

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF KENTUCKY
LEXINGTON DIVISION

MAGIC HAT IP, LLC, AND
INDEPENDENT BREWERS UNITED CORPORATION,

Plaintiff,

vs.

Civ. _____

WEST SIXTH BREWING COMPANY, LLC,

JURY TRIAL DEMANDED

Defendant.

VERIFIED COMPLAINT

Plaintiffs Magic Hat IP, LLC and Independent Brewers United Corporation (collectively “Magic Hat”) state as follows for their Verified Complaint against Defendant West Sixth Brewing Company, LLC:

INTRODUCTION

1. Magic Hat (through its licensee and predecessors) has used the trademarks #9® and #9 and Design (collectively the “#9 Marks”) for beer and ale since at least as early as 1995 and 2007, respectively. Due to the importance of these marks, Magic Hat obtained a United States Trademark Registration, No. 2024581, for its #9 mark on December 18, 1996, for “beer and ale” in Class 32. Because Magic Hat filed the appropriate §8 and § 15 Affidavits, its rights in this mark are incontestable. In addition, Magic Hat also used and applied to register its #9 and design mark with the United States Patent and Trademark Office (“USPTO”). Without fail, Magic Hat has taken all reasonable precautions to protect its valuable intellectual property rights in the #9 Marks.

2. Without permission or license, Defendant West Sixth Brewing Company, LLC (“Defendant” or “West Sixth”) began selling beer, ale, and brewpub services in 2012 under trademarks, designs, and trade dress that closely resemble and are confusingly similar to Magic Hat’s #9 Marks, designs, and trade dress.

3. West Sixth’s actions constitute trademark and trade dress infringement upon Magic Hat’s rights, for which it is liable to Magic Hat.

4. Accordingly, Magic Hat seeks damages and injunctive relief under state and federal law to remedy the substantial infringement by West Sixth.

PARTIES

5. Magic Hat IP, LLC is a Vermont limited liability company with its principal place of business at 5 Bartlett Bay Road, South Burlington, Chittenden County, Vermont.

6. Independent Brewers United Corporation is a Washington corporation with its principal place of business at 91 South Royal Brougham Way, Seattle, King County, Washington.

7. Magic Hat IP, LLC owns the rights in the intellectual property at issue in this matter and licenses Independent Brewers United Corporation to use such intellectual property.

8. On information and belief, Defendant West Sixth Brewing Company, LLC is a Kentucky limited liability company with its principal place of business at 501 West Sixth Street, Suite 100, Lexington, Fayette County, Kentucky.

JURISDICTION AND VENUE

9. Magic Hat’s claims against West Sixth arise under 15 U.S.C. § 1125 (trade dress infringement), 15 U.S.C. § 1114 and 1125 (trademark infringement), Ky. Rev. Stat. Ann. §

365.601-365.603 (trademark infringement), and the common law of the Commonwealth of Kentucky (unjust enrichment).

10. This Court has jurisdiction over this action pursuant 28 U.S.C. §§ 1331 and 1338 and 15 U.S.C. § 1121.

11. This Court has jurisdiction over the related state and common law claims pursuant to 28 U.S.C. §§ 1367 and 1338(b).

12. This Court has personal jurisdiction over Defendant West Sixth because its primary place of business is located in Lexington, Kentucky and, upon information and belief, its infringing products are widely sold throughout the Commonwealth of Kentucky, including in this District and this District's Central Jury Division.

13. Venue is appropriate in this District under 28 U.S.C. § 1391 and 1400 because Defendant West Sixth's principal place of business is located in this District.

FACTS AND CIRCUMSTANCES UNDERLYING THE CLAIMS

A. Magic Hat's Intellectual Property Rights.

14. Plaintiff Magic Hat is one of the largest and most well-recognized craft brewers in the United States. Magic Hat (through itself, its licensee, and its predecessors Independent Brewers United Corporation and Magic Hat Brewing Company & Performing Arts Center, Inc.) has sold its products, including its flagship #9® beer, in convenience stores, grocery stores, restaurants, bars, package stores, and liquor stores throughout the United States since 1995. Magic Hat's products have garnered widespread consumer recognition and approval.

15. Magic Hat has sold its beer and ale in Kentucky, including product branded with its #9 Marks, since at least as early as 2009.

16. Early on, Magic Hat invested heavily in its image and marketing, and developed unique and distinctive marks, logos, and trade dress for its products.

17. Initially, Magic Hat developed, used, and registered its #9 trademark for “beer and ale” (the “#9 Mark”), which is the subject of United States Trademark Registration 2,024,581. Magic Hat filed its application to register the #9 Mark on April 14, 1995 and the registration issued on December 17, 1996 (the “#9 Registration”). Magic Hat’s rights in the #9 Mark are incontestable. Attached as **Exhibit A** is a copy of the #9 Registration.

18. Also, Magic Hat developed a creative and original design for use with its #9 product. On June 24, 2010, Magic Hat applied to register the following work with the United States Copyright Office and was issued Copyright Registration VA 1-724-477 (the “#9 Copyright Registration”):



(the “#9 Work”). A copy of the #9 Copyright Registration is attached as **Exhibit B**.

19. In addition, Magic Hat applied to register the following #9 and design trademark with the USPTO on March 22, 2013 (Application Serial No. 85883897) (the “#9 Design Application”):



(the “#9 Design Mark”). A copy of the USPTO record for #9 Design Application is attached as **Exhibit C.**

20. Magic Hat markets its handcrafted, premium beer and ale under the #9 Marks throughout the United States. Magic Hat uses the #9 Marks in advertising and promotional materials and on bottles, cans, six-packs, twelve-packs, kegs, tap handles, and point-of-sale displays. Its marketing also includes the sponsoring of sporting and entertainment events using the #9 Marks, including events in Kentucky.

21. Through Magic Hat’s advertising, marketing, and sales efforts, the distinctive #9 Marks have become well known to consumers as an indication that beer and ale sold under such marks emanate exclusively from Magic Hat.

22. Magic Hat’s non-functional trade dress, which includes the #9 Marks, is inherently distinctive and/or has acquired secondary meaning in the trade and among the relevant consuming public as a symbol identifying Magic Hat as the source of its products.

23. The trade dress for Magic Hat’s #9 branded products is characterized by its distinctive orange color, which is the predominant color on its labels, the presence of the “dingbat” star, and the circular motif that appear in the #9 Design Mark (the “Magic Hat Trade Dress”).

B. Defendant West Sixth’s infringing intellectual property.

24. Upon information and belief, Defendant West Sixth sells beer, ale, and brewpub services under the trademarks 6 and Design:



(“6 and Design Mark”) and WEST SIXTH BREWING 6 and design:



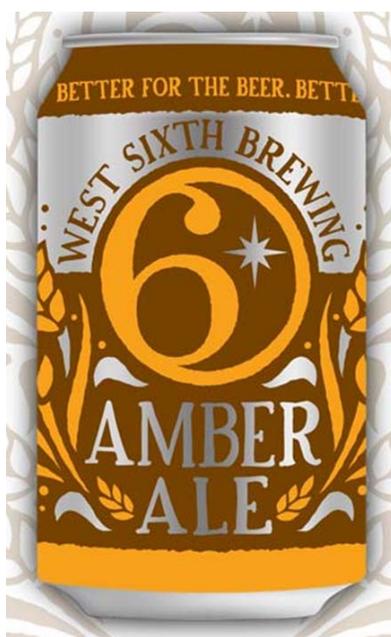
(the “WEST SIXTH BREWING 6 and design mark”) (collectively, the “6 Marks”).

25. On September 27, 2012, Defendant West Sixth filed an application with the USPTO to register the WEST SIXTH BREWING 6 and design mark (Application Serial No. 85739821) (“6 and Design Application”). A copy of the USPTO record for the 6 and Design Application is attached as **Exhibit D**.

26. Upon information and belief, Defendant West Sixth has sold beer, ale, and brewpub services under the 6 Marks in certain markets, including portions of Kentucky and Ohio, since April 1, 2012.

27. On information and belief, Defendant West Sixth recently expanded its use of the 6 Marks for beer and ale into South Carolina and intends to begin selling its beer and ale using the 6 Marks in other new markets in other states in the near future.

28. In addition, Defendant West Sixth recently introduced its Amber Ale product, which is offered under the 6 Marks in orange:



29. Orange is the primary color used in Magic Hat's trade dress and copyrighted work. Therefore, West Sixth's recent use of its 6 Marks in orange makes its trademarks, designs, and trade dress even more closely resemble that of Magic Hat. Further, West Sixth has used a "dingbat" star to further suggest the trade dress of Magic Hat's products in an effort to confuse consumers and trade on Magic Hat's good will.

30. Defendant West Sixth uses the 6 Marks on cans, kegs, glasses, flight trays, coasters, tap handles, signs, advertising and promotional materials, and point-of-sale materials.

31. Defendant West Sixth competes directly with Magic Hat for sales of beer and ale in the markets in which West Sixth is presently active and intends to become active.

32. In fact, the parties both use many of the same distributors for their products.

33. Defendant West Sixth's 6 Marks and trade dress are confusingly and substantially similar to Magic Hat's #9 Marks and trade dress.

34. By its actions, Defendant West Sixth has infringed Magic Hat's rights under trademark and trade dress law. For such infringement, Magic Hat seeks various remedies, including injunctive relief and damages.

FIRST CLAIM

TRADEMARK INFRINGEMENT UNDER THE LANHAM ACT (15 U.S.C. § 1114)

35. Magic Hat repeats and realleges each of the allegations at paragraphs 1 through 34 above as though fully restated herein.

36. Magic Hat owns United States Trademark Registration No. 2024581 for the #9 Mark for use in connection with beer and ale.

37. Magic Hat's registration is valid and subsisting and its rights in the #9 Mark are now incontestable.

38. Magic Hat owns United States Trademark Application Serial No. 85883897 for the #9 Design Mark for beer and ale.

39. Defendant West Sixth's use of its confusingly similar marks in interstate commerce for its beer, ale, and brewpub services, without Magic Hat's consent, constitutes the unlawful trademark infringement by West Sixth of Magic Hat's #9 Marks.

40. Defendant West Sixth's use of its confusingly similar marks in interstate commerce, without the consent of plaintiff Magic Hat, in connection with beer, ale, and brewpub

services, has caused, continues to cause, and is likely to cause confusion, mistake, and deception in the minds of the consuming public.

41. Defendant West Sixth's use of its confusingly similar marks has deceived and is likely to continue to deceive consumers as to the source or origin of its products, and constitutes infringement of Magic Hat's #9 Marks.

42. By reason of the foregoing, Magic Hat has been injured by Defendant West Sixth's trademark infringement in violation of the Lanham Act, 15 U.S.C. § 1114.

43. Upon information and belief, Defendant West Sixth has acted with full knowledge of Magic Hat's rights and in willful violation of 15 U.S.C. § 1114.

44. Defendant West Sixth's use of its confusingly similar marks is causing and will continue to cause Magic Hat irreparable harm, for which it has no adequate remedy at law, and, thus, Magic Hat is entitled to injunctive relief.

45. In addition to irreparable harm suffered by reason of West Sixth's acts, Magic Hat has suffered, and will continue to suffer, damages in an amount to be proven at trial, including costs and attorneys' fees.

SECOND CLAIM

TRADEMARK INFRINGEMENT UNDER SECTION 43 OF THE LANHAM ACT (15 U.S.C. § 1125)

46. Magic Hat repeats and realleges each of the allegations at paragraphs 1 through 45 above as though fully restated herein.

47. Magic Hat has used the #9 Mark for beer and ale since at least as early as 1995 in the United States and since at least as early as 2009 in Kentucky. Magic Hat has used the #9 Design Mark for beer and ale since at least as early as 2007 in the United States and since at least as early as 2009 in Kentucky.

48. Based upon its substantial, exclusive, and continuous use of these marks for beer and ale, Magic Hat has developed significant trademark rights in such marks.

49. In 2012, or in any case, long after Magic Hat began use of its #9 Mark and #9 Design Mark for beer and ale, West Sixth began using its confusingly similar 6 Marks for beer, ale, and brewpub services.

50. Defendant West Sixth's use of its 6 Marks for beer, ale, and brewpub services is likely to cause confusion or mistake, or to deceive as to its affiliation, connection, or association with Magic Hat or as to the origin, sponsorship, or approval of West Sixth's goods and services.

51. Based upon the foregoing, West Sixth's use of the 6 Marks for beer, ale, and brewpub services constitutes trademark infringement under 15 U.S.C. § 1125.

52. By reason of West Sixth's acts, Magic Hat has suffered and will continue to suffer irreparable harm for which it has no adequate remedy at law, and, thus, Magic Hat is entitled to injunctive relief.

53. In addition to the irreparable harm suffered, by reason of West Sixth's acts, Magic Hat has suffered and will continue to suffer damages in an amount to be proven at trial, including costs and attorneys' fees.

THIRD CLAIM

TRADE DRESS INFRINGEMENT UNDER SECTION 43 OF THE LANHAM ACT (15 U.S.C. § 1125)

54. Magic Hat repeats and realleges each of the allegations at paragraphs 1 through 53 above as though fully restated herein.

55. The Magic Hat Trade Dress is used in commerce, is non-functional, is inherently distinctive, and has acquired secondary meaning in the marketplace.

56. Defendant West Sixth is unfairly competing with Magic Hat by adopting an infringing trade dress to identify its goods and services.

57. The intent and result of Defendant West Sixth's actions has been a palming off of West Sixth's goods and services as emanating from or being endorsed by Magic Hat, causing confusion, mistake, and deception among the public as to the source and origin of those goods and services.

58. The foregoing acts of West Sixth are intended to cause, have caused, and are likely to cause confusion, mistake, deception among consumers, the public, and the trade who recognize and associate the Magic Hat trade dress elements with Magic Hat.

59. Moreover, West Sixth's conduct is likely to cause confusion, to cause mistake, or to deceive consumers, the public, and the trade as to the source of the infringing products, or as to a possible affiliation, connection, or association between Magic Hat, West Sixth, and the infringing products.

60. Defendant West Sixth's use of an infringing trade dress has caused and, unless restrained, will continue to cause injury to Magic Hat.

61. Defendant West Sixth actions constitute false designations of origin, false and misleading descriptions, and false and misleading representations that are likely to cause confusion, mistake, and deception. By using a confusingly similar trade dress, Defendant West Sixth has misrepresented the nature, origin, characteristics, and quality of its products, in violation of the Lanham Act (15 U.S.C. § 1125(a)).

62. By reason of West Sixth's actions, Magic Hat has suffered and will continue to suffer irreparable harm for which it has no adequate remedy at law, and, thus, Magic Hat is entitled to injunctive relief.

63. In addition to the irreparable harm suffered by reason of Defendant West Sixth's actions, Magic Hat has suffered and will continue to suffer damages in an amount to be proven at trial.

FOURTH CLAIM

STATE TRADEMARK INFRINGEMENT

64. Magic Hat repeats and realleges each of the allegations at paragraphs 1 through 63 above as though fully restated herein.

65. West Sixth has used reproductions, copies, colorable imitations, and/or confusingly similar trademarks in connection with the sale or offering for sale of goods that are likely to cause confusion of the source or origin of the goods.

66. West Sixth has reproduced, copied, or colorably imitated a trademark and applied it to labels, signs, prints and other writings intended to be used in conjunction with the sale or distribution of goods and services.

67. Upon information and belief, West Sixth knowingly acted with the intent to cause confusion between its products and Magic Hat's products in violation of Kentucky Revised Statutes 365.601-365.603.

68. Upon information and belief, West Sixth has made and will continue to make substantial profits and gains to which they are not in law or equity entitled.

69. Upon information and belief, West Sixth intends to continue its infringing acts, unless restrained by this Court.

70. In addition to the irreparable harm suffered by reason of Defendant West Sixth's actions, Magic Hat has suffered and will continue to suffer damages in an amount to be proven at trial.

FIFTH CLAIM

UNJUST ENRICHMENT

71. Magic Hat repeats and realleges each of the allegations at paragraphs 1 through 70 above as though fully restated herein.

72. The acts set out above constitute unjust enrichment of West Sixth at Magic Hat's expense, in violation of the common law of the Commonwealth of Kentucky.

73. Magic Hat has suffered and will continue to suffer damages by reason of Defendant West Sixth's actions in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Magic Hat demands judgment as follows:

- A. a declaration that Defendant West Sixth's use of its 6 Marks for beer, ale, and brewpub services, infringes Magic Hat's trademark and trade dress rights and constitutes unfair competition;
- B. directing Defendant West Sixth to account for and to pay over to Magic Hat all profits realized by West Sixth as a result of its use of the 6 Marks, its infringement of Magic Hat's trademarks and trade dress, and its acts of unfair competition;
- C. permanently enjoining Defendant West Sixth from further infringement of Magic Hat's trademarks and trade dress, and from further acts of unfair competition;
- D. awarding Magic Hat all damages, costs, fees, and expenses sustained by reason of the Defendant West Sixth's unlawful use of Magic Hat's trademarks, trebling the amount of those damages in accordance with 15 U.S.C. § 1117(a), and awarding Magic Hat its attorneys' fees reasonably incurred in the prosecution of this matter;

- E. adjudging that Defendant West Sixth willfully violated the provisions of 15 U.S.C. § 1125(a) when it misappropriated Magic Hat's trade dress;
- F. awarding Magic Hat actual and punitive damages to which it is entitled under the applicable federal and state laws referenced or implicated herein;
- G. awarding Magic Hat pre-judgment interest on any monetary award made part of the judgment against West Sixth; and
- H. awarding any such other and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Magic Hat requests a trial by jury in this matter.

VERIFICATION

I, Katherine Markert on behalf of Plaintiffs Magic Hat IP, LLC and Independent Brewers United Corporation, state that I have read and reviewed the foregoing Verified Complaint and state that the facts alleged therein are true and accurate to the best of my knowledge, information and belief.

By: 
Title: Manager, Wholesaler Development & Regulatory Compliance

SUBSCRIBED AND SWORN to before me by Katherine Markert on behalf of Plaintiffs Magic Hat IP, LLC and Independent Brewers United Corporation, this 15th day of May, 2013.



NOTARY PUBLIC

My Commission Expires: 9/27/14

KATHLEEN M BLAHOWICZ
NOTARY PUBLIC-STATE OF NEW YORK
No. 01BL6227150
Qualified in Monroe County
My Commission Expires September 27, 2014

May 16, 2013

Respectfully submitted,

/s/ Joshua R. Denton

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