



06-CV-00990-CMP

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JUL 14 2006 DB

AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

HIOMAX PRODUCTS, INC.,

Plaintiff,

v.

DYNACRAFT INDUSTRIES, INC.,

Defendant.

CV 06 - 0990 MJB

COMPLAINT FOR
DECLARATORY JUDGMENT
OF TRADEMARK, TRADE
DRESS NONINFRINGEMENT
AND INVALIDITY; NO
BREACH OF
CONFIDENTIALITY
AGREEMENT
JURY DEMAND

Plaintiff Homax Products, Inc. ("Homax"), by and through its attorneys brings this
Complaint against the Defendant, Dynacraft Industries, Inc. ("Dynacraft") and in support thereof
alleges the following:

I. PRELIMINARY STATEMENT

1. This action seeks a declaratory judgment that alleged trademarks and trade dress
of defendant Dynacraft are not infringed by Homax and/or are invalid or nonexistent. This
action also seeks a declaration that Homax is not liable for breach of a confidentiality agreement

COMPLAINT — 1

SEA 1837241v1 50022-30

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1 between the parties and/or that all information concerning Dynacraft's Ready Strip paint stripper
2 products is available to the public, contrary to Dynacraft's allegations and threats to sue and seek
3 temporary, preliminary, and permanent relief.

4 II. JURISDICTION AND VENUE

5 2. Jurisdiction is conferred on this Court as this is an action for declaratory judgment
6 under 28 U.S.C. §§ 2201, 2202, and 1338(a) involving a federal question under the Lanham Act,
7 Title 15, the United States Code, including 15 U.S.C. § 1125(a), and seeks a declaration that the
8 packaging and product labels of Homax's color changing paint stripper line does not infringe any
9 protectable trade dress in the packaging and labels of Dynacraft's "Ready Strip" product line,
10 and that Homax does not infringe Dynacraft's federal trademark registration for "Back to
11 Nature" (Reg. No. 2,651,255).

12 3. Jurisdiction is also conferred on this Court for the related claim of Homax seeking
13 a declaratory judgment that Homax never received any confidential information of Dynacraft and
14 did not breach a Confidentiality Agreement ("the Confidentiality Agreement") between
15 Dynacraft and Homax. This Court has supplemental jurisdiction for this related claim under 28
16 U.S.C. § 1367.

17 4. Jurisdiction is also proper because this action is one between citizens of different
18 states, and the amount in controversy, exclusive of interest and costs, exceeds \$75,000.

19 5. Venue is proper in this district under 28 U.S.C. § 1391(b) and (c) in that a
20 substantial part of the events giving rise to the claims occurred here and in that Dynacraft is
21 subject to personal jurisdiction here.

22 6. Venue is also proper pursuant to a forum selection and choice of law clause in the
23 Confidentiality Agreement, which in paragraph 11 states that the "provisions of this Agreement

1 shall be enforceable in the Federal or State courts of Washington, whose laws shall govern this
2 Agreement.”

3 III. PARTIES

4 7. Plaintiff Homax is a Delaware corporation, and a resident of the State of
5 Washington, having a principal place of business in this district at 200 Westerley Rd.,
6 Bellingham, Washington.

7 8. On information and belief, Defendant Dynacraft is a New Jersey Corporation, and
8 a resident of the State of New Jersey, having a principal place of business at 28 Harrison
9 Avenue, Englishtown, New Jersey.

10 9. On information and belief, Dynacraft is a manufacturer and distributor of paint
11 and varnish removal products.

12 10. On information and belief, Dynacraft's products are sold in this district.

13 IV. FACTS

14 11. Homax is a manufacturer and distributor of a wide variety of professional home
15 improvement products.

16 12. On information and belief, Dynacraft is a manufacturer and distributor of paint
17 and varnish removal products.

18 13. From time to time, Homax purchases businesses.

19 14. On or about March 26, 2004, an independent business broker Gary Gartzman
20 contacted Homax to discuss possible acquisition of Dynacraft.

21 15. On or about May 11, 2004, principals of Dynacraft and Homax had breakfast with
22 Gary Gartzman while at the 2004 National Hardware Show.

1 16. The Confidentiality Agreement was executed on or about June 29, 2004 by the
2 parties.

3 17. On or about June 22, 2005, the parties met at Dynacraft's offices with Olympus
4 Partners. This meeting was conducted to discuss possible acquisition of Dynacraft by Homax or
5 a strategic alliance between Dynacraft and Homax.

6 18. At the June 22, 2005 meeting, a discussion of the general businesses of Dynacraft
7 and Homax was conducted.

8 19. During the June 22, 2005 meeting, a plant tour was conducted.

9 20. During the June 22, 2005 meeting the primary topics of discussion involved the
10 company histories of Dynacraft and Homax.

11 21. The potential acquisition of Dynacraft by Homax never proceeded past an initial
12 general discussion.

13 22. No term sheets or draft agreements for the acquisition Dynacraft by Homax were
14 ever prepared.

15 23. No audits of Dynacraft were ever conducted on behalf of Homax.

16 24. Dynacraft never transmitted detailed product information, customer information
17 or any other confidential information to Homax.

18 25. Homax sells color changing paint strippers: Homax's color changing paint
19 strippers are sold in white plastic containers.

20 26. Homax's color changing paint strippers are sold under the JASCO and BIX
21 trademarks.

1 27. Dynacraft sells paint strippers said to be color changing paint strippers marked
2 prominently with a READY STRIP mark. Dynacraft's labels, in smaller print than is used for
3 READY STRIP, also include the text "Back to Nature".

4 28. White plastic containers are widely used in the home improvement product
5 industry.

6 29. Homax's JASCO BIX color changing paint strippers are packaged with labels that
7 have large block text "PAINT STRIPPER" centrally located in the label. On the labels for
8 Homax's JASCO BIX color changing paint strippers, the text "PAINT STRIPPER" is the largest
9 font text, and it appears as white text against an orange background. Labels for JASCO BLX
10 color changing paint strippers also include smaller cursive text with the phrase "color changing".

11 30. Homax's JASCO BLX color changing paint strippers sold to Ace Hardware.

12 31. Homax's BIX color changing paint strippers are packaged with labels that have
13 large block text "PAINT STRIPPER" centrally located in the label. On the labels for Homax's
14 BIX color changing paint strippers, the text "PAINT STRIPPER" is the largest font text, and it
15 appears as white text against an orange background. Labels for BIX color changing paint
16 strippers also include smaller cursive text with the phrase "Nature's Own".

17 32. Dynacraft's READY STRIP paint strippers include large block text "READY
18 STRIP", which appears as white text against a black background and is the largest font text on
19 the labels.

20 33. The phrase "color changing paint stripper" is generic and/or merely descriptive of
21 a paint stripper product that changes color.

22 34. The phrase "paint stripper" is generic and/or merely descriptive of products that
23 strip paint.

1 35. Homax's JASCO BIX color changing paint strippers are packaged with labels that
2 include a uniform medium green background.

3 36. Dynacraft's READY STRIP paint strippers are packaged with labels that include
4 a varying green background that gradually changes from a medium green on the bottom to a very
5 light green or off-white at the top.

6 37. In the home improvement product industry, environmental friendliness is an
7 important image to project.

8 38. Green colors are associated with nature and with environmentally friendly
9 products.

10 39. The term "nature" is used in many products to convey an image of environmental
11 friendliness.

12 40. Homax's JASCO BIX and BIX color changing paint strippers are pink when
13 applied to a paint surface, and change to a tan color when ready to strip.

14 41. Dynacraft's READY STRIP paint strippers are green when applied to a paint
15 surface, and turn to a lighter shade of green or off-white when ready to strip.

16 42. In a cease and desist letter dated May 5, 2006, counsel for Dynacraft, Mr. Dan M.
17 DeLaRosa, Esq., of the Law Office of Dan M. DeLaRosa & Associates, 345 East 80th Street,
18 Suite 27, New York, NY 10021 sent Homax a letter accusing Homax of trademark infringement,
19 trade dress infringement, and breach of the Confidentiality Agreement.

20 43. The May 5, 2006 cease and desist letter by Dynacraft's counsel states that
21 Homax's use of "the mark 'Nature's Own' for a paint stripper infringes on Dynacraft's federal
22 trademark registration for 'Back to Nature (Reg. No. 2,651,255)'".
23

1 44. The May 5, 2006 cease and desist letter by Dynacraft's counsel states that
2 Homax's use of the phrase "Color Changing Paint Stripper" infringes on "Dynacraft's common
3 law trademark rights as it relates to the mark 'Color Changing Paint Stripper'".

4 45. The May 5, 2006 cease and desist letter also states that:

5 "Dynacraft has established a distinctive trade dress in the packaging and labels of its
6 'Ready Strip product line. Upon review of your 'JASCO/BIX Color Changing Paint
7 Stripper' and 'BIX Nature's Own Paint Stripper' labels, your labels will also cause a
8 likelihood of confusion and therefore, infringes on Dynacraft's distinctive trade dress.
9 Your selection of verbiage in your 'JASCO/BIX Color Changing Paint Stripper' and
10 'BIX Nature's Own Paint Stripper' labels are so close in comparison with the
11 copyrighted verbiage in Dynacraft's 'Ready Strip' label."

12 46. The May 5, 2006 cease and desist letter demands that Homax ceases the sale of
13 any and all color changing paint strippers.

14 47. The May 5, 2006 letter states that:

15 "In absence of your response with the foregoing by May 22, 2006, appropriate legal
16 action will be taken against you. We will also consider seeking temporary, preliminary
17 and permanent injunctive relief, as well as damages for the harm suffered and which
18 continues to be suffered by my client, together with attorney fees because of your use of
19 infringing marks and trade dress. We will also consider contacting retailers or
20 distributors regarding your breach of the Confidentiality Agreement and the infringement
21 of the federal trademark registration for 'Back to Nature' and infringement of the trade
22 dress for the 'Ready Strip' product line."

1 48. The May 5, 2006 letter also states that:

2 "Dynacraft has a patent pending covering its 'Ready Strip' Products. Based on our
3 preliminary evaluation of your 'JASCO/BIX Color Changing Paint Stripper' and 'BIX
4 Nature's Own Paint Stripper', it appears the Homax's formulations may infringe on one
5 or more of the claims. Upon issuance of the patent, I will conduct a further review of
6 your client's formulation to evaluate if your client's formulation infringes any of the
7 issued claims of the patent. If we can establish that your formulation infringes on any of
8 the claims in the issued patent, we will aggressively file a patent infringement case
9 against your client."

10 49. On May 22, 2006 Homax, through counsel, responded to the cease and desist
11 letter, explaining that it had never received any confidential information concerning Dynacraft's
12 READY STRIP paint stripper products, and explaining a few of the many differences between
13 the product labels of Dynacraft's READY STRIP products and Homax's JASCO BIX color
14 changing paint stripper products.

15 50. On June 16, 2006, Dynacraft's counsel sent a second letter again threatening to
16 bring suit against Homax, and to "immediately seek appropriate legal action" including
17 "temporary, preliminary and permanent injunctive relief, as well as damages".

18 **V. FIRST CAUSE OF ACTION**
19 **DECLARATORY JUDGMENT — NO TRADEMARK INFRINGEMENT**

20 51. Plaintiff incorporates by reference paragraphs 1 through 50, set forth above.

21 52. This is an action for declaratory judgment pursuant to 28 U.S.C. §§ 2201, 2202,
22 of an actual substantial justiciable controversy as alleged in paragraphs 1 through 50, set forth
23 above. Plaintiff seeks judgment that it has not infringed Dynacraft's alleged federal trademark

1 registration for "Back to Nature" (Reg. No. 2,651,255) and that Dynacraft has no rights in the
2 term "nature" apart from any rights it has in the mark "Back to Nature".

3 **VI. SECOND CAUSE OF ACTION**
4 **DECLARATORY JUDGMENT — NO COMMON LAW TRADEMARK FOR THE**
5 **DESCRIPTIVE PHRASES COLOR CHANGING AND PAINT STRIPPER**

6 53. Plaintiff incorporates by reference paragraphs 1 through 52, set forth above.

7 54. Plaintiff seeks declaratory judgment that Dynacraft has no trademark rights in the
8 generic and/or merely descriptive phrases "color changing" and "paint stripper" or the
9 combination thereof.

10 **VII. THIRD CAUSE OF ACTION**
11 **NO TRADE DRESS INFRINGEMENT/NO PROTECTABLE TRADE DRESS**

12 55. Plaintiff incorporates by reference paragraphs 1-54, as set forth above.

13 56. Plaintiff seeks declaratory judgment that it has not infringed any trade dress in
14 Dynacraft's READY STRIP products, and/or that Dynacraft has no protectable trade dress in the
15 packaging of its READY STRIP products.

16 **VIII. FOURTH CAUSE OF ACTION**
17 **NO BREACH OF CONFIDENTIALITY AGREEMENT**

18 57. Plaintiff incorporates by reference paragraphs 1-56, as set forth above.

19 58. Plaintiff seeks declaratory judgment that it has not breached the Confidentiality
20 Agreement entered between it and Dynacraft.

21 **IX. RELIEF REQUESTED.**

22 59. Plaintiff incorporates by reference paragraphs 1-58, as set forth above.

23 60. Plaintiff requests judgment against Dynacraft that plaintiff has not infringed any
valid trademarks owned by Dynacraft, and that Dynacraft has no protectable rights in the term

1 “nature” apart from the alleged mark “Back to Nature” in its alleged federal trademark
2 registration for “Back to Nature” (Reg. No. 2,651,255).

3 61. Plaintiff requests judgment against Dynacraft that Dynacraft has no protectable
4 trade dress in the product packaging for the READY STRIP paint strippers, or in the alternative
5 that plaintiff has not infringed any trade dress in the product packaging for the READY STRIP
6 paint strippers.

7 62. Plaintiff requests judgment against Dynacraft that Dynacraft has no protectable
8 trademark rights in the terms “color changing” or “paint stripper” or any combinations of those
9 terms.

10 63. Plaintiff requests judgment against Dynacraft that plaintiff did not receive any
11 confidential information from Dynacraft and that Homax did not breach the Confidentiality
12 Agreement.

13 64. Plaintiff requests an injunction preventing Dynacraft from interfering with the
14 distribution and sale of Homax’s paint stripper products by interfering with Homax’s business or
15 filing suit against Homax.

16 65. Plaintiff requests award of its reasonable attorneys’ fees and costs.

17 66. Plaintiff requests such other relief that this Court deems proper.

18 **X. JURY TRIAL DEMAND**

19 Plaintiffs hereby demand a trial by jury of all issues so triable.
20
21
22
23

1 DATED this 14th day of July, 2006.

2
3 Davis Wright Tremaine LLP

4 By 

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