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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 (2) In Commerce
JUUL®	4,818,664 (09-22-2015)	(1) 06-01-2015 (2) 06-01-2015
JUUL®	4,898,257 (02-09-2016)	(1) 06-01-2015 (2) 06-01-2015
JUULpods®	5,918,490 (11-26-2019)	(1) 06-30-2015 (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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