COMPLAINT

Plaintiffs CARROLL SHELBY, CARROLL HALL SHELBY TRUST, and CARROLL SHELBY LICENSING, INC. ("Plaintiffs"), hereby assert this Complaint against defendants FACTORY FIVE RACING, INC., LK MOTORSPORTS and INTERNET COMMUNITY PARTNERS, LLC dba FFCOBRA.COM and allege as follows:

THE PARTIES

- Plaintiff Carroll Shelby is, and at all times mentioned herein was, an 1. individual with a residence in the County of Los Angeles, State of California, and Shelby is the sole trustee of the plaintiff Carroll Hall Shelby Trust (hereinafter the "Shelby Trust"), which is a trust duly organized and administered under the laws of 12 the State of California.
 - Plaintiff Carroll Shelby Licensing, Inc. ("CSL") is a Texas corporation 2. with its principal place of business in Gardena, California.
 - Defendant Factory Five Racing, Inc. ("FFR") is a Massachusetts 3. corporation with its principal place of business in Wareham, Massachusetts.
 - Defendant LK Motorsports is a California corporation with principal 4. place of business in Hermosa Beach, California.
 - Defendant Internet Community Partners, LLC ("ICP") is a limited 5. liability company, state of organization unknown, with its principal place of business in Kennesaw, Georgia.
 - Plaintiffs are informed and believe and thereon allege that, at all 6. relevant times hereto, defendants FFR, LK Motorsports and ICP were the agents of one another, and at all times each entity was acting within the course and scope of such agency with the knowledge and consent of its principal and is, therefore, legally responsible for acts of the agent and the damages alleged herein.

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JURISDICTION AND VENUE

- This Court has jurisdiction over the claims relating to trademark rights 7. under 15 U.S.C. §§ 1114, 1121(a) and 1125(a), and 28 U.S.C. §§ 1331 and 1338. This Court has supplemental jurisdiction over the state court claims asserted herein pursuant to 28 U.S.C. § 1367(a).
- Venue is proper in the Central District of California pursuant to 28 8. U.S.C. § 1391(b) and (c) because a substantial part of the events or omissions giving rise to the claim occurred here, and because the Defendants reside here by virtue of their having contacts sufficient to subject them to personal jurisdiction. As to defendants LK Motorsports, venue is proper for the additional reason that its principal place of business is located in this district.

ALLEGATIONS COMMON TO ALL CLAIMS

- Plaintiff Carroll Shelby is the legendary race car driver who, among 9. other accomplishments, broke the land speed record at the Bonneville Salt Flats and won the 24-hour Le Mans road race during his racing career. After he retired from professional racing, Carroll Shelby broadened his already extensive public reputation by designing some of the most highly prized race and production cars ever built. Through the sale of these high-profile performance cars, automotive parts, accessories and related goods, Carroll Shelby and his related commercial entities have made regular, extensive use of the SHELBY trademark since 1962. The "Shelby" name and trademark remains famous to this day, not only to sports car enthusiasts but to the public in general.
- Carroll Shelby is the creator of various automobiles identified as 10. Shelby Cobras, including the Daytona Coupe. By virtue of sales, advertising, promotion, and news reporting and other independently generated publicity, the appearance and overall image of each such vehicle has acquired distinctiveness and serves to identify Plaintiffs as its source. The trade dress of all such vehicles, 28 lincluding the Daytona Coupe Trade Dress, are famous and represent an extremely

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1 valuable goodwill owned by the Shelby Trust.

- The Trust is the owner of a United States registration for the Daytona 11. Coupe Trade Dress under Registration No. 2,958,927. 3
 - The Trust is also the owner of registrations of certain trademarks, 12. including, but not limited, to the following word marks:
 - a. 289, United States Trademark Registration No. 3,283,659 for automobiles and automobile parts;
 - b. 427 S/C, United States Trademark Registration No. 1,728,573, for automobiles and structural parts therefor, automobile accessories, namely replacement automobile engines;
 - c. SHELBY 427 S/C, United States Trademark Registration No. 1,768,020 for automobiles; and
 - d. SHELBY, United States Trademark Registration No. 1,538,090 for automobiles.
 - Each of the above-listed registrations for the Daytona Coupe Trade 13. Dress and the Shelby Marks is valid and subsisting. In accordance with 15 U.S.C. §1057(b) each such registration is prima facie evidence of the ownership and validity of the marks.
 - The Trust is also the owner of the unregistered trademark, DAYTONA COUPE.
 - Plaintiffs and their predecessor-in-interest have used the foregoing 15. trademarks in interstate commerce since the 1960s. They have used the Daytona Coupe Trade Dress since as early as 1964.
 - 16. Ford Motor Company ("Ford") is the owner of the trademark, COBRA, and certain logos featuring the depiction of a cobra. Pursuant to 15 U.S.C. §§1065 and 1115(b), Ford Motor Company has an incontestable federal registration of COBRA under U.S. Registration Nos. 807,185 and 1,562,071 and California Registration No. 090,349 covering automobiles, engines, and parts.

- 17. In 1997, Ford granted Carroll Shelby an exclusive worldwide license to use the trademark, COBRA and various device and composite marks featuring the depiction of a cobra (the "Cobra Snake Design logos"), and variations of those marks, in connection with automobiles bearing the trade dress of Shelby Cobra vehicles, including the Shelby Cobra Daytona Coupe (the "Cobra Marks").
- 18. Carroll Shelby and his related companies have extensively used the Cobra Marks in connection with automobiles and related goods, generating a public association of the plaintiffs as the source of Shelby Cobra vehicles bearing the Cobra Marks.
- CSL is the licensing agent of the Trust. In that capacity, CSL manages 19. and has exclusive authority to license and exploit all of the foregoing trademarks and Daytona Coupe Trade Dress respecting automobiles and related products. CSL in fact licenses others the right to use the foregoing trademarks and trade dress in connection with automobiles.
- FFR manufactures, advertises, markets and sells "replicas" of Shelby 20. Cobra vehicles, including kit cars bearing designs confusingly similar to the Daytona Coupe Trade Dress.
- FFR operates a website on the World Wide Web under the domain 21. name www.factoryfive.com, which can be accessed throughout the United States 20 | including this judicial district. On that site, FFR advertises and promotes the sale kit cars bearing designs confusingly similar to the Daytona Coupe Dress, among others. The site is interactive, and customers can purchase such products, as well as parts, training, and other products. Plaintiffs are informed and believe that consumers within this judicial district have in fact purchased automobiles bearing. designs confusingly similar to the Daytona Coupe Trade Dress, as well as other products.
 - FFR utilizes the trademarks owned by and licensed to Plaintiffs in the 22. metatags of its website to draw Internet traffic to the site. Without limitation, such

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1 unauthorized use includes the trademark, COBRA, in the metatags of its "Roadster" page, the "Factory Five Challenge" page, and the "Coupe Kit" page. Further, the 3 metatags of the "Coupe Kit" page and the "Roadster Build School" page each 4 contain the "427" mark. These marks appear in the metatags but not in the posted content of the web pages, reflecting a design to conceal their use. FFR's 6 misconduct demonstrates a knowing disregard for the rights of the Plaintiffs, and also demonstrates FFR's malice, willfulness, and fraud in its continued use of the trademarks and the Daytona Coupe Trade Dress.

- A link entitled "Discussion Forum" on the Home Page of Factory 23. Five's website directs Internet users to a website operated by ICP.
- The ICP website is identified by the domain name, www.ffcobra.com. 24. 12 It can be accessed, both directly or through the aforementioned link in Factory Five's website, throughout the United States, including this judicial district.
- On that site, ICP advertises and promotes the sale of Factory Five 25. automobiles and kit cars bearing the Daytona Coupe Trade Dress, and other products sold by Factory Five. ICP has also sold tickets for the raffle of a Factory Five automobile bearing a design confusingly similar to the Daytona Coupe Trade Dress. In addition, on the website, ICP offers for sale and, on information and 19 belief, sells other merchandise. ICP also solicits and accepts monetary donations on the site. Further, the website provides a discussion forum for Shelby Cobra enthusiasts, advertises related goods and services, events, contests, and various other items of interest to Shelby Cobra enthusiasts and potential consumers. Internet users within this judicial district can, and on information and belief, have purchased merchandise through the ICP website.
 - 26. In addition to utilizing a domain name that contains and is confusingly similar to the trademark, COBRA, ICP also utilizes the trademarks owned by and licensed to Plaintiffs in the metatags of its website so as to draw Internet traffic to the site. Specifically, but without limitation, the metatags of the Home Page of the

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website www.ffcobra.com repeatedly contains the trademarks, "COBRA," and "SHELBY COBRA."

- The Home Page of the ffcobra.com website features a "hotlink," 27. enabling visitors directly to access the Factory Five website and to report safety problems concerning Factory Five cars.
- The Home Page of the website www.ffcobra.com also contains a link 28. entitled "Win this Factory Five Racing Type 65 Coupe!" The linked page offers for sale tickets for a raffle to win a; "London Cobra Show Raffle Car" (the "Raffle Car 9 Page"). The metatags of the Raffle Car Page contains repeatedly refers to trademarks owned by and licensed to Plaintiffs, including "COBRA" and "SHELBY COBRA."
 - The Raffle Car Page contains a link entitled "LCS Merchandise." 29. Without limitation, the metatags of the page to which the LCS Merchandise link directs the user includes repeated references to the trademarks, "COBRA" and "SHELBY COBRA."
 - ICP's use of the aforementioned marks in the metatags but not in the 30. posted content of its web pages reflects a design to conceal their use. ICP's misconduct demonstrates a knowing disregard for the Plaintiffs' rights, and also demonstrates ICP's malice, willfulness, and fraud.
- LK Motorsports is a manufacturer and distributor of Factory Five 31. automobiles and kit cars bearing the Shelby Trade Dress. On its website located at http://mwdshosting.com/~lkmotors, LK Motorsports represents that it is "the West Coast's premier builder of Factory Five replica cars!" The website also displays 24 and offers for sale vehicles bearing designs confusingly similar to the Daytona Coupe Trade Dress, among other proprietary trade dress. LK Motorsports also makes unauthorized use of the trademarks, SHELBY, SHELBY COBRA, and COBRA, in connection with those vehicles. The website states, for instance, that 28 LK Motorsports has been producing "hand-built Cobras for over a decade" and that

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- 1 lit has won races in "LK Motorsports built Cobras." It also displays an engine 2 bearing the trademark, COBRA. LK Motorsports uses the trademark, SHELBY 3 COBRA, in advertising its "Mk3 Roadster," LK Motorsports also claims that its 4 Mk3 Roadster "continues the legacy" of the original Shelby Cobras. The trademark, COBRA, appears in the metatags of the home page of the site. The trademarks, SHELBY and COBRA appear in the metatags of Mk3 page of the site. The trademark, DAYTONA COUPE, appears in the Type 65 page of the site. The trademark, COBRA, appears in the metatags of the Challenge Car page of the
 - 32. Defendants' use of the trademarks owned by and licensed to Plaintiffs in the metatags of their websites has the effect of attracting to their websites Internet users seeking genuine SHELBY brand goods and services.
- 33. FFR, LK Motorsports and IPC use the trademarks owned by and 14 licensed to Plaintiffs, and the Daytona Coupe Trade Dress, with knowledge of Plaintiffs' rights in them, and with the intention to capitalize upon the extensive fame of Carroll Shelby, and upon the goodwill established by him and the Plaintiffs in those designations of origin.

FIRST CLAIM FOR RELIEF

(Infringement of Registered Trademarks under 15 U.S.C. § 1117)

- 34. Plaintiffs incorporate the allegations of each foregoing paragraph as though fully set forth herein.
- 35. The foregoing registered trademarks and Daytona Coupe Trade Dress are distinctive of goods originating with Shelby. Through sales and advertising, the marks have become associated in the minds of consumers with the Plaintiffs' products.
- 36. Defendants' continuing use of the registered trademarks and Daytona Coupe Trade Dress is unauthorized.

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- Defendants' use of the registered trademarks and Daytona Coupe 37. Trade Dress is likely to cause and, on information and belief, has actually caused 3 confusion in the marketplace by creating the false and mistaken impression that 4 Defendants' infringing products and websites are affiliated, connected or associated with Plaintiffs, or that they originate with, or are sponsored or approved by Plaintiffs.
 - 38. Defendants' use of the registered trademarks and Daytona Coupe Trade Dress has caused and, if not enjoined, will continue to cause, irreparable and continuing harm to Plaintiffs in the diminution of value and goodwill of the marks and trade dress, and in their impairment to serve as designations of source, for which Plaintiffs have no adequate legal remedy. Accordingly, Plaintiffs are entitled to provisional, preliminary and permanent injunctive relief to compel cessation of all infringing and otherwise harmful conduct.
 - 39. As a direct and proximate result of Defendants' wrongful conduct, Plaintiffs have been and will continue to be damaged by, without limitation, a diminution in the value of the registered trademarks and Daytona Coupe Trade Dress, and in their reputation and goodwill, in an amount to be proven at trial.
 - 40. Defendants' wrongful use of the registered trademarks and Daytona Coupe Trade Dress was and continues to be knowing, deliberate, willful, fraudulent, and without extenuating circumstances. Plaintiffs are therefore entitled to recover three times the amount of actual damages, statutory damages and attorney's fees and costs incurred in this action, and Defendants' profits from the sale of infringing goods.

SECOND CLAIM FOR RELIEF

(Infringement of Unregistered Trademarks under 15 U.S.C. § 1125(a)(1)(A)

41. Plaintiffs incorporate the allegations of each foregoing paragraph as though fully set forth herein.

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- 42. The trademark, DAYTONA COUPE, and the unregistered Cobra 2 | Marks are distinctive of goods originating with Plaintiffs. Further, through sales 3 and advertising, the marks have become associated in the minds of consumers with the products of Plaintiffs.
 - Defendants' continuing use of the foregoing unregistered trademarks is 43. unauthorized.
 - Defendants' use of the unregistered marks is likely to cause and, on 44. information and belief, has actually caused confusion in the marketplace by creating the false and mistaken impression that Defendants' products and websites are affiliated, connected or associated with Plaintiffs, or that they originate with, or are sponsored or approved by Plaintiffs.
 - Defendants' use of the unregistered marks has caused and, if not 45. enjoined, will continue to cause, irreparable and continuing harm to Plaintiffs in the diminution of value and goodwill of the marks, and in their impairment to serve as trademarks, for which Plaintiffs have no adequate legal remedy. Accordingly, Plaintiffs are entitled to provisional, preliminary and permanent injunctive relief to compel cessation of all infringing and otherwise harmful conduct.
 - As a direct and proximate result of Defendants' wrongful conduct, 46. Plaintiffs have been and will continue to be damaged by, without limitation, a diminution in the value of the unregistered trademarks, and in their reputation and goodwill, in an amount to be proven at trial.
 - Defendants' wrongful use of the trademarks is knowing, deliberate, 47. willful, fraudulent, and without extenuating circumstances. Plaintiffs are therefore entitled to recover three times the amount of actual damages, as well as attorney's fees and costs incurred in this action, and FFR's profits from the sale of infringing goods.
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THIRD CLAIM FOR RELIEF

(Dilution of Trademarks under 15 U.S.C. § 1125(c))

- Plaintiffs incorporate the allegations of each foregoing paragraph as 48. though fully set forth herein.
- Through the Defendants' unauthorized use of each of the foregoing 49. trademarks and trade dress in connection with the infringing products and their websites, Defendants have intended to cause, have caused, and are likely to continue to cause dilution of the distinctive quality of those marks and trade dress 9 in violation of 15 U.S.C. §1125(c).
 - The acts of Defendants are intended to trade upon Plaintiffs' reputation, and are likely to tarnish or injure Plaintiffs' business reputation.
- Unless enjoined by this Court, Defendants' use of the foregoing 51. 13 trademarks and trade dress will continue to cause, irreparable and continuing harm 14 to Plaintiffs in the diminution of their value and goodwill, and in their impairment to serve as designations of source, for which Plaintiffs have no adequate legal remedy. Accordingly, Plaintiffs are entitled to provisional, preliminary and permanent injunctive relief to compel cessation of all infringing and otherwise 18 harmful conduct.
- As a direct and proximate result of Defendants' wrongful conduct, 52. Plaintiffs have been and will continue to be damaged by, without limitation, a 20 diminution in the value of the trademarks and trade dress, and in their reputation and goodwill, in an amount to be proven at trial.
 - 53. Defendants' wrongful use of the trademarks and trade dress is knowing, deliberate, willful, fraudulent, and without extenuating circumstances. Plaintiffs are therefore entitled to recover three times the amount of actual damages, as well as attorney's fees and costs incurred in this action, and Defendants' profits from the sale of infringing goods.

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FOURTH CLAIM FOR RELIEF

(False Advertising under 15 U.S.C. § 1125(a)(1)(B))

- Plaintiffs incorporate the allegations of each foregoing paragraph as 54. though fully set forth herein.
- Among other false and misleading representations made by LK 55. Motorsports on its website, the representation that LK Motorsports has produced Cobras, whether for a decade or at all, is false. It is likewise false that the LK 8 | Motorsports won races in "LK Motorsports built Cobras." The statement that the 9 Mk3 Roadster "continues the legacy" of the original Shelby Cobras is also false.
 - LK Motorsports made its false and misleading representations to 56. induce consumers to purchase Factory Five products. To the injury of Plaintiffs, the representations have in fact induced such purchases.
- The false representations have caused and, if not enjoined, will 57. 14 continue to cause, irreparable and continuing harm to Plaintiffs, including but not limited to damage to the goodwill of Plaintiffs' business, for which Plaintiffs have no adequate legal remedy. Accordingly, Plaintiffs are entitled to provisional, preliminary and permanent injunctive relief to compel cessation of all infringing and otherwise harmful conduct.
 - LK Motorsports' false representations have been and continue to be, knowing, deliberate, willful, fraudulent, and without extenuating circumstances. Plaintiffs are therefore entitled to recover three times the amount of actual damages, statutory damages and attorney's fees and costs incurred in this action, and Defendant's profits from the sale of infringing goods.

FIFTH CLAIM FOR RELIEF

(Common Law Unfair Competition)

59. Plaintiffs incorporate the allegations of each foregoing paragraph as though fully set forth herein.

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- 60. Defendants' conduct constitutes unfair competition in that it offends established public policy and is immoral, unethical, oppressive, unscrupulous and injurious to consumers.
- 61. The acts of unfair competition alleged herein were committed with oppression, fraud and malice. Plaintiffs requests the imposition of exemplary damages pursuant to California Civil Code § 3294.

SIXTH CLAIM FOR RELIEF

(Violation of California Business & Professions Code § 17200 et seq)

- 62. Plaintiffs incorporate the allegations of each foregoing paragraph as though fully set forth herein.
- 63. Defendants' misconduct constitutes unlawful, unfair or fraudulent business acts or practices within the meaning of California Business & Professions Code § 17200.
- 64. Defendants' wrongful conduct has caused and, if not enjoined, will continue to cause irreparable and continuing harm to Plaintiffs, for which they have no adequate legal remedy.

SEVENTH CLAIM FOR RELIEF

(Violation Of Common Law Right Of Publicity)

- 65. Plaintiff Carroll Shelby incorporates the allegations of each foregoing paragraphs as though fully set forth herein.
- 66. Defendants have appropriated and are using plaintiff Carroll Shelby's name and identity to their advantage, commercially and otherwise, without plaintiff's consent. As a result, Plaintiff is sustaining and will continue to sustain both economic and non-economic damage. Among other things, he has sustained damage to his reputation and the goodwill in his name.
- 67. The violation of plaintiff Shelby's exclusive right in the use of his name and identity has caused, and if not enjoined will continue to cause, irreparable harm for which there is no adequate legal remedy.

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The Defendants' misconduct is oppressive, fraudulent and malicious 68. within the meaning of California Civil Code § 3294.

EIGHTH CLAIM FOR RELIEF

(Violation Of Statutory Right Of Publicity Under California Civil Code § 3344)

- Plaintiff incorporates the allegations of each foregoing paragraphs as 69. though fully set forth herein.
- The Defendants are knowingly using plaintiff Shelby's name and 70. identity for the purpose of advertising, selling and soliciting purchases of services without plaintiff's consent. As a result, Plaintiff is sustaining and will continue to sustain both economic and non-economic damage. Among other things, he has sustained damage to his reputation and the goodwill in his name and likeness.
- The violation of plaintiff Shelby's exclusive right in the use of his 71. name has caused, and if not enjoined will continue to cause, irreparable harm for which there is no adequate legal remedy.
- Defendants' misconduct is oppressive, fraudulent and malicious within 72. the meaning of California Civil Code § 3294.

PRAYER FOR RELIEF

PLAINTIFFS PRAY FOR THE FOLLOWING RELIEF:

- As to the First, Second, Third, Fourth, Fifth, Seventh and Eighth 1. Claims for Relief, Plaintiffs' damages and Defendants' profits, in an amount adjusted by the Court pursuant to statutory authority;
- As to the Fifth, Seventh and Eighth Claims for Relief, punitive 2. damages;
- 3. As to all Claims for Relief, a provisional, preliminary and permanent injunction, enjoining Defendants and their officers, directors, agents, and affiliates from using directly or indirectly the subject trademarks, the Daytona Coupe Trade Dress, the Shelby name and identity, and any other mark or designation of origin 28 that imitates, simulates or is confusingly similar to each; from doing directly or

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1 indirectly any acts or making any statements that are likely to cause confusion, mistake or deception in the marketplace as to the origin of products manufactured or distributed by Defendants, or those bearing the subject trademarks, trade dress 4 and Shelby name and identity, from doing directly or indirectly any acts that are 5 likely to diminish the value of such intellectual property, and from using directly or indirectly any trade practices including those complained of herein, that compete unfairly with or injure Plaintiffs or Plaintiffs' business related to that intellectual property;

4. As to all Claims for Relief, Plaintiffs' costs in this action and attorney's fees and expenses, and such additional and further relief as the Court deems just and proper.

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DATED: December 1, 2008 SEDGWICK, DETERT, MORAN & ARNOLD LLP

Licensing, Inc.

Heather L. McCloskey Caroline Y. Bussin

Attorneys for Plaintiffs Carroll Shelby, Carroll Hall Shelby Trust and Carroll Shelby

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DEMAND FOR JURY TRIAL

PLEASE TAKE NOTICE that Plaintiffs Carroll Shelby, Carroll Hall Shelby Trust and Carroll Shelby Licensing, Inc. hereby demand a trial by jury.

DATED:December 1, 2008 SEDGWICK, DETERT, MORAN & ARNOLD LLP

Robert F. Helfing
Heather L. McCloskey

Caroline Y. Bussin Attorneys for Plaintiffs Carroll Shelby, Carroll Hall Shelby Trust and Carroll Shelby

Licensing, Inc.

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