

**UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION**

RENE F. MOHL,

Plaintiff,

DYMO CORP.,

Defendant.

Civil Action No. \_\_\_\_\_

**Complaint and demand for jury trial**

**Injunctive relief sought**

Plaintiff Rene F. Mohl presents this complaint against defendant Dymo Corp. (“Dymo”) and alleges as follows:

**NATURE OF THE ACTION**

1. Plaintiff sells printer labels compatible with defendant’s Dymo-brand printers on eBay, an Internet auction site. Defendant incorrectly represented to eBay that plaintiff’s sale of the compatible labels infringed defendant’s trademark and voided the printer warranties of plaintiffs’ customers. Defendant’s misrepresentations have prevented plaintiff from advertising his printer labels as compatible with Dymo printers. Plaintiff seeks declaratory and injunctive relief to prevent defendant from engaging in further interference with his business. He also seeks damages for lost sales.

**PARTIES**

2. Plaintiff is an individual domiciled in Ponce Inlet, Florida.

3. Defendant is a corporation that produces label makers and printers. Defendant is incorporated in Delaware with its principal place of business in Stamford, Connecticut.

### **SUBJECT MATTER JURISDICTION**

4. This Court has subject matter jurisdiction over plaintiff's claim for declaratory and injunctive relief under 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331, 1338, and 2201. This claim arises under the Lanham Act (15 U.S.C. §§ 1114 & 1125) and the Magnuson-Moss Warranty Act (15 U.S.C. § 2302(c)). This Court has supplemental subject matter jurisdiction over plaintiff's state-law claim under 28 U.S.C. § 1367(a). This court also has subject matter jurisdiction over plaintiff's state-law claim under 28 U.S.C. § 1332(a)(1), because plaintiff and defendant are citizens of different states and the matter in controversy exceeds \$75,000 exclusive of interest and costs.

### **FACTS**

#### **The eBay Auction Site**

5. eBay is a virtual Internet marketplace on which members can sell goods and services in an auction-style or fixed-price format. It is by far the largest site of its kind on the Internet, with more than one hundred million registered users. Each product for sale on eBay has its own web page, called a "listing" or "auction," which describes the product and allows potential purchasers to bid on

or purchase the product. Each listing has both a brief subject line, called the “title” of the listing, and a longer description. By typing in search terms, shoppers on eBay’s web site can search the title and description of all listings on eBay for relevant auctions.

6. To protect itself from liability for its users’ violations of intellectual property rights, eBay implemented a program called the “Verified Rights Owner”—or “VeRO”—program. An owner of intellectual property who registers for the VeRO program can submit a notice of claimed infringement to eBay stating that a particular auction violates its intellectual property rights. In filling out the notice of claimed infringement, the VeRO member must sign a statement, under penalty of perjury, that it has a good-faith belief that the auction infringes its intellectual property rights or the intellectual property rights of someone it represents.

7. eBay implemented the VeRO program to meet the requirements for protection from liability provided to Internet Service Providers (“ISPs”) by the Digital Millennium Copyright Act (“DMCA”). *See Hendrickson v. eBay, Inc.*, 165 F. Supp. 2d 1082, 1085 (C.D. Cal. 2001). The DMCA provides ISPs safe harbor from liability for “infringement of copyright by reason of the storage at the direction of a user of [copyrighted] material that resides on a system or network controlled or operated by [the ISP].” 17 U.S.C. § 512(c)(1). To qualify for

protection from liability under this provision, an ISP must act expeditiously to remove material that is claimed to be copyright infringing upon receiving a notice of claimed infringement from the copyright owner. *Id.* § 512(c)(1)(C). Although the DMCA only provides for protection from liability for copyright violations, eBay also applies the same procedure to alleged violations of trademark and other intellectual property rights.

8. The DMCA provides a mechanism for a subscriber to an ISP who is targeted by a notice of claimed infringement to contest the notice with the ISP. Under 17 U.S.C. § 512(g), a subscriber to an ISP can submit a “counter notice” to the ISP stating “under penalty of perjury that the subscriber has a good faith belief that the material was removed . . . as a result of mistake or misidentification of the material.” *Id.* § 512(g)(3). An ISP continues to enjoy safe harbor from liability if, upon receiving a counter notice from a subscriber, it notifies the person who filed the notice of claimed infringement that it will reinstate the removed material in ten to fourteen business days unless it first receives notice of a pending legal action to restrain the subscriber from continuing to post the material. *Id.* § 512(g)(2). However, because the DMCA applies only to alleged infringement of copyright, eBay does not honor counter notices filed to contest alleged violations of trademark or other intellectual property rights.

9. When a VeRO member submits a notice of claimed infringement regarding a particular auction listing, eBay automatically terminates that listing. eBay does not independently review the validity of the notice of claimed infringement and trusts the VeRO member's honesty that a particular auction is infringing. eBay will not allow the auction to be re-listed absent authorization from the VeRO member or a court order declaring that the auction is non-infringing.

10. When an eBay seller's auctions are terminated because of a notice of claimed infringement from a VeRO member, eBay notes the termination on the record of that seller. eBay has a policy of suspending sellers with a record of more than a certain number of VeRO terminations. The number of terminations required before the seller's account is suspended varies from person to person.

11. Defendant is a member of eBay's VeRO program. After joining the program, eBay informed defendant that if eBay received a notice of claimed infringement regarding a particular auction, it would automatically terminate the auction and would only reinstate the auction at defendant's request.

Plaintiff's Sale of Dymo-Compatible Mailing Labels

12. eBay owns a subsidiary web site called PayPal, which allows users to pay for their eBay purchases using their credit cards or bank accounts.

13. When an eBay seller receives payment through eBay's PayPal service, PayPal allows the seller automatically to generate a mailing label, including postage, to use for shipping the product to the purchaser. PayPal advises users that its mailing labels will print on Dymo printers using a specified type of printer labels produced by Dymo.

14. Plaintiff is a former product design engineer who has been selling collectibles and other items on eBay since August 2005 under the account name "xytek-sales."

15. Around the time he started selling products on eBay, plaintiff purchased the Dymo printer and labels recommended by PayPal for printing mailing labels. He discovered, however, that the labels specified by PayPal did not properly print mailing labels on Dymo printers. By reading eBay electronic discussion forums on the Internet, plaintiff discovered that many other users of PayPal were having similar problems printing mailing labels using the specified labels.

16. In September 2005, plaintiff attempted to contact Dymo for more information about the labels. He reached Corey Gordon, Business Development Manager at Dymo. Gordon agreed to send plaintiff some labels to test with the PayPal service. After receiving the labels, plaintiff found that they worked properly with PayPal and notified Gordon of this fact.

17. Gordon then asked plaintiff whether he would be interested in selling Dymo-brand labels on eBay. In a series of emails, plaintiff and Gordon negotiated price and shipping options, but were unable to reach any agreement.

18. In November 2005, Dymo began distributing its labels through another seller on eBay, which does business as “Big Blue Castle.” Big Blue Castle began selling an average of approximately eighteen rolls of labels per week at the fixed price of \$14.99 per roll.

19. Plaintiff located a supplier of Dymo-compatible labels that he was able to purchase at a lower price than the price offered by Dymo. On January 5, 2006, plaintiff began selling the Dymo-compatible labels on eBay using multiple separate auction listings. After selling a roll of labels, plaintiff created a new auction listing so that he always had several rolls of labels available for purchase on eBay. Plaintiff sold an average of approximately twenty-five rolls per week at the fixed price of \$12.95 per roll.

20. The title of plaintiff’s listings stated: “PayPal INTERNET POSTAGE LABELS for DYMO (X2375-99019)” or “PayPal INTERNET POSTAGE LABELS - DYMO (X2375-99019).” The description of plaintiff’s listings stated:

Print PayPal USPS Postage Labels on your Dymo LabelWriter. These labels work with the Dymo 320, 330, 330 Turbo, 400, 400 Turbo, and the Duo LabelWriter printers.

Just follow the simple setup instructions, pop these labels in, and your [sic] all set. Your Dymo will save you time and the expense of a big printer, the inconvenience of sheet fed labels, and the unprofessional look of taping on plain paper labels.

Remember you do not have to sell through Ebay to use the PayPal Shipping Center's postage printing options. You can print a postage label for anyone that pays you through PayPal.

Factory fresh, one piece 2.3" x 7.5" PayPal USPS postage labels, 150 labels per roll. Shipped Priority Mail anywhere in the USA at cost, direct from our stock. Please Email for larger quantities and savings or bulk discounts. We use these labels ourselves, so Email with any questions.

21. In the above quoted portions of plaintiff's listings, plaintiff stated that the labels were "for" and "work[ed] with" Dymo printers. Plaintiff was identified in the listing as "xytek-sales," plaintiff's eBay user ID. Plaintiff did not state or imply in the listing that the labels were manufactured or endorsed by Dymo.

#### Defendant's Interference with Plaintiff's Sales

22. On January 23, 2006, defendant, through its agent Gordon, filed four notices of claimed infringement with eBay, swearing under penalty of perjury that it had a good faith belief that plaintiff's auctions of his printer labels violated Dymo's intellectual property rights. Defendant claimed in the notices of claimed infringement that plaintiff had misused Dymo's brand names, trademarks, or logos.

23. After receiving the notices of claimed infringement from defendant, eBay terminated the targeted auctions and sent plaintiff an email notifying him that the auctions were terminated “because the intellectual property rights owner notified us, under penalty of perjury, that your listing or the item itself infringes their copyright, trademark, or other rights.”

24. Although he did not believe his listings infringed defendant’s intellectual property rights, plaintiff, in an abundance of caution, changed the title of his listings to read “X2375 POSTAGE LABEL compatible with DYMO 99019-EBAY.” Plaintiff changed the description of his listings to read:

Print compatible Ebay / PayPal USPS Postage Labels yourself. Just follow the simple setup instructions, pop these labels in, and you’re all set. Save time and the expense of a big printer, the inconvenience of sheet fed labels, and the unprofessional look of taping on plain paper.

These labels are compatible with the Dymo 330, 330 Turbo, 400, 400 Turbo, and Duo LabelWriters. Besides compatibility with the PayPal Shipping Center they also are compatible with the Dymo Label Software and other applications using a 2.3" (59mm) x 7.5" (190mm) label for use as Large Address or Lever Arch Folder Labels, and even Small Signs.

Plaintiff thus replaced the statements that the labels were “for” Dymo printers and “work[ed] with” those printers with a statement that the labels were “compatible with” Dymo printers. Plaintiff resumed listing his Dymo-compatible labels using the revised listing language.

25. After plaintiff had changed the title of his listings, Gordon emailed plaintiff on January 27, 2006, asking whether he was still “interested in becoming a DYMO reseller of EBay labels.” Plaintiff declined, explaining that he was getting better prices from his own suppliers.

26. The next day, January 28, defendant, again through Gordon, submitted another notice of claimed infringement to eBay, swearing under penalty of perjury that it had a good faith belief that plaintiff’s auctions of his printer labels violated Dymo’s intellectual property rights. Defendant once more claimed in the notice of claimed infringement that plaintiff had misused Dymo’s brand names, trademarks, or logos. As a result of the notices of claimed infringement, eBay terminated the targeted auction.

27. Plaintiff emailed Gordon, asking why his listings had been terminated and complaining that his use of Dymo’s name constituted nominal fair use and did not create any possibility of consumer confusion.

28. Gordon responded on February 2, 2006, claiming that plaintiff’s use of Dymo’s trademark and part numbers infringed Dymo’s intellectual property rights. Gordon demanded that plaintiff “cease and desist” using Dymo’s trademark or part numbers and stated that “DYMO is going to pursue this matter legally if you and anyone else continue to do so.” Gordon further claimed that use of plaintiff’s compatible mailing labels on Dymo printers would void the printer’s

warranty. He wrote: “DYMO is keeping a close eye on the EBay community and will confront those that infringe our brand, part number, products and the likes without our written authorization.” Gordon also claimed that plaintiff had agreed to “work out an arrangement . . . to resell DYMO’s products” and asked plaintiff to return the free sample labels he had received.

29. Later that same day, Gordon sent an email to plaintiff stating: “I would like to resolve our current situation, are you interested in doing so? I would like to have you as a legitimate reseller of DYMO products that is authorized to use our name and branding power. How would you like to move forward?” Plaintiff did not respond to this email.

30. Plaintiff asked eBay to send him a DMCA counter notice form. However, because the DMCA applies only to claims of copyright infringement, eBay informed plaintiff that it would not accept a counter notice regarding alleged violations of trademark rights. eBay referred further questions about the alleged trademark violation to Dymo. As a result, plaintiff was without recourse with eBay.

31. To avoid further notices of claimed infringement from Dymo, plaintiff began listing his compatible labels without using Dymo’s trademarked name or printer part numbers. As a result, customers who search eBay’s site for “Dymo,” “Dymo compatible,” or one of Dymo’s printer model numbers are

unable to locate plaintiff's listings. In addition, customers who do locate plaintiff's listings have a more difficult time understanding whether his labels are compatible with their printers. Plaintiff's sales of his labels have therefore declined from approximately twenty-five rolls per week to approximately seven rolls per week.

32. Everything in plaintiff's eBay listings was truthful. There was never any likelihood of confusion about whether plaintiff's compatible printer labels were sponsored by or affiliated with Dymo.

33. Plaintiff's use of Dymo's trademarks constituted fair use of those trademarks and is protected by the First Amendment. Plaintiff's eBay listings and his compatible printer labels do not infringe, dilute, or tarnish Dymo's trademarks.

**FIRST CLAIM FOR RELIEF**  
**DECLARATORY AND INJUNCTIVE RELIEF**

34. Defendant contends that plaintiff's use of the name Dymo and Dymo's part numbers to advertise his Dymo-compatible mailing labels infringes its trademark rights. Plaintiff contends that his use of Dymo's trademark and part numbers do not infringe or dilute defendant's trademark rights or any other rights, constitutes fair use of defendants' trademarks, and is protected by the First Amendment.

35. Defendant also contends that it has a right to terminate plaintiff's auctions of his compatible mailing labels because any use of the compatible labels

on a Dymo printer would void the printer's warranty. Plaintiff contends that defendants have no right to interfere with his business and that defendant's claim is foreclosed by the Magnuson-Moss Warranty Act, which provides: "No warrantor of a consumer product may condition his written or implied warranty of such product on a consumer's using, in connection with such product, any article or service (other than article or service provided without charge under terms of the warranty) which is identified by brand, trade or corporate name . . . ." 15 U.S.C. § 2302(c).

36. Defendant has repeatedly terminated plaintiff's eBay auctions for allegedly infringing Dymo's trademarks and voiding its warranties, and has threatened to continue doing so. In addition, defendant has threatened to take legal action against plaintiff if he continues using Dymo's name or part numbers in his eBay listings.

37. As a result, plaintiff has stopped using the Dymo name and printer part numbers in his eBay listings and continues to suffer lost sales as a result.

38. Defendant's notices of claimed infringement have so impaired plaintiff's eBay record such that another notice of claimed infringement against him could lead to a suspension of his account. eBay will not restore plaintiff's otherwise unblemished status absent consent of defendant or a court order

establishing that plaintiff's sale of his compatible mailing labels does not infringe defendant's rights.

39. There is a real and actual controversy between plaintiff and defendant regarding whether plaintiff's use of defendant's trademark and printer part numbers is lawful, whether it infringes defendant's rights, and whether use of plaintiff's compatible labels voids the warranty of Dymo printers.

**SECOND CLAIM FOR RELIEF**  
**DECEPTIVE AND UNFAIR TRADE PRACTICES**

40. Defendant's submission of notices of claimed infringement to eBay and its threat to continue doing so constitutes deceptive and unfair business practices under the Florida Deceptive and Unfair Trade Practices Act, Fla. Stat. §§ 501.201–.213, and the Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. §§ 42-110a–42-110q.

41. Defendant's conduct was intentional and in bad faith, and has led to lost profits for plaintiff.

**DEMAND FOR RELIEF**

Plaintiff demands judgment as follows:

1. Actual damages,
2. Punitive damages,
3. Attorneys' fees pursuant to Fla. Stat. § 501.2105 and Conn. Gen. Stat. § 42-110g,

4. A declaratory judgment that:
  - a. plaintiff's use of defendant's Dymo trademark and part numbers to advertise his compatible printer labels is lawful and does not infringe or dilute defendant's trademark or other rights,
  - b. plaintiff's use of defendant's Dymo trademark and part numbers constitutes fair use and is protected by the First Amendment,
  - c. plaintiff has a right to sell his compatible printer labels using Dymo's trademark and part numbers without infringing or diluting defendant's trademarks or other rights,
  - d. use of plaintiff's compatible printer labels on Dymo printers does not void the printer's warranty, and
  - e. defendant has no right to interfere with plaintiff's sale of his compatible printer labels.
5. An injunction to:
  - a. prohibit defendant from further interfering with plaintiff's sale of his compatible printer labels, and
  - b. require defendants to rescind their notices of claimed infringement with eBay.
6. Such other relief as the Court finds appropriate.

