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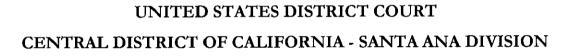
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Attorneys for Defendant Advanced Armament Corp.



SUREFIRE, LLC, a California limited liability company,

Plaintiff,

v.

ADVANCED ARMAMENT CORP., a Georgia corporation,

Defendant.

ADVANCED ARMAMENT CORP., a Georgia corporation,

Counter-Claimant,

v.

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SUREFIRE, LLC, a California limited liability company,

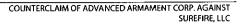
Counter-Defendant.

Case No. SACV 08-1405 DOC (RNBx) Assigned to Hon. David O. Carter

COUNTERCLAIMS OF DEFENDANT ADVANCED ARMAMENT CORP. FOR:

- FALSE ADVERTISING -FEDERAL LAW;
- FALSE ADVERTISING -(2) FALSE ADVEKTISING – CALIFORNIA BUS. & PROF. CODE § 17500; AND
- **UNFAIR COMPETITION** CÁLIFORNIA BUS. & PROF. CODE **§ 17200.**

**JURY TRIAL DEMANDED** 



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Counter-Claimant Advanced Armament Corp. ("Counter-Claimant" or "AAC") counterclaims against SureFire as set forth below:

### **PARTIES**

- AAC is informed and believes and thereon alleges that SureFire is a company incorporated under the laws of the State of California with a principal place of business in Fountain Valley, California.
- Defendant AAC is a company organized under the laws of the State of Georgia with a principal place of business in Norcross, Georgia.

## **JURISDICTION AND VENUE**

- 3. This Court has subject matter jurisdiction over Counter-Claimant AAC's federal law counterclaim pursuant to 15 U.S.C. § 1121(a), 28 U.S.C §§ 1331 and 1338(a) because it arises under the Lanham Act, 15 U.S.C. § 1125(a). The Court may exercise supplemental jurisdiction over Counter-Claimant AAC's state law counterclaims pursuant to 28 U.S.C. § 1367(a). Additionally, this Court has jurisdiction over Counter-Claimant AAC's counterclaims under 28 U.S.C. § 1332 as this is a matter involving parties from different states and the amount in controversy exceeds \$75,000.
- 4. Venue for Counter-Claimant AAC's counterclaims is proper in the Central District of California under 28 U.S.C. § 1391 because SureFire resides in this judicial district.
- 5. This Court has personal jurisdiction over SureFire by virtue of its injurious acts within this state and judicial district as well as the fact that SureFire resides in this judicial district.

## **GENERAL ALLEGATIONS**

- 6. Surefire and Counter-Claimant AAC compete in the market for firearm accessories, including but not limited to silencers and suppressors.
- 7. Consumers of firearm accessories make purchasing decisions, at least in part, due to express descriptions of the performance of firearm accessories found in trade journals, magazines, tradeshow materials, and on the Internet.

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- 8. Statements concerning the number of rounds that may be fired through a given firearm before that firearm fails are material because they relate to the performance or inherent qualities of the firearm or firearm accessory.
- In particular, consumers of firearms and firearm accessories rely on 9. statements made concerning the number of rounds that may be fired through a given firearm or firearm accessory when said firearm discharges successive rounds.
- 10. The discharge of successive rounds from a firearm can be continuous upon one pull of the trigger; this type of firing is referred to as "fully automatic" or "full-auto" firing.
- 11. AAC is informed and believes and thereon alleges that consumers rely on statements made concerning the number of rounds that may be fired through a given firearm or firearm accessory during full-auto firing.

### SUREFIRE'S FALSE ADVERTISING

- 12. SureFire has made and continues to make statements in commerce concerning the number of rounds that can be fired through its firearm accessories, including suppressors and silencers, before they fail.
- AAC is informed and believes and thereon alleges that statements made 13. by SureFire in commerce concerning the number of rounds that can be fired through its suppressors before they fail are materially false or misleading.
- AAC is informed and believes and thereon alleges that SureFire represents that it has conducted testing in order to prove statements concerning the number of rounds that can be fired through its firearm accessories.
- AAC is informed and believes and thereon alleges that no tests were conducted supporting certain statements relating to the number of rounds that can be fired through SureFire's suppressors before they fail.
- SureFire represented that its suppressors did not fail after being fired by 16. an individual named Barry Dueck, where Mr. Dueck purportedly fired "50 magazines

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on full auto, emptying each [magazine] in one continuous 30-round burst and continuing as fast as he could change magazines."

- AAC is informed and believes and thereon alleges that no tests were 17. conducted to support statements that SureFire's suppressors could withstand the continuous firing of 1,500 rounds, unless extraordinary measures were taken to keep the suppressor cool.
- SureFire represented that its suppressors show "no appreciable wear" 18. after the continuous firing of 1,500 full-auto rounds.
- AAC is informed and believes and thereon alleges that SureFire 19. suppressors will fail before far less than the continuous firing of 1,500 full-auto rounds.
- AAC is informed and believes and thereon alleges that SureFire 20. suppressors are likely to fail before approximately 500 continuous full-auto rounds are fired.

### COUNTERCLAIM I

# (False Advertising – Federal Law)

- Counter-Claimant AAC repeats and realleges the allegations contained in 21. ¶¶ 1-20 of this Counterclaim as if fully set forth herein.
- AAC is informed and believes and thereon alleges that SureFire has 22. violated 15 U.S.C. § 1125(1)(1)(B) by using false or misleading descriptions of facts or representations of fact in commercial advertising or promotion in a way that materially mischaracterizes the quality or characteristics of its goods.
- AAC is informed and believes and thereon alleges that SureFire's violation 23. of the Lanham Act as described above was conducted knowingly and willfully.
- AAC is informed and believes and thereon alleges that SureFire's false or 24. misleading descriptions of fact or representations of fact have misled or are likely to mislead a substantial segment of consumers.
- AAC is informed and believes and thereon alleges that SureFire's false or 25. 28 misleading descriptions of fact or representations of fact have caused damage to

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Counter-Claimant AAC in an amount to be proven at trial, but in no event less than the sum of SureFire's profits, Counter-Claimant AAC's actual lost sales, the value of Counter-Claimant AAC's damaged goodwill, equitable damages including unjust enrichment, and costs of this litigation including attorneys fees, as provided in 15 U.S.C. § 1117(a).

- AAC is informed and believes and thereon alleges that SureFire should be 26. enjoined from continuing to violate the Lanham Act's prohibition upon false advertising, as the continuing violations are creating irreparable harm for AAC.
- AAC is informed and believes and thereon alleges that Counter-Claimant 27. AAC has no adequate remedy at law for the harm caused by SureFire's false or misleading descriptions of fact or representations of fact, and unless enjoined by this Court, Counter-Claimant AAC will be irreparably harmed.

### **COUNTERCLAIM II**

# (False Advertising - California State Law Business & Professions Code § 17500)

- Counter-Claimant AAC repeats and realleges the allegations contained in 28. ¶¶ 1-27 of this Counterclaim as if fully set forth herein.
- AAC is informed and believes and thereon alleges that SureFire intended 29. to dispose of personal property, namely its suppressors, through the use of the advertising and/or marketing described above, by selling the suppressors to consumers.
- AAC is informed and believes and thereon alleges that SureFire publicly disseminated commercial advertising that contained false or misleading descriptions of facts or representations of fact in a way that materially mischaracterizes the quality or characteristics of its goods, namely its suppressors.
- AAC is informed and believes and thereon alleges that SureFire knew, or 31. in the exercise of reasonable care should have known, that its advertising regarding the suppressors was false or misleading.

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- AAC is informed and believes and thereon alleges that SureFire's 32. advertisements concerned the personal property, namely suppressors, and their disposition through sale as well as the alleged performance of such suppressors.
- 33. AAC is informed and believes and thereon alleges that SureFire's conduct as alleged in this Counterclaim violates California's Business and Professions Code covering actions relating to false advertising, § 17500, et. seq.
- AAC is informed and believes and thereon alleges that SureFire should be 34. enjoined from continuing to violate the False Advertising Law, as the continuing violations are creating irreparable harm for AAC.
- AAC is informed and believes and thereon alleges that SureFire's conduct 35. as alleged herein has caused injury in fact to AAC and that AAC has lost money or property as a result of such false advertising and unfair competition, in an amount or extent to be proven at trial.

### **COUNTERCLAIM III**

# (Unfair Competition-California State Law Business & Professions Code § 17200)

- Counter-Claimant AAC repeats and realleges the allegations contained in 36. ¶¶ 1-35 of this Counterclaim as if fully set forth herein.
- 37. AAC is informed and believes and thereon alleges that the conduct of SureFire alleged above constitutes unlawful, unfair and fraudulent conduct that is prohibited under Business & Professions Code Section 17200 et seq. (the "California Unfair Competition Law").
- AAC is informed and believes and thereon alleges that the conduct of 38. SureFire in question and as alleged in this Counterclaim is unlawful conduct under the California Unfair Competition Law because it violates, inter alia, 15 U.S.C. § 1125 and Business & Professions Code Section 17500 et seq.
- 39. AAC is informed and believes and thereon alleges that the conduct of 28 SureFire in question and as alleged in this Counterclaim either threatens an incipient

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violation of an antitrust law or violates the policy or spirit of such antitrust laws or otherwise significantly threatens or harms competition in the relevant marketplace for suppressors.

- 40. AAC is informed and believes and thereon alleges that the conduct of SureFire in question and as alleged in this Counterclaim is fraudulent within the meaning of the California Unfair Competition Law because (a) the conduct of SureFire involved misrepresentations and/or misleading statements regarding its products, (b) SureFire knew its statements were false and/or misleading prior to making such statements, (c) SureFire intended those hearing the representations to rely upon and believe them, (d) those persons hearing the false representations of SureFire are likely to be deceived by SureFire's fraudulent conduct and misrepresentations, and (e) AAC and others have been damaged by SureFire's fraudulent conduct.
- 41. SureFire's conduct as alleged in this Counterclaim violates California's Business and Professions Code covering actions relating to, *inter alia*, unfair competition, § 17200, et. seq.
- 42. AAC is informed and believes and thereon alleges that SureFire should be enjoined from continuing to violate the Unfair Competition Law, as the continuing violations are creating irreparable harm for AAC.
- 43. AAC is informed and believes and thereon alleges that SureFire's conduct as alleged herein has caused injury in fact to AAC and that AAC has lost money or property as a result of such false advertising and unfair competition, in an amount or extent to be proven at trial.

#### PRAYER FOR RELIEF

WHEREFORE, Counter-Claimant AAC prays for the following relief:

- 1. On the First Counterclaim for false advertising under federal law:
  - (a) For judgment against SureFire for violation of 15 U.S.C. § 1125(a)(1)(B);

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- (b) For an award to AAC ordering disgorgement of SureFire's profits, according to proof at trial;
- (c) For an award to AAC of its damages, according to proof at trial;
- (d) For a finding that SureFire's conduct was and is willful, wanton, or reckless, and an order granting enhanced damages under 15 U.S.C. § 1117(a);
- (e) For an order commanding SureFire to conduct corrective advertising and a judgment including corrective advertising expenses for Counter-Claimant AAC in an amount sufficient to permit Counter-Claimant AAC to inform its customers regarding the truthful nature of SureFire's goods;
- (f) For an order calling for the collection and confiscation of any of SureFire's false or misleading advertisements, articles, web pages, and like materials, as well as any devices used in their production and distribution, as provided by 15 U.S.C. § 1118;
- (g) For preliminary and permanent injunctive relief against SureFire prohibiting it from continuing to commit false advertising with respect to its products that irreparably harms AAC;
- (h) For an award to AAC of its costs and attorneys fees incurred in this action; and
- (i) For interest on all sums awarded to AAC.
- 2. On the Second Counterclaim for violation of California Business & Professions Code Section 17500 et seq.:
  - (a) For judgment against SureFire for violation of Cal. Bus. & Prof. Code § 17500;
  - (b) For an award to AAC ordering restitution of amounts that SureFire wrongfully acquired from AAC, in an amount to be proven at trial;

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(c)	For preliminary and permanent injunctive relief against SureFire
	prohibiting it from continuing to commit false advertising with
	respect to its products that irreparably harms AAC; and

- (d) For an award to AAC of its costs incurred in this proceeding; and
- (e) For interest on all sums awarded to AAC.
- 3. On the Third Counterclaim for violation of California Business & Professions Code Section 17200 et seq.:
  - (a) For judgment against SureFire for violation of Cal. Bus. & Prof. Code § 17200 et seq. for its unlawful, unfair and fraudulent conduct;
  - (b) For an award to AAC ordering restitution of amounts that SureFire wrongfully acquired from AAC, in an amount to be proven at trial;
  - (c) For preliminary and permanent injunctive relief against SureFire prohibiting it from continuing to commit false advertising and acts of unfair competition with respect to its products that irreparably harms AAC; and
  - (d) For an award to AAC of its costs incurred in this proceeding; and
  - (e) For interest on all sums awarded to AAC.
  - 4. On all Claims in the Counterclaim:
    - (a) For all costs incurred in this proceeding;
    - (b) For interest on all sums awarded to AAC; and
    - (c) For such other and further relief as the Court deems just and proper.

# <u>JURY DEMAND</u>

Counter-Claimant AAC demands a jury trial pursuant to Fed. R. Civ. P. 38(b) as to any and all issues that may be tried by a jury.

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PTF00CS #33817 of Counterclaim by AAC, v\_SureFre\_1-21-0

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DATED: January 20, 2009

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Attorneys for Defendant Advanced Armament Corp.

- and -

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# **SERVICE LIST**

SureFire, LLC . v. Advanced Armament Corp. United States District Court Case No. SACV-08-1405 DOC (RNBx)

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