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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

TARI LABS, LLC,

Plaintiff,

v.

LIGHTNING LABS, INC.,

Defendant.

Case No. 4:22-cv-07789

**COMPLAINT FOR TRADEMARK
INFRINGEMENT AND UNFAIR
COMPETITION**

JURY TRIAL DEMANDED

1 Plaintiff Tari Labs, LLC (“Tari Labs”) brings this action for trademark infringement and
2 related causes of action against Defendant Lightning Labs, Inc. (“Defendant”) and alleges as
3 follows:

4 **INTRODUCTION**

5 1. Plaintiff Tari Labs is a technology company headquartered in Oakland, California,
6 that is developing an innovative blockchain platform for the issuance of a wide range of digital
7 assets. Tari Labs owns the federally registered trademark TARI® and brings this action against its
8 competitor, defendant Lightning Labs (“Defendant”), to remedy and enjoin Defendant’s recent
9 adoption of the confusingly similar name “TARO” for one of its blockchain technologies. The
10 parties compete in the same digital blockchain ecosystem, provide similar, and in some instances
11 identical, goods and services, market to similar developers and users, and appear on the same
12 blockchain platforms. Tari Labs notified Defendant of its infringing use of the TARI® trademark,
13 but Defendant elected to continue using, advertising and implementing the TARO trade name for
14 its competing blockchain technology.

15 2. Through this action, Tari Labs seeks to halt Defendant’s willful and infringing use
16 of TARO, which is likely to confuse users and developers who wish to join the TARI® developer
17 community, and cause injury to its brand, reputation and goodwill.

18 **JURISDICTION AND VENUE**

19 3. The Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1337
20 and 15 U.S.C. § 15. The Court has supplemental jurisdiction pursuant to 28 U.S.C. § 1367.

21 4. Venue is proper in this district under 28 U.S.C. § 1391 and 15 U.S.C. § 22, because
22 a “substantial part of the events or omissions” on which the claim is based occurred in this district.
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THE PARTIES

A. Plaintiff

5. Plaintiff Tari Labs, LLC is a limited liability corporation headquartered in Oakland, California and organized under the laws of the State of Delaware.

B. Defendant

6. Upon information and belief, Defendant Lightning Labs is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 720 University Avenue, #200, Palo Alto, California 94301.

FACTS

I. TARI LABS ANNOUNCES AND LAUNCHES THE TARI BLOCKCHAIN PROTOCOL

7. Tari Labs was founded in March, 2018. Two months later, on May 19, 2018, in a blog post entitled “Hello World,” Tari Labs announced TARI®, a new open source blockchain protocol focused on digital assets.¹

8. Although the protocol contained some features associated with cryptocurrency, such as the ability for users to mine TARI tokens, Tari Labs’s plan for the protocol was more ambitious. It included a plan to develop the protocol to become a leading platform for the minting, sale and distribution of digital assets of various types, including non-fungible tokens, or NFTs.

9. As explained in its announcement blog, Tari Labs announced that they chose to focus the protocol on digital assets in general, and not just cryptocurrency, “because we see a huge opportunity to revolutionize the way these assets are owned, managed and transferred.” *See Exhibit A.* Tari Labs further announced that the purpose of the protocol was “to fundamentally change the experience of owning, managing and transferring digital assets.” *Id.*

10. Tari Labs announced its goal that the protocol would become a new digital assets ecosystem that works better for both issuers and consumers of digital assets:

With Tari, creators of digital assets will be able to issue them as programmable non-fungible tokens on the Tari blockchain and trust that their rules will be enforced. Consumers will be able to use

¹ Prior to June 25, 2018, Tari Labs operated under the name Tari, LLC. Tari Labs, LLC offers goods and services both directly and through its parent and affiliated companies, AccessCoin, LLC, a Delaware limited liability company, and

1 applications built on top of the Tari blockchain to more easily
2 transfer their digital assets while respecting the rules set by issuers.
3 Ultimately, our intended result is a more frictionless, lower cost
4 digital asset ecosystem that benefits all constituents.

5 *Id.*

6 11. Tari Labs has continued to own and operate the protocol since the protocol's launch
7 in April, 2020. During that time, Tari Labs has been the subject of press coverage in the
8 cryptocurrency space, having been featured in online publications by CoinDesk, Nasdaq.com, the
9 Merkle News, Fortune, Mashable, and Bitcoin Magazine, among others.

10 12. Tari Labs is the owner of record of the US trademark registration for **TARI**®, U.S.
11 Reg. No. 6701730 for "Cryptocurrency trading and exchange services, namely, providing a digital
12 currency or digital token for use by members of an on-line community via a global computer
13 network; cryptocurrency trading and exchange services, namely, providing a digital currency or
14 digital token, incorporating cryptographic protocols, used to operate and build applications and
15 blockchains on a decentralized computer platform and as a method of payment for goods and
16 services and as a method of transfer of digital assets" in International Class 36, applied for
17 February 26, 2018 and registered April 12, 2022. (the "TARI® Mark"). *See Exhibit B.*

18 13. Tari Labs has used the TARI® Mark continuously in US interstate commerce since
19 its date of first use.

20 14. Since its launch on April 29, 2020, Tari Labs has continued to target the protocol,
21 platform and related goods and services to be used by consumers of digital assets both inside and
22 outside the realm of cryptocurrency.

23 15. Tari Labs's marketing materials and web site have focused on the protocol's high
24 performance, the ease with which the platform can integrate with other software, the fact that the
25 code is open-source, scalable, secure, private and stable. *See Exhibit C.*

26 16. Tari Labs markets the protocol and its TARI blockchain products and services to
27 retail consumers of digital assets. Tari Labs defines the mission for its product is to become "the
28 most useful decentralized platform that empowers **anyone** to create digitally scarce things people
love." *See Exhibit D* (emphasis added). Likewise, "Tari is not just for developers or corporations,
as it targets consumers as well." *See Exhibit E.*

17. In support of its mission, Tari Labs has established Tari Labs University, an open source, curated set of online materials developed by the Tari community to help facilitate knowledge transfer and education. Tari Labs's goal for Tari Labs University is to "create the best free, open source educational resource for the many technologies that comprise blockchain systems." See Exhibit F. Tari Labs actively solicits feedback and cooperation from the community of blockchain software developers in order to improve the protocol and platform. See *id.*

18. Tari Labs, through Yat, offers a range of services relating to the minting, sale and distribution of NFTs via platforms other than the TARI protocol, and is planning to make such services available for use on the TARI protocol and the TARI platform. Tari Labs, through Yat, offers a product called EMOJI ID™ for use in connection with blockchain wallets holding digital assets, including NFTs. This product creates a blockchain wallet address made of emojis. Utilizing emojis makes the wallet address easier to identify and recall than one with only numbers, which reduces the risk of the owner losing access to the wallet, and, therefore, the asset.

19. Tari Labs also offers, through Yat, a feature it calls PODS, which is a social layer that allows for NFT collectors to discuss NFTs.

20. Tari Labs is planning to make NFT-related technology available for use on or in connection platforms other than the TARI protocol and the TARI platform. One of the platforms targeted by Tari Labs for its suite of NFT-related services is the Lightning Network. The Lightning Network is a "second layer" network on the Bitcoin blockchain that allows for faster processing times of transactions involving digital assets, and more transactions per second than currently available on Bitcoin's "layer 1" network.

II. DEFENDANT LAUNCHES COPYCAT PROTOCOL WITH CONFUSING NAME

21. Upon information and belief, Defendant was incorporated and founded in 2016.

22. Defendant is a technology company working to develop applications for use in connection with the Bitcoin blockchain.

23. Since its founding, Defendant has launched products and services for use in connection with:

a. Cryptocurrency transactions, such products include a mobile wallet.

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