in the CarMax family of marks, each of which contains the
23 word CARMAX and is used for services related to the sale and lease of new and
24 used vehicles, repair and maintenance services pertaining to vehicles, warranty
25

1 services pertaining to vehicles, and other related goods and services. See
2 Exhibit C.
3

4 17. CarMax Auto Superstores, Inc. is one of the licensees of the
5 CarMax marks.

6 18. The various CARMAX marks have been used in television and
7 radio commercials, in print advertisements, on the Internet, and in numerous
8 signs, banners, and promotional materials at CarMax locations.
9

10 19. CarMax has invested great time, effort, and resources in the
11 development of a distinctive and well known series of trademarks and service
12 marks—all associated with a reputation for quality used cars at a “no haggle”
13 price—such that its unique goods and services have become widely recognized
14 as emanating from CarMax and as maintaining only the highest quality
15 standards.
16

17 20. CarMax uses and displays these marks at its locations throughout
18 the United States, and on the Internet which is available to residents in
19 Washington.
20

21 21. On information and belief, Defendants operate an automobile
22 dealership on the Columbia Drive Property. In their operation of Car Max Auto
23 Sales, Defendants are selling automobile goods and services that are identical to
24 those of CarMax.
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1 22. On information and belief, Defendants have or had a corporate
2 registration for "Car Max Auto Sales" and/or "Car Max Auto Superstore" and
3 Defendant Marie Mendoza is listed as the Principal. See Exhibit D.
4

5 23. On information and belief, Defendants also previously owned and
6 operated the website domain names located at carmaxusedcars.com and
7 www.carmaxusedautos.com (the "Domain Names").
8

9 24. On information and belief, Defendants are currently selling
10 automobile goods and services under the name CAR MAX in the state of
11 Washington. See Exhibit E.
12

13 25. On information and belief, Defendants have offered automobile
14 related goods and/or services or purchased goods and/or services under the name
15 CAR MAX at an automobile auction in Portland, Oregon.
16

17 26. Defendants' use of the CAR MAX mark is identical to and
18 confusingly similar to CarMax's uses of the CARMAX family of marks.
19

20 27. Defendant does not have license or permission from CarMax to use
21 the CARMAX marks.
22

23 28. There is a substantial likelihood that consumers will be confused as
24 to the source of the goods and services that Defendant markets under the CAR
25 MAX mark.
26
27
28

1 29. Further, there is a substantial likelihood that consumers will
2 purchase Defendant's goods or services believing that they are CarMax's goods
3 or services.
4

5 30. On learning that Defendants were using a mark confusingly similar
6 and virtually identical to the CARMAX marks, Plaintiff contacted Defendants
7 and asked that they immediately cease using the CAR MAX Mark and the
8 Domain Names.
9

10 31. In December, 2007, Defendants informed Plaintiff that use of the
11 domain name "carmaxusedcars.com" was terminated, and that they had initiated
12 a change of the name "Car Max Auto Sales" and/or "Car Max Auto Superstore"
13 with the Washington State Department.
14
15

16 32. In January, 2008, Defendants' business name had not yet been
17 changed and the domain name "carmaxusedautos.com" was still registered in
18 Defendants' name. Plaintiff asked Defendants for immediate confirmation that
19 they had ceased using the name "Car Max Auto" and a transfer of the domain
20 name "carmaxusedautos.com" to CarMax.
21
22

23 33. In February, 2008, Defendants informed Plaintiff that they had filed
24 for the name change with the Washington State Department, but said nothing
25 about the domain name transfer of "carmaxusedautos.com."
26
27
28

1 34. In March, 2008, counsel for Plaintiff sent Defendants a letter, again
2 demanding that Defendants cease and desist using the domain name
3 carmaxusedautos.com and to immediately transfer it to CarMax. See Exhibit F,
4 Letter from William R. Poynter, Esq., Counsel to CarMax, to Marie Mendoza,
5 CEO, Car Max Auto Sales (March 17, 2008).
6

7
8 35. Defendants responded in March, 2008, that the use of the domain
9 name carmaxusedautos.com had terminated. See Exhibit G, Letter from Marie
10 Mendoza, CEO, Car Max Auto Sales to William R. Poynter, Esq., Counsel to
11 CarMax (March 19, 2008).
12

13 36. Despite its assurances, Defendants never changed their name or
14 sent documentation of their name change as requested by Plaintiff, and Plaintiff
15 sent another letter to Defendants asking for such documentation. See Exhibit H,
16 Letter from William R. Poynter, Esq., Counsel to CarMax, to Marie Mendoza,
17 CEO, Car Max Auto Sales (June 2, 2008).
18
19

20 37. On information and belief, Defendants deliberately and knowingly
21 continue to use the CAR MAX mark in violation of their assurances to Plaintiff.
22

23 38. On information and belief, Defendants represented themselves as
24 Car Max Auto Sales at a recent car auction at Portland Auto Auction, 3000 N.
25 Hayden Island Dr., Portland, OR 97217.
26
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28

1 39. As a result of Defendants' failures not only to cease use of
2 Plaintiff's federally registered marks, but also to breach its agreement to comply
3 with Plaintiff's requests, Plaintiff was forced to file the instant suit.
4

5 **COUNT ONE**
6 **(TRADEMARK INFRINGEMENT)**

7 40. Plaintiff repeats and realleges, as if fully set forth herein, each and
8 every allegation contained in the foregoing paragraphs.
9

10 41. This claim arises under 15 U.S.C. § 1114 and Washington common
11 law for willful and deliberate infringement of the federally registered CARMAX
12 marks.
13

14 42. The CARMAX marks are valid, protectable, and enforceable
15 marks. Plaintiff has used these federally registered marks continuously and in
16 good faith, in connection with the sale and lease of new and used vehicles, with
17 repair and maintenance services pertaining to vehicles, with warranty services
18 pertaining to vehicles, and with other related goods and services, since prior to
19 Defendants' use of the CAR MAX mark in connection with similar and related
20 goods and services.
21

22 43. Registration Nos. 1,941,353; 1,954,468; 1,974,856; 2,001,858;
23 2,032,449; and 1,948,397, for the CARMAX mark, are incontestable pursuant to
24 15 U.S.C. §§ 1065, 1115(b).
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1 44. By reason of Plaintiff's continuous use and promotion of the
2 CarMax marks, as well as the distinctiveness of those marks, consumers
3 associate the CarMax marks with CarMax as the single source or sponsor of its
4 goods and services. Plaintiff thus owns common law rights in the CarMax
5 marks, which rights are superior to any rights Defendants may claim in use of
6 the CAR MAX mark.
7
8

9 45. Defendants are using the CAR MAX mark in connection with
10 goods and services that are virtually identical to those offered by Plaintiff in
11 connection with its federally registered marks.
12

13 46. Defendants' use of the CAR MAX mark creates a likelihood of
14 confusion, mistake, or deception among consumers, between Defendants' goods
15 and services and those offered by Plaintiff in connection with its federally
16 registered marks.
17

18 47. Defendants knew or should have known, by the exercise of
19 reasonable care, that use of the CAR MAX mark in connection with automobile-
20 related services would cause confusion, mistake, or deception among the public
21 consumers of those services.
22

23 48. Defendants knew of Plaintiff's prior use of its federally registered
24 marks, and intended to induce and did induce, and intends to induce and will
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1 induce consumers to purchase Defendants' goods and services by trading off the
2 extensive goodwill built up by Plaintiff in its federally registered marks.

3
4 49. To date, Defendants have not ceased use of the CAR MAX mark
5 and name, in violation of Plaintiff's legitimate and conclusive rights to the
6 exclusive use of the CARMAX marks.

7
8 50. Defendants' wrongful acts alleged herein violate Plaintiff's rights
9 under section 32(a) of the Lanham Act, 15 U.S.C. § 1114(1)(a), and under the
10 laws of the state of Washington and the common law.

11
12 51. Defendants' wrongful acts alleged herein have permitted and/or
13 will permit Defendant to earn substantial revenues and profits on the strength of
14 CarMax's extensive advertising, consumer recognition, and goodwill.

15
16 52. By reason of Defendants' wrongful acts alleged herein, Plaintiff has
17 suffered and is continuing to suffer damage to its business, trade, reputation, and
18 goodwill as a result of the erroneous perception that the goods and services of
19 Defendants are affiliated with, sponsored by, approved by, or originate from
20 Plaintiff.

21
22 53. As a result of Defendants' wrongful acts alleged herein, Plaintiff
23 has suffered and is continuing to suffer irreparable injury. Plaintiff cannot be
24 adequately compensated for these injuries by damages alone, and Plaintiff has
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1 no adequate remedy at law for Defendants' infringement of its rights. Plaintiff
2 is entitled to injunctive relief, as well as attorneys' fees.

3
4 54. Defendants' wrongful acts alleged herein have been malicious,
5 fraudulent, deliberate, willful, intentional and in disregard of Plaintiff's rights,
6 making this an "exceptional" case within the meaning of Section 35 of the
7 Lanham Act and entitling Plaintiff to trebled damages pursuant to 15 U.S.C. §
8 1117.
9

10
11 **COUNT TWO**
(UNFAIR COMPETITION UNDER FEDERAL LAW)

12 55. Plaintiff repeats and realleges, as if fully set forth herein, each and
13 every allegation contained in the foregoing paragraphs.
14

15 56. This claim arises under the Lanham Act, 15 U.S.C. § 1125(a), for
16 willful and deliberate unfair competition, including false designation of origin
17 and palming off.
18

19 57. The CARMAX marks are valid and enforceable, and have attained
20 secondary meaning such that consumers identify them as originating from
21 Plaintiff.
22

23 58. Having constructive and actual knowledge of the prior use of the
24 CARMAX marks, Defendants continue to use the CAR MAX mark in interstate
25 commerce in connection with goods and services that are identical, similar
26 and/or related to those goods and services offered by CarMax, which tends to
27

1 falsely describe and represent a false designation of origin with CarMax, and
2 which tends to palm off Defendants' goods and services as affiliated with,
3 sponsored by, approved by, or originating from CarMax.
4

5 59. Defendants' use of the CAR MAX mark creates a likelihood of
6 confusion in the minds of consumers with Plaintiff's CARMAX marks.
7

8 60. Defendants' wrongful acts alleged herein constitute unfair
9 competition, and Plaintiff has been and will continue to be damaged by such
10 unfair competition, suffering damage to its business, trade, reputation, and
11 goodwill.
12

13 61. Defendants' use of the CAR MAX mark demonstrates Defendants'
14 intent both to palm off its goods and services as affiliated with, sponsored by,
15 approved by, or originating from CarMax, and to trade off the goodwill that
16 CarMax has established in the use of its marks in connection with its goods and
17 services.
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19

20 62. The goodwill of Plaintiff's business is of enormous value, and
21 Plaintiff will suffer irreparable harm should Defendants' unfair competition be
22 allowed to continue to the detriment of Plaintiff's business, trade, reputation,
23 and goodwill.
24

25 63. Defendants' unfair competition, false designation of origin, and
26 palming off, on information and belief, have been willful, deliberate, and
27

1 intentional, and will no doubt continue unless enjoined by this Court, as
2 evidenced by Defendants' previous infringements of the CarMax marks and
3 trade dress.
4

5 64. As a result of Defendants' wrongful acts alleged herein, Plaintiff
6 has suffered and is continuing to suffer irreparable injury. Plaintiff cannot be
7 adequately compensated for these injuries by damages alone, and Plaintiff has
8 no adequate remedy at law for Defendants' infringement of its rights. Plaintiff
9 is entitled to injunctive relief, as well as attorneys' fees.
10

11
12 **COUNT THREE**
13 **(DILUTION UNDER FEDERAL LAW)**

14 65. Plaintiff repeats and realleges, as if fully set forth herein, each and
15 every allegation contained in the foregoing paragraphs.

16 66. This cause of action arises under Section 43(c) of the Lanham Act,
17 15 U.S.C. § 1125(c).
18

19 67. The CARMAX marks are distinctive and famous within the
20 meaning of 15 U.S.C. § 1125(c).
21

22 68. Defendants' commercial use of the CAR MAX mark and trade
23 name began after the CARMAX marks and name had become famous.

24 69. Defendants' wrongful acts alleged herein dilute the distinctive
25 quality of CarMax's goods and services, and lessen the capacity of the
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1 CARMAX marks to identify and distinguish CarMax's goods and services from
2 those of Defendants and others, in violation of 15 U.S.C. §§ 1125(c), 1127.
3

4 70. Defendants' wrongful acts also create a likelihood of dilution of the
5 CARMAX marks.

6 71. Plaintiff has been and will continue to be damaged by Defendants'
7 wrongful acts, suffering damage to its business, trade, reputation, and goodwill.
8

9 72. The goodwill of Plaintiff's business is of enormous value, and
10 Plaintiff will suffer irreparable harm should Defendants' wrongful acts be
11 permitted to continue to the detriment of Plaintiff's business, trade, reputation,
12 and goodwill.
13

14 **COUNT FOUR**
15 **(UNFAIR COMPETITION UNDER WASHINGTON LAW)**

16 73. Plaintiff repeats and realleges, as if fully set forth herein, each and
17 every allegation contained in the foregoing paragraphs.
18

19 74. Defendants' unauthorized use of the CARMAX marks constitutes a
20 false representation to the public with regard to the association with, sponsorship
21 by, or approval from CarMax.
22

23 75. Defendants' wrongful acts alleged herein constitute unfair
24 competition and unfair or deceptive trade practices in violation of the
25 Washington Consumer Protection Act Rev. Code Wash. 19.86.020, *et seq.* (the
26 "Consumer Protection Act") and Washington common law.
27

1 76. As a result of Defendants' wrongful acts alleged herein, Plaintiff
2 has suffered and is continuing to suffer irreparable injury. Plaintiff cannot be
3 adequately compensated for these injuries by damages alone, and Plaintiff has
4 no adequate remedy at law for Defendants' infringement of its rights.
5

6 77. Plaintiff is entitled to injunctive relief, as well as attorneys' fees
7 and trebled damages, pursuant to Rev. Code Wash. 19.86.090.
8

9 **PRAYER FOR RELIEF**

10 WHEREFORE, Plaintiff prays:
11

12 (a) that this Court issue permanent injunctive relief against
13 Defendants as follows:

14 (i) from further commercial use of the CARMAX marks,
15 either alone or in combination with other words,
16 names, or symbols; on or in connection with the sale,
17 offer for sale, advertising, and rendering of
18 transportation services or any other related services,
19 including, but not limited to the use of CAR MAX;
20

21 (ii) from performing or committing any other acts falsely
22 representing Defendants' goods or services, or which
23 are likely to cause confusion or mistake in the mind of
24 the purchasing public, or lead to purchasers or the
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1 trade to believe that Defendants' services or products
2 come from or are the services or products of CarMax,
3 or are somehow sponsored by, associated with,
4 affiliated with, or connected with CarMax, or that
5 there is some relation, association, affiliation, or
6 connection between CarMax and the Defendants, or to
7 cause dilution of any form of the CARMAX marks;

8
9
10 (iii) from passing off, or inducing or enabling others to sell
11 or pass off, Defendants' services or products as those
12 of CarMax;

13
14 (iv) from otherwise unfairly competing with CarMax, and
15 from any other acts which discourage, dilute, or
16 destroy the public's recognition of the CARMAX
17 marks and trade dress for CarMax's goods and
18 services; and
19

20
21 (v) to remove all signage, markings, or advertising bearing
22 the CAR MAX mark, or any name or mark that is
23 substantially or confusingly similar to that owned or
24 registered by Plaintiff, from the Columbia Drive
25 Property.
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1 (b) that upon final judgment, if in favor of Plaintiff, this Court
2 order Defendants to immediately disconnect, assign, or
3 transfer all phone numbers with a CARMAX or CAR MAX
4 directory listing to CarMax;
5

6 (c) that upon final judgment, if in favor of Plaintiff, this Court
7 order Defendants to immediately discontinue operation of
8 and assign or transfer to Plaintiff all websites and domain
9 names using the CARMAX mark, including but not limited
10 to www.carmaxusedautos.com;
11

12 (d) that upon final judgment, if in favor of Plaintiff, this Court
13 issue a Writ to the United States Marshal that directs the
14 Marshal to seize and impound all of Defendants' advertising
15 materials used to infringe the CARMAX marks, and that all
16 of these items be destroyed;
17

18 (e) that this Court award actual, statutory, multiple, and/or
19 punitive damages, plus interest, and an accounting of and
20 disgorgement of Defendants' profits, in an amount to be
21 determined at trial;
22

23 (f) that Defendants' acts be deemed willful and intentional and
24 that this Court award trebled damages pursuant to 15 U.S.C.
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1 § 1117 Rev. Code Wash. 19.86.090 and Washington state
2 law;

3
4 (g) that Defendants be required to account to Plaintiff for their
5 profits and the damages suffered by CarMax as a result of the
6 Defendants' wrongful acts alleged herein;

7
8 (h) that this Court award Plaintiff their costs incurred herein;

9 (i) that this Court award prejudgment and postjudgment interest
10 as allowed by law;

11
12 (j) that this Court award Plaintiff their reasonable attorneys'
13 fees; and

14
15 (k) for such other and further relief as this Court deems just.

16 DATED this 10th day of October, 2008.

17 **PAINE HAMBLÉN LLP**

18
19
20 By: 

21 Andrew J. Mitchell, WSBA #30399
22 Attorneys for Plaintiff

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28 COMPLAINT - 19

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