TLED

05 HAY -5 AH 10: 24

MING COUNTY SUPLISION COURT CLERK SEATTLE, WA.

SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

DETEX CORPORATION, a Delaware corporation,

Plaintiff,

ν.

DETEX SECURITY SYSTEMS, INC., a Washington corporation,

Defendant.

06-2-15496-7SEA

COMPLAINT

LINDA LAU

Plaintiff DETEX Corporation ("DETEX") hereby files this complaint against defendant DETEX Security Systems, Inc. ("DSS") and alleges as follows:

THE PARTIES, JURISDICTION AND VENUE

- 1. DETEX is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in New Braunfels, Texas.
- 2. Defendant DSS is a corporation organized and existing under the laws of the State of Washington, with its principal place of business in Raanana, Israel. Tolan Furusho, located at 2200 112th Avenue N.E., No. 200, Bellevue, Washington, 98004, serves as the registered agent in Washington for DSS.

COMPLAINT- 1

Williams, Kastner & Gibbs PLLC Two Union Square, Suite 4100 (98101-2380) Mail Address: P.O. Box 21926 Seattle, Washington 98111-3926 (206) 628-6600

1851477.1

ORIGINAL

1

2

3

4

5

6

18 19

2021

22

23

2425

25

- 3. This action is brought pursuant to 15 U.S.C. §§ 1114 and 1125, Washington trade name and trademark common law, and the Washington Consumer Protection Act, RCW 19.77.160 et seq., and RCW 19.86.020 et seq.
 - 4. This Court has jurisdiction and King County is a proper venue.

GENERAL ALLEGATIONS

- 5. DETEX is a privately owned corporation which manufactures and distributes products designed to protect people and secure property.
 - 6. DETEX has used the DETEX trademark and trade name since 1923.
- 7. DETEX is the owner of multiple registrations throughout the world for the mark "DETEX." In the United States, DETEX owns:
- a. Registration No. 858,562 for the mark DETEX, registered on October 15, 1968, for exit control devices, including exit alarms, exit control locks with alarms and remote indicators;
- b. Registration No. 954,052 for the mark DETEX, registered on February 27, 1973, for time clock, time-recording apparatus and parts for the time clocks and time-recording apparatus; and
- c. Registration No. 1,520,663 for the mark DETEX (stylized), registered on January 17, 1989, for security equipment, namely entry and exit control, data processing and recording units.
- 8. DETEX has owned and maintained the domain "detex.com" since September 20, 1995 and also owns and maintains the domains "detexsecurity.com," "detexsolutions.com," "detexusa.com," "detexinternational.com," "detexamerica.com," "detexonline.com," "detexcorp.com," "detexcorp.net," "detexcorp.org," "detex.org," "detex.biz," "detex.info," "detex.com.cn," "detex.cc." and "detexsystems.cc."

COMPLAINT-2

25

- 9. DSS incorporated in Washington in January 2005 as "DETEX Security Systems."
- 10. On information and belief, DSS owns certain technology for a handheld explosive detection device called the Milliscope.
- 11. Since January 17, 2006, DSS has owned and operated the domain "detexsec.com"
- 12. DSS is publicly traded in over-the-counter stock via the Pink Sheets system, administered by Pink Sheets LLC.
- 13. Defendants willfully intended to trade on the reputation DETEX by its use of the trade name DETEX and domain name detexsec.com.
- 14. DSS hired a third party to engage in mass dissemination and distribution of a solicitation seeking investors. A copy of the solicitation is attached as Exhibit A.
- 15. Consumers who received the solicitation mistakenly contacted DETEX, believing it to be DSS. Several such consumers attacked DETEX for DSS' solicitation tactics and declared their intention not to do business with DETEX as a result of DSS' actions.

(For Infringement of DETEX Trademark, 15 U.S.C. §§ 1114 et seq.)

- 16. DETEX incorporates by reference the allegations set forth in paragraphs 1 through 16 as though fully set forth herein.
- 17. DETEX owns multiple registered trademarks for the DETEX mark and owned said trademarks prior to DSS' use of the DETEX mark.
- 18. DSS' use of the DETEX trademark is likely to cause and, on information and belief, has actually caused, confusion in the marketplace by creating the false and mistaken impression that DSS is affiliated, connected or associated with DETEX, or that the products, services and solicitations of DSS originate with, or are sponsored or approved by DETEX.

COMPLAINT-3

- 19. DSS' use of the DETEX trademark has caused and, if not enjoined, will continue to cause, irreparable and continuing harm to DETEX, for which DETEX has no adequate legal remedy.
- 20. As a direct and proximate result of DSS' wrongful conduct, DETEX has been and will continue to be damaged by, without limitation, a diminution in the value of its trademark, reputation, and goodwill in an amount to be proven at trial.

SECOND CLAIM FOR RELIEF (For Infringement of DETEX Trademark and Name in Violation of 15 U.S.C. § 1125)

- 21. DETEX incorporates by reference the allegations set forth in paragraphs 1 through 20 as though fully set forth herein.
- 22. DETEX's DETEX trade name is distinctive and protectible under the Lanham Act.
- 23. DETEX appropriated and continuously used the DETEX trade name in commerce prior to DSS' use of the DETEX name.
- 24. DSS' use of the DETEX name is likely to cause, and on information and belief has actually caused, confusion in the marketplace by creating the false and mistaken impression that DSS is affiliated, connected or associated with DETEX, or that the products, services and solicitations of DSS originate with, or are sponsored or approved by DETEX.
- 25. DSS' use of the DETEX name has caused and, if not enjoined, will continue to cause, irreparable and continuing harm to DETEX, for which DETEX has no adequate legal remedy.
- 26. As a direct and proximate result of DSS' wrongful conduct, DETEX has been and will continue to be damaged by, without limitation, a diminution in the value of its trade name, reputation, and goodwill in an amount to be proven at trial.

COMPLAINT- 4

THIRD CLAIM FOR RELIEF (For Dilution of DETEX Trademark and Name in Violation of 15 U.S.C. § 1125(c))

- 27. DETEX incorporates by reference the allegations set forth in paragraphs 1 through 26 as though fully set forth herein.
- 28. DSS' use of the DETEX trademark and trade name has lessened the capacity of DETEX's trademark and name to identify and distinguish its goods and services.
- 29. DSS' dilution of the DETEX trademark and name has caused and, if not enjoined, will continue to cause, irreparable and continuing harm to DETEX, for which DETEX has no adequate legal remedy.
- 30. As a direct and proximate result of DSS' wrongful conduct, DETEX has been and will continue to be damaged by, without limitation, a diminution in the value of its trade name, reputation, and goodwill in an amount to be proven at trial.

FOURTH CLAIM FOR RELIEF (For Infringement of DETEX Trademark and Name in Violation of Washington Law)

- 31. DETEX incorporates by reference the allegations set forth in paragraphs 1 through 30 as though fully set forth herein.
- 32. DETEX's DETEX trade name is distinctive and protectible under Washington common law.
- 33. DETEX appropriated and continuously used the DETEX trademark and trade name in commerce prior to DSS' use of the DETEX mark and name.
 - 34. DSS' use of a deceptively similar name violates Washington common law.
- 35. DSS' use of the DETEX name is likely to cause, and on information and belief has actually caused, confusion in the marketplace and public mind.

COMPLAINT- 5

Williams, Kastner & Gibbs PLLC Two Union Square, Suite 4100 (98101-2380) Mail Address: P.O. Box 21926 Seattle, Washington 98111-3926 (206) 628-6600

25

- 36. DSS' use of the DETEX mark and name has caused and, if not enjoined, will continue to cause, irreparable and continuing harm to DETEX, for which DETEX has no adequate legal remedy.
- 37. As a direct and proximate result of DSS' wrongful conduct, DETEX has been and will continue to be damaged by, without limitation, a diminution in the value of its trademark and name, reputation, and goodwill in an amount to be proven at trial.

FIFTH CLAIM FOR RELIEF (For Dilution of DETEX Trademark and Name in Violation of RCW 19.77.160)

- 38. DETEX incorporates by reference the allegations set forth in paragraphs 1 through 37 above.
- 39. DSS began using the DETEX name after DETEX's DETEX trademark had already been registered and after Detex's DETEX trade name had already become famous.
- 40. DSS' use of the DETEX trademark and name has caused the dilution of the distinctive quality of the DETEX trademark and name.
- 41. DSS' use of the DETEX trademark and name has lessened the capacity of Detex's trademark to identify and distinguish its goods and services.
- 42. Defendants' dilution of the DETEX name has caused and, if not enjoined, will continue to cause, irreparable and continuing harm to DETEX, for which DETEX has no adequate legal remedy.
- 43. As a direct and proximate result of DSS' wrongful conduct, DETEX has been and will continue to be damaged by, without limitation, a diminution in the value of its trademark and name, reputation, and goodwill in an amount to be proven at trial.

COMPLAINT-6

25

SIXTH CLAIM FOR RELIEF (For Violation of the Washington Consumer Protection Act, RCW 19.86.020 et seq.)

- 44. DETEX incorporates by reference the allegations set forth in paragraphs 1 through 43 above.
- 45. DSS' unauthorized use of the DETEX trademark and trade name, as well as its solicitation of investors, constitute unlawful, unfair or fraudulent business acts or practices within the meaning of RCW § 19.86.020, which provides that "unfair methods of competition and unfair or deceptive practices in the conduct of any trade or commerce are . . . unlawful."
- 46. DSS' use of DETEX's trademark and name, as well as its solicitation of investors, is likely to cause and has caused confusion among consumers and the general public, negatively affecting the public interest.
- 47. DSS' unfair trade practices have caused and, if not enjoined, will continue to cause, irreparable and continuing harm to DETEX, for which DETEX has no adequate legal remedy.
- 48. As a direct and proximate result of DSS' unfair trade practices, DETEX has been and will continue to be damaged by, without limitation, a diminution in the value of its trade name, reputation, and goodwill in an amount to be proven at trial.

SEVENTH CLAIM FOR RELIEF (Common Law Unfair Competition)

- 49. DETEX incorporates by reference the allegations set forth in paragraphs 1 through 48 as though fully set forth herein.
- 50. DSS' conduct in its used of DETEX's trademark and trade name, as well as its solicitation of investors, constitutes unfair competition in that it offends established public policy and is immoral, unethical, oppressive, unscrupulous and injurious to consumers.

COMPLAINT-7

51. The acts of unfair competition alleged herein were committed with oppression, fraud and malice. Specifically, DSS used the DETEX trademark and name with knowledge that DETEX owns the exclusive right to such use, and that DETEX would be injured by the unauthorized use by DSS.

EIGHTH CLAIM FOR RELIEF (Cyberpiracy, 15 USC § 1125(d))

- 52. DETEX incorporates by reference the allegations set forth in paragraphs 1 through 51 as though fully set forth herein.
- 53. DSS, with a bad faith intent to profit from the use of DETEX's trade and service name, registered a domain name that is confusingly similar to DETEX's famous name, thereby constituting cyberpiracy. The continued use by DSS of using and licensing such domain name has caused and will continue to cause damage to DETEX, in an amount to be proven at trial and is causing irreparable harm to DETEX for which there is not an adequate remedy at law.
- 54. DETEX is also entitled to "willful" damages pursuant to 15 U.S.C. § 1117(a), and attorney fees and costs pursuant to 15 U.S.C. § 1117(d).
- 55. DETEX is entitled to have the court order the transfer of the domain name as part of the relief awarded for a violation of this article pursuant to 15 USC § 1125(d)(1)(C).

NINTH CLAIM FOR RELIEF (47 U.S.C. § 227 and Junk Fax Protection Act)

56. DETEX incorporates by reference the allegations set forth in paragraphs 1 through 55 as though fully set forth herein.

COMPLAINT-8

- 57. DSS unlawfully used a facsimile machine, computer, or other device to send an unsolicited advertisement to a telephone facsimile machine.
- 58. In sending its unsolicited advertisement, DSS' unlawfully failed to fulfill the opt-out notice requirements established by the Junk Fax Protection Act.
- 59. DSS' unlawful sending of unsolicited advertisements has caused and, if not enjoined, will continue to cause, irreparable and continuing harm to DETEX, for which DETEX has no adequate legal remedy.
- 60. As a direct and proximate result of DSS' unlawful sending of unsolicited advertisements, DETEX has been and will continue to be damaged by, without limitation, a diminution in the value of its trade name, reputation, and goodwill in an amount to be proven at trial.
- 61. By virtue of DSS' willful and knowing violation of 47 U.S.C. § 227 and the Junk Fax Protection Act, DETEX is entitled to treble damages.

PRAYER FOR RELIEF

Wherefore DETEX respectively requests judgment be entered against defendants as follows:

a. That the Court issue a preliminary and permanent injunction against defendant and that defendant, its officers, directors, principals, agents, representatives, servants, employees, successors and assigns and all others in active concert or participation with them be enjoined and restrained during the pendency of this action and permanently thereafter from:

COMPLAINT-9

Williams, Kastner & Gibbs PLLC Two Union Square, Suite 4100 (98101-2380) Mail Address: P.O. Box 21926 Seattle, Washington 98111-3926 (206) 628-6600

1851477.1

Williams, Kastner & Gibbs PLLC Two Union Square, Suite 4100 (98101-2380) Mail Address: P.O. Box 21926 Seattle, Washington 98111-3926 (206) 628-6600

COMPLAINT-10

That the Court order defendants to pay treble damages;

Williams, Kastner & Gibbs PLLC Two Union Square, Suite 4100 (98101-2380) Mail Address; P.O. Box 21926 Seattle, Washington 98111-3926 (206) 628-6600

1

d.