AO 120 (Rev. 08/10)

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

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 Middle District of Tennessee on the following

☑ Trademarks or ☐ Patents. (☐ the patent action involves 35 U.S.C. § 292.):

DOCKET NO.	DATE FILED	U.S. DISTRICT COURT
3:11-cv-0333	4/5/2011	Middle District of Tennessee

PLAINTIFF	DEFENDANT
Headwaters MB, LLC	Headwaters Capital, LLC

	PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1	2,612,891		See Attached Complaint
2	3,991,211		
3			
4			
5			

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

DATE INCLUDED	INCLUDED BY ☐ Amendment ☐ Answer ☐ Cross Bill ☐ Other Pleading	
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1		
2		
3		
4		
5		

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

DECISION/JUDGEMENT

CLERK	(BY) DEPUTY CLERK	DATE
Keith Throckmorton	Ann Frantz	4/6/2011

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**

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
AT NASHVILLE

HEADWATERS MB, LLC,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Docket No. _____
	)	JURY DEMAND
HEADWATERS CAPITAL, LLC,	)	
	)	
Defendant.	)	
	)	
	)	

VERIFIED COMPLAINT

THE PLAINTIFF, Headwaters MB, LLC ("Headwaters" or "Plaintiff"), states its cause of action against Defendant as follows:

NATURE OF THE ACTION

This is an action at law and equity to remedy acts of: (1) trademark infringement under 15 U.S.C. §1114; (2) unfair competition under 15 U.S.C. §1125(a); (3) cyberpiracy under the Anticybersquatting Consumer Protection Act of 1999, 15 U.S.C. § 1125(d) (the "ACPA"); (4) infringement and unfair competition under the common law of the State of Tennessee and the Tennessee Trademark Statute, Tenn. Code Ann. §47-25-512 and §47-25-513; and (5) deceptive trade practices and unjust enrichment in violation of the common law of the State of Tennessee and the Tennessee Consumer Protection Act, Tenn. Code Ann. §47-18-104, *et. seq.*

THE PARTIES

1. Plaintiff, Headwaters MB, LLC, is a Delaware limited liability company with its principal place of business at 1200 17th St., Suite 900, Denver, Colorado. Headwaters is a national leader in the field of investment and merchant banking, private equity investing, and

related financial and consulting services. Formed in 2001, Headwaters has transacted business throughout the United States, including in the State of Tennessee.

2. The Defendant, Headwaters Capital, LLC (hereinafter "Headwaters Capital" or "Defendant"), is a Connecticut limited liability company located at 1 Rockefeller Plaza, 32nd Floor, New York, New York. Its resident agent is CT Corporation System, located at One Corporate Center, 11th Floor, Hartford, CT 06103-3220. Like Plaintiff, Defendant is a provider of investment banking and related financial services nationwide.

JURISDICTION AND VENUE

3. This Court has jurisdiction over the subject matter of this action because this action arises under the Federal Trademark Act, 15 U.S.C. §§1051-1127, and jurisdiction is conferred in accordance with 15 U.S.C. §1121. Supplemental jurisdiction is proper over the causes of action arising under Tennessee law because they are substantially related to those causes of action over which the Court has original jurisdiction, pursuant to 28 U.S.C. §1367. Additionally, this Court has jurisdiction pursuant to 28 U.S.C. § 1331 because of the diverse citizenship of the parties, and because the amount in controversy in this matter exceeds the sum of seventy-five thousand dollars ($75,000.00), exclusive of interest and costs.

4. Personal jurisdiction and venue are proper in this Court because Defendant has purposefully availed itself of the State of Tennessee and of this district by choosing to transact business herein. Defendant's business website is highly interactive, detailing the company's inception and services, inviting users to email the company for information, and posting informative and educational articles about matters of interest within the financial services industry. Further, upon information and belief, Defendant has clients located in the State of Tennessee and this district, and thereby has committed and will continue to commit acts of infringement in the State of Tennessee and this district unless promptly enjoined by this Court.

THE FACTS

5. Plaintiff, Headwaters, is a highly acclaimed, full-service provider of vital financial services and expertise to leading companies in many different industries throughout the United States, including energy and natural resources; healthcare; technology and telecommunications; media, entertainment, and leisure; and finance. Plaintiff has invested millions of dollars and many years in the development and promotion of its brand and reputation for excellence in its field, resulting in widespread recognition and goodwill associated with its trademarks, services, and its corporate image. Plaintiff regularly and continually has conducted business in the State of Tennessee throughout its existence, and has shareholders and clients with interests located throughout Tennessee.

6. Plaintiff adopted the trademark and service mark HEADWATERS in 2001, and has continuously used the Mark in commerce in connection with its investment and merchant banking, private equity investing, and related consulting and financial services since such time. In addition to its common-law rights, Plaintiff is the owner of all right, title, and interest in and to the following U.S Patent and Trademark Office ("USPTO") federal trademark registrations and applications (collectively, the "Mark"):

i. U.S. Trademark Registration No. 2,612,891 for HEADWATERS MB, first used in commerce on July 17, 2001 and registered by the USPTO on August 27, 2002, in connection with financial services, namely investment and merchant banking, in International Class ("I.C.") 036;

ii. U.S. Trademark Application Serial No. 85/121,643 for the word mark, HEADWATERS, approved by the USPTO for registration in connection

with financial services, namely investment banking, private equity investing, and merchant banking, in I.C. 036; and

iii. U.S. Trademark Application Serial No. 85/121,628 for the word mark, HEADWATERS CAPITAL PARTNERS, approved by the USPTO for registration in connection with financial services, namely investment banking, private equity investing, and merchant banking, in I.C. 036.

7. Registration No. 2,612,891 for the mark, HEADWATERS MB, is conclusive evidence of the validity of the registered Mark, Plaintiff's ownership thereof, and Plaintiff's exclusive right to use the Mark in commerce on or in connection with the goods and services identified in the registration, as well as on closely related goods and services upon which Plaintiff has used the Mark and within its reasonable zone of expansion. Moreover, Plaintiff's applications for the marks, HEADWATERS and HEADWATERS CAPITAL PARTNERS, especially when juxtaposed with its established registration of HEADWATERS MB, demonstrate unequivocally its commitment to developing and promoting the recognition and goodwill associated with its HEADWATERS family of marks in the financial services industry.

8. Plaintiff's Mark has been consistently used and branded in print, web-based, and other media advertising in connection with its high-quality financial services for nearly a decade. Plaintiff has invested nearly $2.5 million dollars in advertising and promoting its services under the Mark. Based on Plaintiff's extensive, exclusive, and continuous use of the Mark, consumers have come to recognize the Mark and to associate and identify HEADWATERS exclusively with the Plaintiff for the provision of top-level investment and merchant banking and private-equity investment services.

9. In August of 2010, Plaintiff became aware of Defendant's existence. Plaintiff received several calls and e-mails, one of which was from a client of Plaintiffs', expressing confusion because of Defendants' use of the name HEADWATERS for nearly identical services. The client believed that the two entities were related and other industry-related individuals also expressed concerns about market confusion. Plaintiff promptly sent a cease-and-desist letter to Defendant on September 13, 2010, demanding that it terminate all use of Plaintiff's Mark and any confusingly similar marks immediately. A copy of this cease-and-desist letter is attached as Exhibit A.

10. Defendant responded to Plaintiff's demand in a letter dated October 21, 2010, in which it merely provided a list of third-party uses of the designation, "Headwaters," in connection with a variety of goods and services unrelated to Plaintiff's and Defendant's investment and merchant-banking services. Plaintiff replied to Defendant's correspondence in a letter dated November 9, 2010, requesting that Defendant agree to a three-month phase-out period of its use of Plaintiff's Mark. Plaintiff asked for Defendant's response by November 17, 2010, but no such response was forthcoming. Thus, despite its continued efforts to reach an amicable resolution of this matter with Defendant, Plaintiff has received no further communication from Defendant.

11. Defendant registered the domain name, "headwaters-capital.com" (the "Domain Name"), in 2007. However, Defendant only recently began using the designation "Headwaters" in commerce in connection with its investment banking services, many years after Plaintiff's adoption, registration, and use of the Mark in commerce. Defendant's website indicates that it provides investing and consulting services to clients in several industries, making its business model and the industry in which it operates virtually identical to the Plaintiff's.

12. Plaintiff is and has been the exclusive USPTO registrant of the "Headwaters" designation in I.C. 036. A search of the USPTO database for "Headwaters" in I.C. 036 returns only three live marks: the Plaintiff's own USPTO registration and applications detailed herein.

13. Because Plaintiff registered its Mark with the USPTO nearly a decade ago, Defendant, when it appropriated Plaintiff's Mark and registered the Domain Name, was, at the very least, on constructive notice that Plaintiff's business, services, and reputation were and are associated with "Headwaters" within the financial services industry. Furthermore, given the relatively small size of the industry in which Plaintiff and Defendant offer their services, as well as the sophistication of the consumers and businesses that operate therein, it is difficult to believe that Defendant would have been unaware of Plaintiff's existence at the time it appropriated the Mark and registered the Domain Name – especially given the widespread accolades that Plaintiff has received from media sources and others both inside and outside the financial services industry, such as The Wall Street Journal, Fox News, CNN, and CNBC.

14. Defendant's Domain Name, "headwaters-capital.com," is so similar in terms of appearance, sound, meaning, and connotation as to be deceptively similar to Plaintiff's Mark, and it is highly likely to cause confusion among consumers. Further, it falsely implies a connection, sponsorship, or affiliation between the goods and services that Plaintiff and Defendant separately offer. When Defendant acquired this domain name, it most certainly would have seen that Plaintiff was using this mark for identical services under a very similar domain name, reinforcing Plaintiff's belief that Defendant is using the mark and the domain name in bad faith.

15. Defendant's use of Plaintiff's Mark is virtually identical to Plaintiff's. When the term "Headwaters" is applied to its financial services, Defendant's name is highly likely to be

confused with Plaintiff's Mark. Furthermore, it is highly likely that consumers will mistake Defendant's goods and services for those of Plaintiff, Headwaters. Plaintiff already has documented several instances of actual confusion among its customers, prospective customers, and other outside observers who mistakenly assume a connection between the Plaintiff and Defendant and the respective services they offer.

16. Defendant's "Headwaters" appellation is so similar in terms of appearance, sound, meaning, and connotation as to be deceptively similar to Plaintiff's Mark under the meaning of Section 2(d) of the Trademark Act, and will cause confusion and lead to the deception of consumers as to the origin of Defendant's goods and services.

17. Because of the pervasive goodwill Plaintiff has cultivated under its Mark, consumers are likely to believe that the goods and services offered by Defendant under this confusingly similar mark are sponsored, endorsed, or approved by Plaintiff, or in some way are affiliated, connected, or associated with Plaintiff.

18. Plaintiff markets its products through word-of-mouth, various advertising media, and the internet. Upon information and belief, Defendant also markets its services through these same channels.

19. Because of Plaintiff's federal trademark registration and its longstanding omnipresence in the field of financial services, Defendant undoubtedly had actual notice of Plaintiff and its Mark, or was, at the very least, on constructive notice of the Mark. Consequently, Defendant knowingly and willfully infringed Plaintiff's Mark in an effort to trade on Plaintiff's well-established goodwill in its Mark and services for Defendant's own financial and reputational gain.

CAUSES OF ACTION

20. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1 through 19 of this Complaint as though fully set forth herein.

I. TRADEMARK INFRINGEMENT, FALSE DESIGNATION OF ORIGIN, AND CLAIM FOR INJUNCTIVE RELIEF

21. This cause of action arises under Section 32 of the Lanham Act, 15 U.S.C. §1114.

22. Defendant's use of the Mark as alleged above is likely to cause, and actually has caused, confusion, mistake, and/or deception as to the source, sponsorship, or approval of the Plaintiff, such that consumers are likely to believe that Defendant is in some way connected with, sponsored or licensed by, or otherwise related to Plaintiff.

23. Defendant's use of the Mark was made with actual and/or constructive knowledge of Plaintiff's rights in the Mark.

24. Defendant's use of the Mark was without Plaintiff's consent or permission.

25. The conduct of Defendant was and is knowing, willful, and intentional. As a result of Defendant's violation of Plaintiff's exclusive rights in and to the Mark, Plaintiff is entitled to an injunction pursuant to 15 U.S.C. §1116, prohibiting any further use of Plaintiff's Mark, as well as an award of Defendant's profits, any damages sustained by Plaintiff in an amount to be proven at trial, and the costs of this action, all of which are set forth in 15 U.S.C. §1117.

26. Defendant's use of a confusingly similar service mark constitutes trademark infringement under the Lanham Act, 15 U.S.C. §1114(1).

27. Finally, pursuant to 15 U.S.C. §1118, Plaintiff is entitled to an order that all labels, signs, prints, packages, wrappers, posters, flyers, and advertisements in Defendant's

possession bearing Plaintiff's Mark or any confusingly similar trademark or service mark be delivered to Plaintiff for destruction.

28. Plaintiff is without an adequate remedy at law because Defendant's infringement has caused and will continue to cause great and irreparable injury to Plaintiff. Unless this Court enjoins these acts, they will persist and Plaintiff will continue to suffer great and irreparable injury to its intellectual property rights and the erosion of its longstanding goodwill in the Mark.

29. Defendant's actions constitute a false designation of origin under Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a), entitling Plaintiff to an award of Defendant's profits, any damages sustained by Plaintiff in an amount to be proved at trial, and the costs associated with this action, all pursuant to 15 U.S.C. §1117.

30. Because Defendant's actions constitute a willful violation of Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a), Plaintiff requests that the Court enter judgment for three times the amount of Plaintiff's actual damages, pursuant to 15 U.S.C. §1117. Moreover, because of the willful nature of Defendant's violation of Plaintiff's trademark rights, this case constitutes an exceptional case entitling Plaintiff to an award of reasonable attorneys' fees, pursuant to 15 U.S.C. §1117.

II. CYBERPIRACY UNDER THE ACPA

31. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1 through 30 of this Complaint as though fully set forth herein.

32. Plaintiff's Mark is distinctive and famous as those terms are defined by 15 U.S.C. § 1125.

33. Defendant's domain name, "headwaters-capital.com", is confusingly similar to Headwaters' Mark, pursuant to 15 U.S.C. § 1125(d)(1)(A)(ii)(I) and, upon information and belief, was registered in bad faith.

34. Defendants' registration and use of the "headwaters-capital.com" domain name violates the Lanham Act's Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d).

35. Unless enjoined by this Court, Defendant's acts of cyberpiracy as set forth herein have caused and will continue to cause Plaintiff to sustain irreparable damage, loss, and injury, for which Plaintiff has no adequate remedy at law.

III. STATE TRADEMARK INFRINGMENT, UNFAIR COMPETITION, AND MISAPPROPRIATION

36. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1 through 35 of this Complaint as though fully set forth herein.

37. This claim arises under Tennessee Code Annotated §47-25-512 and the common law of Tennessee, and seeks redress for acts of trademark infringement, unfair competition, and misappropriation.

38. By its actions, Defendant intends to pass off and represent its financial services as those offered by, approved by, sponsored by, or affiliated with Plaintiff.

39. Defendant's unlawful activities constitute trademark infringement, unfair competition, and misappropriation as proscribed by common law and statute.

40. As a result of Defendant's unfair competition, Plaintiff has suffered and will continue to suffer irreparable harm for which Plaintiff has no adequate remedy at law.

41. Plaintiff is entitled to any and all remedies available under Tennessee law for unfair competition, including damages in an amount to be proved at trial, as well as preliminary and permanent injunctive relief.

42. Defendant's acts of trademark infringement, unfair competition, and misappropriation have caused Plaintiff to sustain monetary damage, loss, and injury in an amount to be determined at the time of trial.

43. Defendant has engaged and continues to engage in this activity knowingly and willfully, so as to justify the assessment of increased and punitive damages against it in an amount to be determined at the time of trial.

44. Defendant's acts of trademark infringement, unfair competition, and misappropriation, unless enjoined by this Court, will continue to cause Plaintiff to sustain irreparable damage, loss, and injury, for which Plaintiff has no adequate remedy at law.

IV. DECEPTIVE TRADE PRACTICES AND FRAUDULENT MISREPRESENTATION

45. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1 through 44 of this Complaint as though fully set forth herein.

46. Defendant has and is engaged in acts and practices that constitute violation of the prohibition against deceptive trade practices found in Tennessee Code Ann. §47-18-104 *et. seq.*

47. Defendant has used and is using Plaintiff's Mark in such a manner as to misrepresent the source, sponsorship, approval, and/or certification of its financial services. The use of the Plaintiff's Mark by Defendant creates the unreasonable risk that consumers will conclude that there exists some affiliation, connection, or association between Plaintiff and Defendant.

48. The natural and probable effect of Defendant's use of the Mark in the manner alleged is to enable Defendant to deceive and confuse the public.

49. Defendant's use of Plaintiff's Mark in the manner alleged constitutes deceptive trade practices of the type prohibited by Tennessee Code Ann. §47-18-104 *et. seq.*

50. Defendant had actual and/or constructive knowledge of Plaintiff's rights at the time it decided to use Plaintiff's intellectual property in connection with its provision of financial services, and it continued to do so after receiving Plaintiff's cease-and-desist letter. Thus, Defendant willfully and deliberately infringed upon and violated Plaintiff's rights.

51. Upon information and belief, Defendant's unfair business practices are of a recurring nature and are harmful to the consumers and the public at large, as well as to Plaintiff. These practices constitute unlawful, unfair, fraudulent, and deceptive business practices and unfair, deceptive, untrue, and misleading advertising. Unless enjoined by this Court, Defendant will continue these acts, thereby causing Plaintiff further immediate and irreparable damage.

52. Plaintiff is without an adequate remedy at law because Defendant's acts as set forth herein are causing great and irreparable damage to Plaintiff and will continue to damage Plaintiff unless enjoined by this Court.

V. DECLARATORY JUDGMENT

53. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1 through 52 of this Complaint as though fully set forth herein.

54. There is a substantial controversy between these parties in that Plaintiff, Headwaters, has alleged it has rights in the Mark and that Defendant has engaged in conduct that constitutes infringement of the Mark. Defendant's use of the Mark in connection with the provision of financial services has been alleged as an act that irreparably damages Plaintiff's intellectual property rights. Plaintiff has further alleged that this conduct has caused and will continue to cause damage to it if the conduct is not enjoined.

55. The parties have adverse legal interests of such sufficient immediacy and reality that this Court should declare that Plaintiff has rights in the Mark and that Defendant's use and proposed use of a confusingly similar mark constitutes an infringement of Plaintiff's rights.

REQUEST FOR JURY TRIAL

50. Plaintiff hereby makes a demand for a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure as to all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that:

1. The Court find that Plaintiff has valid and existing rights in the Mark described in this Complaint and that Defendant's conduct as described herein constitutes an infringement of Plaintiff's valuable and incontestable intellectual property rights;

2. The Defendant be held liable under each claim for the relief set forth in this Complaint;

3. The Court preliminarily and permanently enjoin the Defendant, its agents, servants, employees, and attorneys and all other persons in active concert or participation with it from using Plaintiff's Mark (whether used alone or in combination with any words, punctuation, or symbols, and whether used in connection with additional captions, text, or otherwise), and any other reproduction, counterfeit, copy, colorable imitation, or confusingly similar variation of such Mark, as a trademark or service mark, or any advertising, distribution, sale, or offering for sale of Defendant's products and/or services in any medium or manner whatsoever;

4. The Defendant be required to pay to Plaintiff all damages it has suffered by reason of Defendant's unlawful acts set forth herein, together with legal interest from the date of accrual thereof;

5. The Defendant be required to account for and pay to Plaintiff all profits wrongfully derived by Defendant through its unlawful acts set forth herein, together with legal interest from the date of accrual thereof;

6. The Defendant be required to pay punitive damages to Plaintiff, as determined by this Court, for Defendant's deliberate and willful trademark infringement and unfair competition;

7. The Defendant be required to pay to Plaintiff treble damages for the injury Defendant has caused under Tennessee's Consumer Protection Act;

8. The Defendant be required to pay to Plaintiff its reasonable attorneys' fees and disbursements incurred herein, pursuant to 15 U.S.C. §1117, Tennessee statutory law, and the equitable powers of this Court;

9. The Defendant be required to pay to Plaintiff the cost of this action; and

10. This Court award Plaintiff any further relief that it deems just and equitable.

VERIFICATION

I swear and affirm that the foregoing statements are true and correct to the best of my knowledge, information and belief.

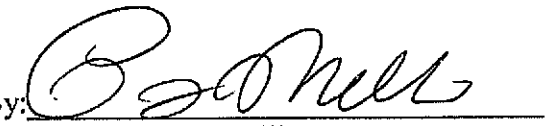
Headwaters MB, LLC

By: _____

Its: BRENDAN T. BURKE

Respectfully submitted,

BASS, BERRY & SIMS PLC

By: 

Paige Waldrop Mills
150 Third Avenue South, Suite 2800
Nashville, TN 37201
Telephone: (615) 742-7770
Facsimile: (615) 742-0429
pmills@bassberry.com

Attorney for Plaintiff