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 and Cisco Technology, Inc.  
 9

10 **UNITED STATES DISTRICT COURT**  
 11 **NORTHERN DISTRICT OF CALIFORNIA**  
 12

13 CISCO SYSTEMS, INC., a California  
 14 corporation; CISCO TECHNOLOGY,  
 INC., a California corporation,

15 Plaintiffs,

16 v.

18 MUSHKIN, INC., a Colorado corporation  
 (d/b/a ENHANCED NETWORK  
 19 SYSTEMS); JEFFREY RAMEY, an  
 individual; DOES 1-10,  
 20

21 Defendants.

CASE NO. 3:19-cv-7514

**COMPLAINT FOR DAMAGES AND  
 INJUNCTIVE RELIEF:**

1. **INDUCING BREACH AND INTERFERING WITH CONTRACT;**
2. **FRAUD**
3. **AIDING AND ABETTING FRAUD**
4. **CONSPIRACY**
5. **NEGLIGENT MISREPRESENTATION;**
6. **TRADEMARK INFRINGEMENT, 15 U.S.C. § 1114;**
7. **TRADEMARK COUNTERFEITING, 15 U.S.C. § 1114;**
8. **FEDERAL UNFAIR COMPETITION, 15 U.S.C. § 1125;**
9. **CALIFORNIA UNFAIR BUSINESS PRACTICES, CAL. BUS. & PROF. CODE § 17200, et. seq.; and,**
10. **UNJUST ENRICHMENT.**

**DEMAND FOR JURY TRIAL**

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1 Plaintiffs Cisco Systems, Inc. (“CSI”) and Cisco Technology, Inc. (“CTI”) (together,  
2 “Cisco” or “Plaintiffs”), hereby complain and allege against Defendants Mushkin, Inc., a Colorado  
3 (d/b/a Enhanced Network Systems ) (“ENS” or “Enhanced Network Systems”) and Jeffrey Ramey  
4 (“Ramey”) (together, “Defendants”) as follows:

### 5 I. INTRODUCTION

6 1. From December 2016 to October 2018, Ramey, a Senior Account Manager at  
7 Cisco Authorized Reseller, General Data Tech (“GDT”), in collusion with secondary market  
8 unauthorized reseller ENS, orchestrated and maintained a sophisticated fraud scheme against  
9 Cisco by using the name of a falsified end user – Provident Realty Advisors (“Provident”) – to  
10 obtain significant discounts on millions of dollars’ worth of Cisco products. The charade involved  
11 repeated, false statements to Cisco regarding “Provident,” claiming that this purported end user  
12 needed discounted pricing for large amounts of networking products to be put in service in various  
13 real estate developments. In truth, Cisco’s later investigation revealed that the real Provident  
14 Realty Advisors had never purchased Cisco products, never heard of Ramey, and had never agreed  
15 to act as a “front” for Ramey and ENS’ scheme. The products, instead, went to ENS’ true end  
16 customers and the profit from the fraudulently obtained discounts, on information and belief, was  
17 split between Ramey and ENS. Over the course of their scheme, Ramey and ENS purchased  
18 approximately \$17.1 Million worth of Cisco products by fraudulently negotiating discounts of 70-  
19 80%, resulting in millions of dollars in loss to Cisco.

20 2. Upon information and belief, Defendants also worked together to induce numerous  
21 Cisco Authorized Resellers to breach their agreements with Cisco by purchasing products from the  
22 “Provident” scheme.

23 3. The “Provident” scheme ended only after Cisco’s internal Brand Protection team  
24 discovered that the products sold under the Provident account had ended up with numerous end  
25 customers all over the country with no connection to or association with the real “Provident Realty  
26 Advisors,” a real estate development company located in Dallas, Texas.

27 4. In addition, for over a decade, Defendant ENS has been selling, attempting to sell,  
28 offering to sell, importing, and/or distributing counterfeit “Cisco” products to customers, including

1 the governmental entities and companies with other sensitive infrastructure. Cisco is aware of at  
2 least 477 counterfeit Cisco products ENS sold to customers including the U.S. Department of the  
3 Navy, the U.S. Justice Department, and California Department of Industrial Relations.

## 4 **II. THE PARTIES**

5 5. Plaintiff Cisco Systems, Inc. is, and at all times mentioned herein was, a California  
6 corporation, with its principal place of business at 170 W. Tasman Drive, San Jose, California  
7 95134. Plaintiff Cisco Technology, Inc. is, and at all times mentioned herein was a California  
8 corporation with its principal place of business at 170 W. Tasman Drive, San Jose, California  
9 95134. CTI owns the trademarks used by CSI in marketing Cisco-branded products.

10 6. Upon information and belief, Defendant Mushkin, Inc. is, and at all relevant times  
11 was, a corporation located in Colorado with its principal business address at 14 Inverness Drive  
12 East, Suite F-100, Englewood, Colorado 80112 and does business under the name “Enhanced  
13 Network Systems.”

14 7. Upon information and belief, Defendant Ramey is, and at all relevant times was, an  
15 individual residing in Texas, with the last known address of 309 Scenic Glen Drive, Mansfield,  
16 Texas 76063.

## 17 **III. JURISDICTION AND VENUE**

18 8. This Court has diversity jurisdiction over Plaintiffs’ claims pursuant to 28 U.S.C. §  
19 1332. Each of the Plaintiffs is a corporation incorporated under the laws of the State of California,  
20 having its principal place of business in the State of California. Upon information and belief,  
21 Defendant ENS is a corporation with its principal place of business in the State of Colorado.  
22 Upon information and belief, Defendant Ramey is a citizen of the State of Texas. The amount in  
23 controversy exceeds \$75,000, exclusive of interest and costs.

24 9. This Court also has original subject matter jurisdiction over Plaintiffs’ claims  
25 relating to violations of the Trademark Act of 1946, 15 U.S.C. §§ 1051 et seq. (the “Lanham Act”)  
26 pursuant to the provisions of the Lanham Act, 15 U.S.C. § 1121, as well as under 28 U.S.C. §§  
27 1331 and 1338(a) and (b).

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1           10.      This Court further has supplemental subject matter jurisdiction over the pendent  
2 state law claims under 28 U.S.C. § 1367 as those claims are so related to Cisco’s claims under  
3 federal law that they form part of the same case or controversy and derive from a common nucleus  
4 of operative facts.

5           11.      This Court has personal jurisdiction over Defendants ENS and Ramey, who have  
6 engaged in substantial business activities in this district, misled consumers and Plaintiffs by their  
7 conduct in this district or conduct directed into this district, directed business activities at this  
8 district, and committed tortious acts with knowledge that the effects of their acts would be felt by  
9 Cisco in this district.

10          12.      Venue is proper in this district, pursuant to 28 U.S.C. § 1391, because a substantial  
11 part of the events or omissions giving rise to Cisco’s claims occurred in this judicial district, and a  
12 substantial part of the property that is the subject of the action is situated in this district. Venue is  
13 also proper because Defendants are each subject to personal jurisdiction in the Northern District of  
14 California.

#### 15   IV.      INTRA-DISTRICT ASSIGNMENT

16          13.      In accordance with Civ. L.R. 3-2(c), this action is properly assigned to the San  
17 Francisco Division or the San Jose Division as a substantial part of the events or omissions giving  
18 rise to Cisco’s claims occurred in the San Francisco Division and a substantial part of the property  
19 that is the subject of the action is situated in the San Jose Division.

#### 20   V.      FACTUAL ALLEGATIONS

##### 21                       A.      Cisco’s Business and History

22          14.      Cisco was founded in 1984 and is the worldwide leader in developing,  
23 implementing, and providing the technologies behind networking, communications, and  
24 information technology products and services. Cisco develops and provides a broad range of  
25 networking products and services that enable seamless communication among individuals,  
26 businesses, public institutions, government agencies, and service providers. Specifically, the  
27 thousands of engineers who work at Cisco develop and provide networking and communications  
28

1 hardware, software, and services that utilize cutting-edge technologies to transport data, voice, and  
2 video within buildings, across cities and campuses, and around the world.

3 15. Since its founding, Cisco has pioneered many of the important technologies that  
4 created and enabled global interconnectivity. During the past three decades, Cisco has invested  
5 billions of dollars, and the time and dedication of thousands of its engineers, in the research,  
6 development, and sale of industry-leading networking and communications products and services.

7 16. Cisco has also built up tremendous goodwill and brand reputation among  
8 consumers, including corporate and government consumers, through significant investment in  
9 advertising, promoting, and delivering products, software, and services of the highest quality  
10 under Cisco's CISCO trademark and trade name and the family of CISCO-related trademarks (the  
11 "CISCO Marks"). Cisco has used the family of CISCO Marks to identify goods and services as  
12 being genuine and authorized, and therefore, the CISCO Marks are well-recognized signifiers of  
13 Cisco's best-in-class products, software, and services.

14 **B. Cisco's Sales Procedures and Discount Fraud Deterrence Approach**

15 17. Cisco's annual revenue from the sale of hardware, software, and related services is  
16 approximately \$50 billion dollars world-wide. In order to support this global market, for the great  
17 majority of its sales, Cisco relies upon a system of independent distributors and resellers located  
18 throughout the world. This system is commonly used in the IT hardware and networking industry.  
19 These independent distributors and resellers, referred to as "Authorized Channel Partners,"  
20 "Partners" or "Authorized Resellers," typically represent several other equipment manufacturers,  
21 in addition to Cisco. Among other things, Cisco's distribution system allows it to maintain  
22 expertise and a local presence in regions of the world where there would not otherwise be  
23 sufficient business to support it.

24 18. Authorized Resellers are required to enter into contractual relationships with Cisco  
25 that allow them to purchase Cisco products and services at a partner discount from Cisco's  
26 authorized distributors. The most common contractual relationship is called an Indirect Channel  
27 Partnership Agreement ("ICPA"). This agreement requires Authorized Resellers to purchase  
28

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