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8 UNITED STATES DISTRICT COURT  
9 WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

10 NORTHSTAR NEUROSCIENCE, INC., a  
Washington Corporation,

11 Plaintiff,

12 v.

13 NEURONETICS, INC., a Delaware  
14 Corporation,

15 Defendant.

CASE No.

**COMPLAINT FOR TRADEMARK  
INFRINGEMENT, FALSE  
DESIGNATION OF ORIGIN,  
CANCELLATION OF REGISTRATION,  
AND COMMON LAW INFRINGEMENT  
AND UNFAIR COMPETITION**

**JURY DEMAND**

16  
17 Plaintiff Northstar Neuroscience, Inc. alleges as follows:

18 **PARTIES**

19 1. Plaintiff Northstar Neuroscience, Inc. (“Northstar”) is a Washington corporation  
20 with its principal place of business at 2401 Fourth Avenue, Suite 300, Seattle, Washington  
21 98121.

22 2. Northstar is informed and believes and on that basis alleges that defendant  
23 Neuronetics, Inc. (“Defendant” or “Neuronetics”) is a Delaware corporation which maintains  
24 its principal place of business at One Great Valley Parkway, Suite 2, Malvern, Pennsylvania  
25 19355. Northstar is further informed and believes and on that basis alleges that Defendant has  
26

1 conducted clinical trials in Washington concerning the products at issue in this case, including  
2 in this judicial district.

### 3 **NATURE OF THE CASE**

4 3. This is an action for trademark and trade name infringement and related causes  
5 of action arising out of Defendant Neuronetics's use of the marks NEUROSTAR,  
6 NEUROSTAR TMS THERAPY, NEUROSTAR and Design, and NEUROSTAR TMS  
7 THERAPY and Design, and each of them (collectively, the "NEUROSTAR Marks"), which  
8 infringe Plaintiff's trade name and trademark NORTHSTAR NEUROSCIENCE, and each of  
9 them (collectively the "NORTHSTAR NEUROSCIENCE Mark" or "Mark"). Despite  
10 Northstar's request that Defendant Neuronetics cease or limit use of the infringing  
11 NEUROSTAR Marks, Defendant has declined to do so and has continued to use the infringing  
12 Marks in connection with products used to treat neurological or psychiatric conditions, in clear  
13 violation of Northstar's rights. Northstar seeks immediate injunctive relief to prevent  
14 Defendant from using the NEUROSTAR Marks, as well as any damages, Defendant's profits,  
15 fees, costs, and other monetary and equitable relief.

### 16 **JURISDICTION AND VENUE**

17 4. Plaintiff Northstar brings claims for: (i) infringement in violation of Section 32  
18 of the Trademark Act of 1946, as amended (the "Lanham Act"), 15 U.S.C. § 1114; (ii) false  
19 designation of origin and unfair competition in violation of Section 43(a) of the Lanham Act,  
20 15 U.S.C. § 1125(a); (iii) cancellation of registration under 15 U.S.C. § 1119; and (iv)  
21 infringement and unfair competition in violation of the common law of the state of  
22 Washington.

23 5. This Court has jurisdiction over the subject matter of this action pursuant to 28  
24 U.S.C. § 1338 and 1119, and has supplemental jurisdiction over the claims arising out of state  
25 law pursuant to 28 U.S.C. § 1367(a).

1           6.       Venue in this district is proper under 28 U.S.C. § 1391(b)(1) and (2) as  
2 Northstar is informed and believes and on that basis alleges that Defendant Neuronetics has  
3 conducted business in this judicial district, including conducting clinical trials in this judicial  
4 district, and a substantial part of the events giving rise to the claims alleged occurred in this  
5 district. Northstar is further informed and believes and on that basis alleges that Defendant  
6 operates a website at [www.neuronetics.com](http://www.neuronetics.com) which is accessible in this judicial district and  
7 which indicates that it has conducted clinical trials at the University of Washington. *See*  
8 Exhibit B (referenced below and <http://www.neuronetics.com/sites.html>).

9                               **PLAINTIFF NORTHSTAR NEUROSCIENCE**  
10                              **AND ITS NORTHSTAR NEUROSCIENCE MARK**

11           7.       Northstar is a medical device company that develops and provides innovative  
12 neurostimulation therapies to restore function and quality of life for people suffering from  
13 stroke and other neurological diseases and disorders, including stroke motor recovery, aphasia,  
14 tinnitus and depression. Northstar’s innovative technology is designed to deliver targeted  
15 electrical stimulation to the brain, in a process referred to as cortical stimulation. Northstar has  
16 used the tradename and mark NORTHSTAR NEUROSCIENCE since at least as early as June  
17 2004. Northstar is also the owner of a federal trademark registration for the NORTHSTAR  
18 NEUROSCIENCE Mark, which was issued on August 16, 2005 (Reg. No. 2,986,214) for  
19 “medical electrical stimulation generators and accessories for application of electrical  
20 stimulation signals to the cerebral cortex of the brain, namely medical electrodes, medical  
21 electrode applicators and medical electrode cables.” Attached as Exhibit A is a true and correct  
22 copy of the registration certificate issued to Northstar from the United States Patent and  
23 Trademark (“USPTO”) for the NORTHSTAR NEUROSCIENCE Mark.

24           8.       By virtue of such use and registration of the NORTHSTAR NEUROSCIENCE  
25 Mark, Northstar has acquired protectable intellectual property rights in the NORTHSTAR  
26 NEUROSCIENCE Mark. Northstar has established considerable reputation and goodwill in

1 the NORTHSTAR NEUROSCIENCE Mark, and medical professionals, clinical trial patients,  
2 customers and potential customers and others in the industry associate the Mark with  
3 Northstar's products. Attached as Exhibit B are true and correct copies of printouts from  
4 Plaintiff Northstar's website at [www.northstarneuro.com](http://www.northstarneuro.com) showing its Mark.

#### 5 **DEFENDANT'S INFRINGING ACTIVITIES**

6 9. Northstar is informed and believes and on that basis alleges that Defendant  
7 Neuronetics is a medical device company that develops products for treatment of neurological  
8 and psychiatric disorders. Northstar is informed and believes and on that basis alleges that  
9 Neuronetics uses the NEUROSTAR Marks in connection with its NeuroStar TMS Therapy  
10 System which is a product or products for the treatment of major depression, and which  
11 provides stimulation to the cortex of the brain. Attached hereto as Exhibit C are printouts from  
12 the Neuronetics website at [www.neuronetics.com](http://www.neuronetics.com) describing this product or showing its  
13 NEUROSTAR Marks.

14 10. Northstar is informed and believes and on that basis alleges that Defendant has  
15 conducted clinical trials of its product, has given presentations about its products and related  
16 technology, and intends to sell its products to customers throughout the country, using the  
17 NEUROSTAR Marks.

18 11. Northstar is informed and believes and on that basis alleges that Defendant first  
19 began using the infringing NEUROSTAR Marks in connection with Defendant's products or  
20 services in or about May 2006 – about two years after the date when Northstar first began using  
21 its NORTHSTAR NEUROSCIENCE Mark, and after Northstar had obtained a federal  
22 registration for its NORTHSTAR NEUROSCIENCE Mark. Northstar is further informed and  
23 believes and on that basis alleges that Defendant was aware or should have been aware of  
24 Northstar and its NORTHSTAR NEUROSCIENCE Mark and registration at the time that  
25 Defendant adopted and began using the infringing NEUROSTAR Marks. The parties are both  
26

1 in the medical device field, and Northstar's federal trademark registration provided constructive  
2 notice of Northstar's rights in the NORTHSTAR NEUROSCIENCE Mark.

3 12. Northstar is informed and believes and on that basis alleges that Defendant's  
4 products are similar to Northstar's products in that both Defendant and Northstar provide  
5 products that are designed to provide stimuli to the cortex of the brain to treat psychiatric or  
6 neurological disorders. More particularly, Northstar is informed and believes and on that basis  
7 alleges that Neuronetics has done clinical trials in which a Neuronetics device is used to apply  
8 stimuli to the cortex of the brain to treat major depression, and Northstar has also done clinical  
9 trials in which a Northstar device is used to apply stimuli to the cortex of the brain to treat  
10 major depression.

11 13. Northstar is informed and believes and on that basis alleges that Defendant  
12 markets or has presented information about its products to individuals and groups in the  
13 medical field, which is the same field that Northstar is in and that Northstar targets. For  
14 example, Northstar researchers attended an American Psychiatric Association conference last  
15 year at which Neuronetics presented clinical trial results.

16 14. Defendant's use of the NEUROSTAR Marks for its products is likely to cause  
17 confusion as to association, sponsorship, endorsement, ownership, or affiliation between  
18 Defendant and Northstar, and Northstar's NORTHSTAR NEUROSCIENCE Mark, thereby  
19 infringing Northstar's rights in its NORTHSTAR NEUROSCIENCE Mark.

20 15. Northstar is informed and believes and on that basis alleges that at least one  
21 individual in the medical device industry was confused by the similarity of the NEUROSTAR  
22 Marks with Northstar's Marks, mistaking an action or announcement by the Food & Drug  
23 Administration (FDA) regarding the NEUROSTAR product as being one for Northstar's  
24 product.

25 16. In or about November 16, 2006, counsel for Northstar sent a cease and desist  
26 letter to Neuronetics requesting that Neuronetics cease using the NEUROSTAR mark and

1 withdraw its applications to register the mark NEUROSTAR. The parties attempted to resolve  
2 the matter, but no resolution has been reached and Neuronetics continues to use the  
3 NEUROSTAR Marks.

4  
5 **FIRST CLAIM FOR RELIEF**  
6 **Federal Trademark Infringement and Counterfeiting**  
7 **15 U.S.C. § 1114**

8 17. Plaintiff Northstar realleges and incorporates by reference the allegations in  
9 paragraphs 1 through 16 as if fully set forth herein.

10 18. Plaintiff's NORTHSTAR NEUROSCIENCE Mark is distinctive and Northstar  
11 has used its NORTHSTAR NEUROSCIENCE Mark to distinguish and to identify its products.  
12 Northstar has acquired substantial goodwill through the use of its NORTHSTAR  
13 NEUROSCIENCE Mark, and obtained federal registration for the Mark, as described above.

14 19. Defendant's use of the NEUROSTAR Marks in connection with Defendant's  
15 goods and/or services and related promotional activities is likely to cause confusion, mistake,  
16 or deception, and constitutes infringement of Northstar's registered NORTHSTAR  
17 NEUROSCIENCE Mark, in violation of Section 32 of the Lanham Act, 15 U.S.C. § 1114.

18 20. Northstar is informed and believes and on that basis alleges that Defendant was  
19 or should have been aware of Northstar and the NORTHSTAR NEUROSCIENCE Mark and  
20 the use thereof by Northstar to identify Northstar and its products, prior to Defendant's use of  
21 the infringing NEUROSTAR Marks.

22 21. Northstar is informed and believes and on that basis alleges that as a result of  
23 Defendant's acts of trademark infringement and unfair competition, Defendant has benefited in  
24 the marketplace, at the expense of and causing injury to Northstar.

25 22. Northstar is informed and believes and on that basis alleges that as a result of  
26 Defendant's adoption and use of the infringing NEUROSTAR Marks, Defendant is able to  
obtain recognition and build a reputation in the market, all to the detriment of Northstar and to  
the benefit, and unjust enrichment, of Defendant.

1           23.     As a result of Defendant's unlawful conduct, Northstar has been and continues  
2 to be substantially and irreparably harmed. If Defendant's infringement and unlawful acts are  
3 permitted to continue, further damage and irreparable injury will be sustained by Northstar.  
4 Through such unfair acts and use of confusingly similar marks, the value of Northstar's  
5 NORTHSTAR NEUROSCIENCE Mark will be diminished or destroyed, for which damage  
6 Northstar cannot be adequately compensated at law. Accordingly, Northstar is entitled to  
7 preliminary and permanent injunctive relief against Defendant, including an order enjoining  
8 Defendant from using the NEUROSTAR Marks.

9           24.     Northstar is informed and believes and on that basis alleges that Defendant has  
10 benefited from its infringement of Northstar's NORTHSTAR NEUROSCIENCE Mark, and  
11 Defendant's use of the NEUROSTAR Marks has caused or is likely to cause loss and damage  
12 to Northstar, including to its goodwill, reputation and its Mark.

13           25.     Plaintiff's damages may be trebled pursuant to Section 35(a) of the Lanham Act,  
14 15 U.S.C. § 1117(a) because, upon information and belief, Defendant's actions have been  
15 committed willfully, with intent and full knowledge of the NORTHSTAR NEUROSCIENCE  
16 Mark and Northstar's rights in the NORTHSTAR NEUROSCIENCE Mark, among other  
17 things. In addition, Northstar is entitled to recover Defendant's profits and reasonable  
18 royalties, if any, as well as costs of this action and reasonable attorney's fees.

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20                   **SECOND CLAIM FOR RELIEF**  
21                   **False Designation of Origin and Unfair Competition**  
                          **15 U.S.C. § 1125(a)**

22           26.     Plaintiff Northstar realleges and incorporates by reference the allegations in  
23 paragraphs 1 through 25 as if fully set forth herein.

24  
25           27.     Defendant's use of the infringing NEUROSTAR Marks in connection with  
26 Defendant's goods and services and related promotional activities is likely to cause confusion,  
mistake, or deception as to affiliation, connection, or association with Northstar, and is also

1 likely to cause confusion as to the origin, sponsorship, or approval of Defendant's goods,  
2 services, or activities by Northstar, all in violation of Section 43(a) of the Lanham Act, 15  
3 U.S.C. § 1125(a).

4 28. In addition, Defendant's use of the NEUROSTAR Marks constitutes a false  
5 designation of origin, false or misleading description of fact, or false or misleading  
6 representation of fact which is likely to cause confusion (including reverse confusion), mistake,  
7 or deception as to affiliation, connection, or association with Northstar, and is also likely to  
8 cause confusion as to the origin, sponsorship, or approval of Defendant's goods, services, or  
9 activities by Northstar, all in violation of Section 43(a) of the Lanham Act, 15 U.S.C.  
10 § 1125(a).

11 29. Defendant's use of the NEUROSTAR Marks has caused and will continue to  
12 cause irreparable harm for which Northstar has no adequate remedy at law, in that, among other  
13 things, (i) the ownership of the NORTHSTAR NEUROSCIENCE Mark constitutes a unique  
14 and valuable property right which has no readily determinable market value; (ii) Defendant's  
15 activities constitute a substantial interference with Northstar's goodwill and relationship with  
16 its customers, physicians and others in the medical community, partners, vendors, the general  
17 public, and the media; and (iii) Defendant's activities, and the harm resulting to Northstar, are  
18 continuing. Accordingly, Northstar is entitled to preliminary and permanent injunctive relief.

19 30. As a result of Defendant's unlawful conduct, Plaintiff has incurred damages in  
20 an amount to be proven at trial consisting of, among other things, diminution in the value of  
21 and goodwill associated with Plaintiff's NORTHSTAR NEUROSCIENCE Mark. Plaintiff's  
22 damages may be trebled pursuant to Section 35(a) of the Lanham Act, 15 U.S.C. § 1117(a)  
23 because, upon information and belief, Defendant's actions have been committed willfully, with  
24 intent and full knowledge of Northstar's rights, among other things. In addition, Northstar is  
25 entitled to recover Defendant's profits and reasonable royalties, if any, as well as costs of this  
26 action and reasonable attorney's fees.



**THIRD CLAIM FOR RELIEF**  
**Cancellation of Registration**  
**15 U.S.C. § 1119**

31. Plaintiff Northstar realleges and incorporates by reference the allegations in paragraphs 1 through 30 as if fully set forth herein.

32. Northstar is informed and believes and on that basis alleges that in or about February 10, 2006, Defendant filed an application to register the mark NEUROSTAR with the USPTO in connection with products designed to stimulate the brain, specifically “transcranial magnetic stimulation devices consisting of a stimulator and a patient positioning system, namely, a chair and headset.” The mark was eventually registered on December 19, 2006 (Reg. No. 3187054).

33. Plaintiff believes it is and will be damaged by this registration of the NEUROSTAR mark and Defendant’s continued use of the mark, as alleged above, including that the NEUROSTAR mark infringes Plaintiff’s NORTHSTAR NEUROSCIENCE Mark.

34. Pursuant to 15 U.S.C. § 1119, Plaintiff requests that this Court determine that the NEUROSTAR mark infringes or otherwise causes damage to Plaintiff and its rights in its NORTHSTAR NEUROSCIENCE Mark, and order the cancellation of USPTO Registration No. 3187054.

**FOURTH CLAIM FOR RELIEF**  
**Common Law Infringement and Unfair Competition**

35. Plaintiff Northstar realleges and incorporates by reference the allegations in paragraphs 1 through 34 as if fully set forth herein.

36. The foregoing acts of Defendant constitute infringement and unfair competition in violation of the common law of the state of Washington.

37. Defendant’s use of the NEUROSTAR Marks is in violation and derogation of Northstar’s common law rights in its NORTHSTAR NEUROSCIENCE Mark, and is likely to cause confusion, mistake and deception among customers and the public as to the source,

1 origin, sponsorship or quality of Northstar's goods and services and business, thereby causing  
2 loss, damage and injury to Northstar and the public. Defendant knew, or in the exercise of  
3 reasonable care should have known, that its infringing conduct was likely to mislead the public,  
4 and those engaged in the sale, marketing, development, purchase or distribution of products and  
5 services in the medical device industry.

6 38. Northstar is informed and believes and on that basis alleges that the foregoing  
7 conduct by Defendant has been knowing, deliberate, willful, and with the knowledge that it is  
8 likely to cause mistake or to deceive, and in disregard of Northstar's rights.

9 39. As a result of Defendant's unlawful conduct, Northstar has been and continues  
10 to be substantially and irreparably harmed. If Defendant's unfair competition and acts are  
11 permitted to continue, further damage and irreparable injury will be sustained by Northstar.  
12 Through such unfair acts and use of a confusingly similar mark, the value of Northstar's  
13 NORTHSTAR NEUROSCIENCE Mark will be diminished or destroyed, for which damage  
14 Northstar cannot be adequately compensated at law.

15 40. Northstar is informed and believes and on that basis alleges that Defendant has  
16 derived unlawful gains or benefits from its unlawful acts, as alleged above, and has caused or is  
17 likely to cause loss and damage to Northstar, including its goodwill, reputation and its Mark, in  
18 an amount as yet unknown but to be proven at trial.

19 41. Northstar has no adequate remedy at law for, and is being irreparably harmed  
20 by, Defendant's continuing violation of its rights as set forth above, and such harm will continue  
21 unless Defendant is enjoined by this Court.

## 22 **REQUEST FOR RELIEF**

23 WHEREFORE, Northstar prays for relief as follows:

24 1. That Defendant be adjudged to have infringed Northstar's NORTHSTAR  
25 NEUROSCIENCE Mark in violation of federal and Washington state law;  
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1           2.       That Defendant be adjudged to have willfully and deliberately infringed  
2 Northstar's NORTHSTAR NEUROSCIENCE Mark in violation of federal and Washington  
3 state law;

4           3.       That Defendant be adjudged to have competed unfairly with Northstar and used  
5 a false designation of origin in violation of federal and Washington state law;

6           4.       That Defendant be adjudged to have willfully and deliberately used false  
7 designations of origin and competed unfairly with Northstar in violation of federal and  
8 Washington state law;

9           5.       That Defendant, its officers, agents, servants, employees and all persons acting  
10 or claiming to act on its behalf under its direction or authority, and all persons acting or  
11 claiming to act in concert or in participation with it or any of them, be preliminarily and  
12 permanently enjoined and restrained from infringing Northstar's NORTHSTAR  
13 NEUROSCIENCE Mark in any manner in the promotion, clinical testing, distribution,  
14 purchase, advertising or sale of Defendant's products and services, and, in particular, from  
15 using the NEUROSTAR Marks;

16           6.       That Defendant, its officers, agents, servants, employees and all persons acting  
17 or claiming to act on its behalf under its direction or authority, and all persons acting or  
18 claiming to act in concert or in participation with it or any of them, be permanently enjoined  
19 and restrained from or engaging in acts of unfair competition relating to use of the  
20 NEUROSTAR Marks in any manner, in the promotion, clinical testing, distribution, purchase,  
21 advertising or sale of Defendant's goods and services;

22           7.       That Defendant be required to turn over and deliver up to the Court or to a  
23 Court-designated party during the pendency of this action all infringing materials in their  
24 custody and control (including records regarding manufacture and marketing) and all matters  
25 used to make infringing materials, as well as turn over and deliver any and all catalogues,  
26 marketing materials or labels in its possession, custody or control, or that of its owners,

1 officers, agents, brokers, servants or employees, that would, if used, or marketed or otherwise  
2 distributed, violate any injunctive relief granted herein, for ultimate destruction of such items  
3 upon Court order;

4 8. That Defendant be required to publish notice to all distributors, brokers,  
5 retailers, tradeshow, sellers, and other customers or others in the trade who may have seen, or  
6 heard of Defendant's use of the NEUROSTAR Marks, or used or tested any of Defendant's  
7 products or services which were marketed using the NEUROSTAR Marks, which notice shall  
8 disclaim any connection with Northstar and shall advise them of the Court's injunction order  
9 and of Defendant's discontinuance from all use of the NEUROSTAR Marks;

10 9. That Defendants be ordered to pay the costs of corrective advertising;

11 10. That Defendants be ordered to pay damages in the amount of their infringing  
12 profits and/or reasonable royalties, if any, increased by the Court by such amount as the Court  
13 deems to be just, together with Northstar's damages, which, according to the circumstances of  
14 this case, should be trebled;

15 11. That USPTO Registration No. 3,187,054 for the mark NEUROSTAR be  
16 cancelled;

17 12. For an award of costs and reasonable attorney's fees; and

18 13. For all other relief the Court deems just and proper.

19 Dated this 7th day of March, 2007.

21 s/ Stellman Keehnel

22 Stellman Keehnel, WSBA No. 9309

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Attorneys for Plaintiff Northstar Neuroscience, Inc.

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2  
3 **JURY TRIAL DEMANDED**

4 Pursuant to Rule 38(a) of the Federal Rules of Civil Procedure, Plaintiff demands a trial  
5 by jury of all issues properly triable of right by a jury.

6 Dated this 7th day of March, 2007.

7 s/ Stelman Keehnel

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