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7 Attorneys for Plaintiff JUUL Labs, Inc.

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9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA

11 JUUL LABS, INC., a Delaware  
12 corporation,

13 Plaintiff,

14 v.

15 REDMILL TOBACCO, INC., a  
16 Delaware corporation,

17 Defendant.  
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Case No. 2:21-cv-8228

**PLAINTIFFS' COMPLAINT FOR:**

- (1) **BREACH OF CONTRACT;**
- (2) **TRADEMARK INFRINGEMENT – COUNTERFEIT GOODS (15 U.S.C §1114);**
- (3) **FALSE DESIGNATION OF ORIGIN – COUNTERFEIT GOODS (15 U.S.C. §1125(a));**
- (4) **UNFAIR COMPETITION – COUNTERFEIT GOODS (15 U.S.C. §1125(a));**
- (5) **UNFAIR BUSINESS PRACTICES (CAL. BUS. & PROF. CODE § 17200, et seq.)**

1 Plaintiff JUUL Labs, Inc. ("JLI"), by and through its undersigned attorneys,  
2 files this Complaint against defendant Redmill Tobacco, Inc., a Delaware  
3 corporation ("Defendant"), as follows:

#### 4 NATURE OF THE ACTION

5 1. JLI is the designer, manufacturer, and distributor of JUUL-branded  
6 electronic nicotine delivery systems ("ENDS") and other related products  
7 (collectively, "the JUUL Products").

8 2. The JUUL Products have become targets for individuals and entities  
9 who wish to take a "free ride" on the commercial success of the JUUL brand that  
10 JLI has spent considerable effort and resources to build.

11 3. Specifically, wrongdoers have counterfeited JUUL Products by  
12 illegally manufacturing, selling, and distributing fake, copied, and non-genuine  
13 versions of JUUL Products and related packaging.

14 4. Through this action, JLI combats the sale and distribution of these  
15 unlawful counterfeit products.

#### 16 PARTIES

17 5. JLI is a corporation organized and existing under the laws of the State  
18 of Delaware.

19 6. Defendant Redmill Tobacco, Inc. is a corporation organized and  
20 existing under the laws of the State of Delaware and having its principal place of  
21 business at 13 Red Mill Road, Newark, Delaware 19711. Defendant owns and  
22 operates the Red Mill Tobacco retail business at that location.

#### 23 JURISDICTION AND VENUE

24 7. This Court has subject matter jurisdiction over this case pursuant to 15  
25 U.S.C. § 1121 and 28 U.S.C. §§ 1331, 1338(a), and 1338(b) because (i) a claim  
26 herein arises out of federal trademark laws as codified in 15 U.S.C. § 1114  
27 (trademark infringement); and (ii) the unfair business practices claim herein is  
28 brought with and is related to the substantial claim based on trademark laws. This

1 Court also has supplemental jurisdiction over JLI's claims arising under common  
2 law or state law pursuant to 28 U.S.C. § 1367(a) because the claims are so related to  
3 JLI's federal law claims that they form part of the same case or controversy and  
4 derive from a common nucleus of operative facts.

5 8. Pursuant to a contractual agreement between the parties, this Court has  
6 personal jurisdiction over Defendant and this Court is the proper venue for this  
7 matter. In 2019, after JLI's investigation into Defendant's sales activities, JLI and  
8 Defendant entered into a Settlement Agreement (the "Settlement Agreement")  
9 which resolved, prior to litigation, JLI's allegations of Defendant's counterfeit sales  
10 activities relating to JUUL Products that occurred prior to the October 31, 2019  
11 effective date of the Settlement Agreement. Paragraphs 9 and 10 of the Settlement  
12 Agreement provide, in their entirety, as follows:

13 9. Governing Law. This Agreement shall be deemed  
14 to be made under, construed in accordance with, and  
governed by the laws of the State of California.

15 10. Disputes Regarding This Agreement. The Parties  
16 agree that any dispute between the Parties regarding this  
17 Agreement shall be subject to the exclusive jurisdiction of  
18 a court of competent jurisdiction in Orange County,  
19 California. The Parties hereby waive the right to have any  
20 dispute or claim arising hereunder tried, adjudicated, or  
21 brought elsewhere. The Parties agree that in any litigation  
to enforce the provisions of this Agreement, the prevailing  
party shall be entitled to, in addition to costs and other  
relief of the court, its reasonable attorneys' fees.

22 **FACTUAL ALLEGATIONS COMMON TO ALL CLAIMS**

23 **JUUL Trademarks and Products**

24 9. JLI is the exclusive owner of federally-registered, registration-pending,  
25 and common law trademarks. For example, JLI owns the following United States  
26 Trademark Registrations:  
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| Depiction of Trademark | Registration No. and Date | (1) First Use<br>(2) In Commerce |
|------------------------|---------------------------|----------------------------------|
| JUUL®                  | 4,818,664<br>(09-22-2015) | (1) 06-01-2015<br>(2) 06-01-2015 |
| JUUL®                  | 4,898,257<br>(02-09-2016) | (1) 06-01-2015<br>(2) 06-01-2015 |
| JUULpods®              | 5,918,490<br>(11-26-2019) | (1) 06-30-2015<br>(2) 06-30-2015 |

10. True and correct copies of the Registration Certificates for the above-listed trademarks are attached hereto as Exhibit A. Hereinafter, JLI may sometimes utilize the phrase "the JUUL Marks" to refer to, collectively, JLI's federally-registered, registration-pending, and common law trademarks.

11. JLI designs, manufactures, distributes, markets, and sells JUUL Products, including the JUUL system comprised of: (i) a device containing a rechargeable battery, control circuitry and a receptacle for a cartridge or pod, (ii) a disposable cartridge or pod ("JUULpod") that can be inserted into the device, has a heating chamber and is prefilled with a proprietary nicotine e-liquid formulation, and (iii) a charger for charging the device ("JUUL USB Charging Dock"), and related accessories.

12. The JUUL Marks appear clearly on JUUL Products, as well as the packaging and marketing materials related to such products.

13. The JUUL Marks, as well as the goodwill arising from such trademarks, have never been abandoned.

14. JLI continues to preserve and maintain its rights with respect to the JUUL Marks, including those registered with the United States Patent and Trademark Office.

15. Due in large part to the substantial commercial success of the JUUL Products, the JUUL brand is well-known to consumers and has garnered extensive coverage by the media.

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1           16. Through the extensive use of the JUUL Marks, JLI has spent  
2 substantial time, money, and effort in developing consumer recognition and  
3 awareness of its brand. JLI markets JUUL Products nationwide to current adult  
4 smokers, including through its website, and sells its products through its nationwide  
5 authorized network. JLI also markets and sells its products internationally. JLI has  
6 built up and developed significant customer goodwill in its entire product line and  
7 the JUUL Products are immediately identified by the JUUL Marks.

8           Sales of Counterfeit Goods

9           17. Beginning on a date that is currently unknown to JLI, Defendant,  
10 without the consent of JLI, has offered to sell and sold, and/or facilitated the offer  
11 and sale of, JUULpods that were neither made by JLI nor by a manufacturer  
12 authorized by JLI, all by using reproductions, counterfeits, copies and/or colorable  
13 imitations of genuine JUULpods and the JUUL Marks ("Counterfeit JUULpods").

14           18. Beginning on a date that is currently unknown to JLI, Defendant,  
15 without the consent of JLI, has offered to sell and sold, and/or facilitated the offer  
16 and sale of, JUUL USB Charging Docks that were neither made by JLI nor by a  
17 manufacturer authorized by JLI, all by using reproductions, counterfeits, copies  
18 and/or colorable imitations of genuine JUUL USB Charging Docks and the JUUL  
19 Marks ("Counterfeit JUUL USB Charging Docks").

20           19. JLI has not authorized any third party, including Defendant, to make or  
21 sell ENDS or other types of products in connection with the JUUL Marks. The  
22 Counterfeit JUULpods and Counterfeit JUUL USB Charging Docks sold by  
23 Defendant are therefore not manufactured in accordance with JLI's own stringent  
24 quality controls but are instead manufactured outside of JLI's knowledge and  
25 control, using unknown substances and materials, in unknown locations and with  
26 unknown manufacturing requirements/controls.

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