

1 Mark A. Steiner (SBN 88124)
Justin J. Fields (SBN 259491)
2 Meghan C. Killian (SBN 310195)
DUANE MORRIS LLP
Spear Tower
3 One Market Plaza, Suite 2200
San Francisco, CA 94105-1127
4 E-mail: masteiner@duanemorris.com
jfields@duanemorris.com
5 mckillian@duanemorris.com

6 Attorneys for Plaintiff 23andMe, Inc.

7
8 **IN THE UNITED STATES DISTRICT COURT**
9 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

10
11 23andMe, Inc.,
12 Plaintiff,
13 v.
14 Latara Enterprise, Inc. aka Foundation Laboratory,
15 Defendant.

Case No.: 3:17-cv-7363

COMPLAINT FOR:

- 16 **(1) FEDERAL TRADEMARK INFRINGEMENT (15 U.S.C. § 1114)**
- 17 **(2) FEDERAL UNFAIR COMPETITION AND FALSE DESIGNATION OF ORIGIN (15 U.S.C. § 1125(A)(1)(A))**
- 18 **(3) STATE UNFAIR COMPETITION (CAL. BUS. & PROF. CODE § 17200)**
- 19 **(4) COMMON LAW UNFAIR COMPETITION**

DEMAND FOR JURY TRIAL

1 Plaintiff 23andMe, Inc. (“23andMe” or “Plaintiff”), for its complaint against Latara
2 Enterprise, Inc. aka Foundation Laboratory (“Defendant”), alleges as follows:

3 **NATURE OF THE CASE**

4 1. This action seeks damages and injunctive relief for Defendant’s willful infringement
5 of 23andMe’s 23ANDME trademark, and for unfair competition, false designation of origin and
6 related claims arising under state law.

7 2. For over a decade, 23andMe has used the 23ANDME trademarks as a brand identifier
8 for genetic testing kits and services. During that time, 23andMe has become an industry leader for
9 genetic testing worldwide. The company has spent tens of millions of dollars in advertising and
10 promotion this year alone to ensure that the public associates the 23ANDME trademarks exclusively
11 with 23andMe’s genetic testing kits and services.

12 3. After repeated correspondence informing Defendant of 23andMe’s longstanding
13 rights in the 23ANDME trademark, Defendant continues to offer and operate its genetic testing kits
14 and services under the REVEAL23 trademark. Upon information and belief, until Defendant’s recent
15 use, 23andMe was the only company in the United States that used “23” in its trademarks to identify
16 genetic testing kits and services.

17 4. Defendant’s use of REVEAL23 for genetic testing kits and services will likely cause
18 consumer confusion, mistake and deception, and will irreparably harm 23andMe’s 23ANDME
19 trademarks and brand. 23andMe’s use of “23” is unique in the industry; consumers associate “23” in
20 connection with genetic testing kits and services exclusively with 23andMe. Upon information and
21 belief, consumers are more apt to purchase Defendant’s REVEAL23 genetic testing kits and services
22 because they believe they are made by, are affiliated with, or are a second brand of, 23andMe.

23 5. Defendant’s unauthorized use of REVEAL23 is likely to cause confusion as to the
24 association, sponsorship, and/or approval of Defendant’s genetic testing kits and services with that
25 of 23andMe, constituting trademark infringement and unfair competition in violation of Section 32
26 and 43 of the Lanham Act (15 U.S.C. §§ 1114 and 1125), and California statutory and common law.

27 ///

28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PARTIES

6. Plaintiff 23andMe, Inc. is a corporation organized and existing under the laws of the state of Delaware, with its principal place of business at 899 W Evelyn Avenue, Mountain View, California 94041.

7. Upon Information and belief, Defendant Latara Enterprise, Inc. aka Foundation Laboratory is a corporation organized and existing under the laws of the state of California, with its principal place of business at 1716 W Holt Avenue, Pomona, California 91768.

JURISDICTION AND VENUE

8. This action arises under the Lanham Act, 15 U.S.C. §§ 1051 *et seq.* and contains related California statutory and common law claims. This Court has subject matter jurisdiction over this action pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338, as this is an action arising under the laws of the United States and relating to trademarks. This Court has supplemental jurisdiction over the state and common law claims pursuant to 28 U.S.C. § 1367, as those claims are part of the same case or controversy as the federal claims alleged herein.

9. This Court has personal jurisdiction over Defendant because Defendant resides in California and has continuous, systematic, and substantial contacts within the State of California. Further, Defendant has directed tortious acts that it knew or should have known would cause injury to 23andMe in this District.

10. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(1).

FACTUAL BACKGROUND

A. 23andMe and the 23ANDME trademarks

11. Founded in 2006, 23andMe, Inc. is the leading consumer genetics and research company. The mission of the company is to help people access, understand and benefit from the human genome. 23andMe’s genetic testing kits and services provide insights into a consumer’s genetic health risks, carrier status, traits, and wellness, as well as ancestry.


12. 23andMe’s genetic testing kits are available for purchase nationwide on the 23andMe website at <23andme.com>, on the <amazon.com> website, and at Target, Walgreens, CVS Pharmacy, and Best Buy.


1 13. In 2017, 23andMe was named by MIT Technology Review to its “50 Smartest
2 Companies, 2017” list, and named one of Fast Company’s “25 Brands That Matter Now, 2017.”



3 14. In 2017, 23andMe’s genetic testing services were featured on national television
4 shows, including Ellen, Jimmy Kimmel Live!, The Tonight Show Starring Jimmy Fallon, and The
5 Late Show with Stephen Colbert. 23andMe’s genetic testing service was included on Oprah’s
6 Favorite Things list and the company and its services were parodied on a South Park episode
7 (Season 21, Episode 3). 23andMe also marketed its genetic testing services and brand through a
8 collaboration with the blockbuster "Despicable Me" movie franchise for Despicable Me 3’s release
9 in June 2017.

10 15. 23andMe currently has more than 3 million customers.

11 16. 23andMe owns numerous United States Trademark Registrations for its 23ANDME
12 trademarks, including those shown in the following chart:

Mark	Reg. No.	Reg. Date	First Use Date	Goods/Services
	5,216,396	6/6/2017	2/22/2011	IC 009. Kits for use in genetic identity testing for scientific and research purposes comprising a saliva collection tube, caps for tube, and mailing packaging for use in DNA testing of humans. IC 010. Kits for use in genetic identity testing for medical purposes comprising a saliva collection tube, caps for tube, and mailing packaging for use in DNA testing of humans.
23ANDME	5,216,395	6/6/2017	12/1/2017	IC 009. Kits for use in genetic identity testing for scientific and research purposes comprising a saliva collection tube, caps for tube, and mailing packaging for use in DNA testing of humans. IC 010. Kits for use in genetic identity testing for medical purposes comprising a saliva collection tube, caps for tube, and mailing packaging for use in DNA testing of humans.

1	23ANDME	4,199,818	8/28/2012	5/19/2012	IC 009. Computer software for recording, analysis, storage, manipulation and organization of genetic and molecular data; computer software for providing access to multiple databases that contain aggregated results of molecular biology testing and genotyping; Downloadable software in the nature of a mobile application for recording, analysis, storage, manipulation and organization of genetic and molecular data; Downloadable software in the nature of a mobile application for providing access to multiple databases that contain aggregated results of molecular biology testing and genotyping.
2					
3					
4					
5					
6					
7					
8					
9					
10					
11	23ANDME	4,022,980	9/6/2011	11/2011	IC 009. Downloadable publications in the nature of electronic reports, articles, bulletins, newsletters in the fields of genetic testing, genotyping technologies, genetic screening, phenotyping, molecular analytics, and ancestry.
12					
13					
14					
15		3,599,610	3/31/2009	11/14/2011	IC 042 Providing scientific analysis and informational reports based upon results of laboratory testing in the field of genetics; providing online computer databases featuring information based on aggregated results of genotyping; application service provider (ASP) featuring software for providing access to multiple databases that contain aggregated results of genotyping; application service provider (ASP) featuring software for use in data management, data storage, data analysis, report generation, user identification, and membership identification, all in the fields of genetics and genetic testing; scientific research in the fields of genetics, genetic testing, genetic screening, genotyping, phenotyping, molecular analytics, and ancestry.
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					

1 2 3 4 5 6 7		3,627,981	5/26/2009	10/16/2007	IC 041. Providing an online resource center, namely, online articles and papers in the fields of genetic testing and genotype technologies; providing a website featuring online publications in the nature of articles, journals, brochures, leaflets, guides and manuals in the fields of genetic testing and genotype technologies; providing an online publication in the nature of an interactive encyclopedia in the fields of genetic testing and genotype technologies.
8 9 10		3,596,012	3/24/2009	11/14/2007	IC 045. Online social networking services in the field of genetics.
11 12 13 14 15 16 17 18 19	23ANDME	3,577,147	2/17/2009	11/14/2007	IC 042. Application service provider (ASP) featuring software for providing access to multiple databases that contain aggregated results of genotyping; application service provider (ASP) featuring software for use in data management, data storage, data analysis, report generation, user identification, and membership identification, all in the fields of genetics and genetic testing; scientific research in the fields of genetics, genetic testing, genetic screening, genotyping, phenotyping, molecular analytics, and ancestry.
20 21 22 23 24	23ANDME	3,635,851	6/9/2009	10/16/2010	IC 042. Providing scientific analysis and informational reports based upon results of laboratory testing in the field of genetics; providing multiple online computer databases that contain aggregated results of genotyping. IC 045. Online social networking services in the field of genetics.
25 26 27 28	23ANDME	3,661,355	7/28/2009	10/16/2007	IC 041. Providing an online resource center, namely, online articles and papers in the fields of genetic testing and genotype technologies; providing a website featuring online publications in the nature of articles, journals,

			brochures, leaflets, guides and manuals in the fields of genetic testing and genotype technologies.
--	--	--	---

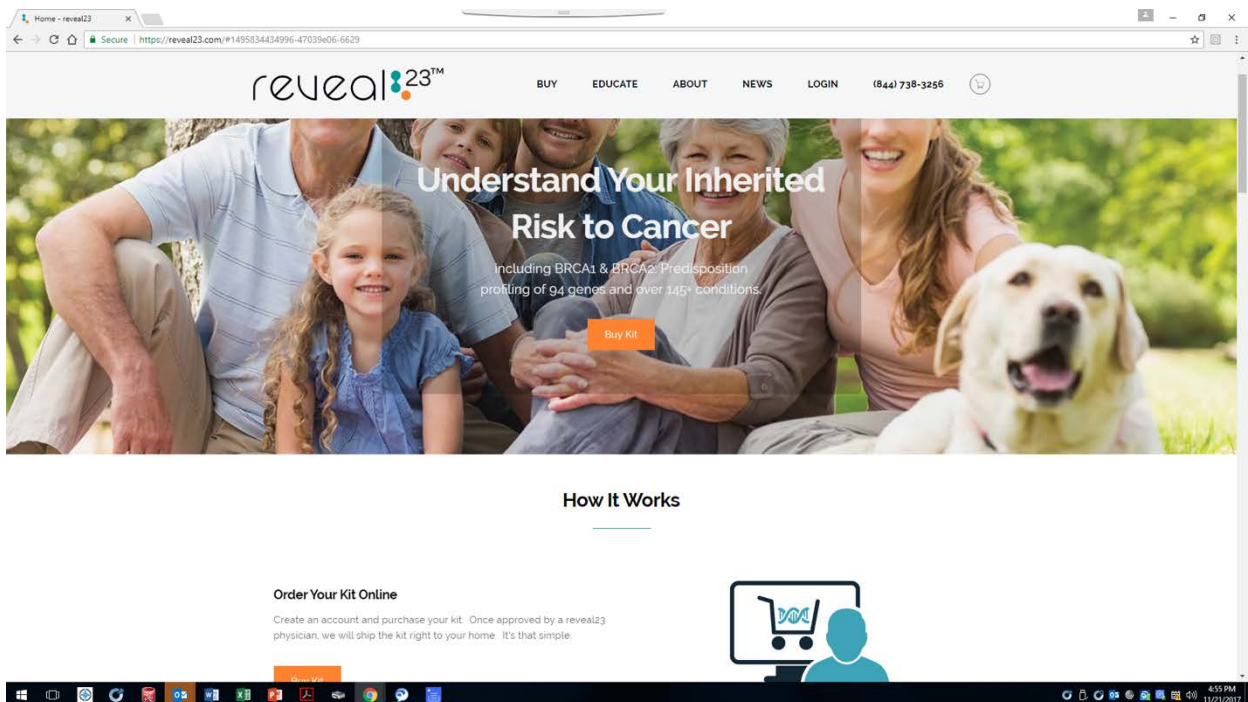
Attached as Exhibit A and incorporated by this reference are copies of the Registration Certificates for the foregoing trademarks.

17. Each of the registrations for the 23ANDME trademarks listed above in Paragraph 16 is valid and subsisting in full force, unrevoked, and uncanceled. Notably, Registration Nos. 4199818, 4022980, 3599610, 3627981, 3596012, 3577147, 3635851 and 3661355 are incontestable pursuant to 15 U.S.C. § 1065 with respect to the goods and services thereunder.

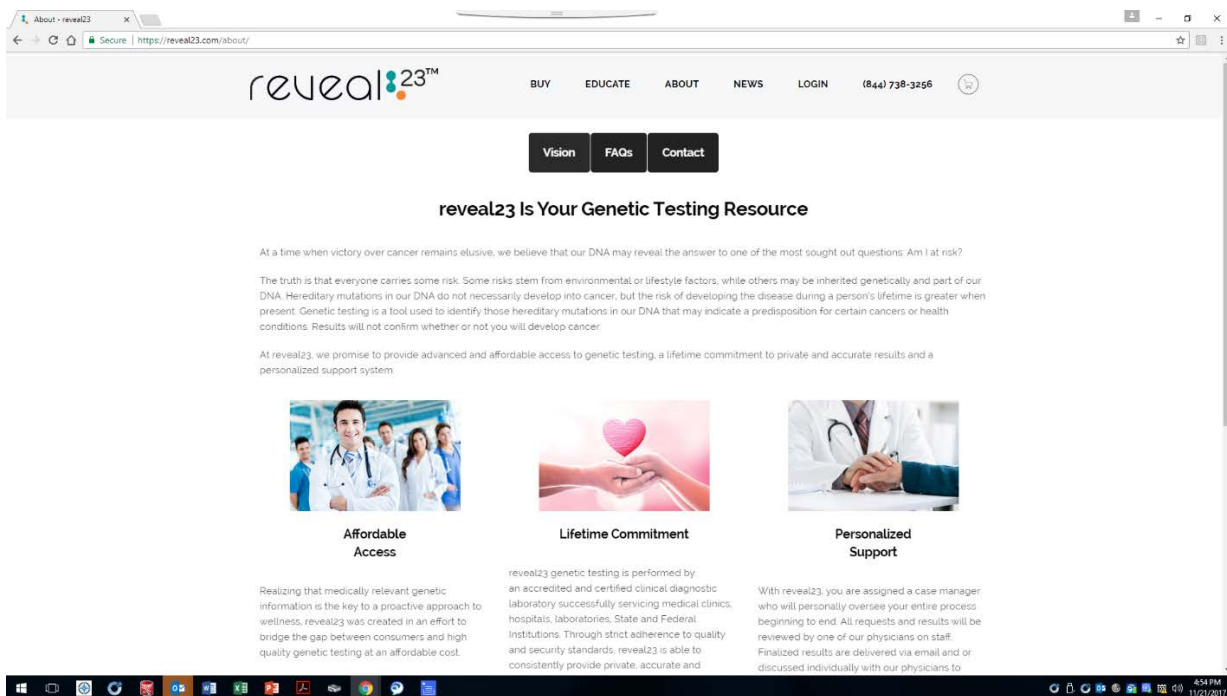
18. 23andMe extensively markets its 23ANDME brand. 23andMe markets its brand online through social media channels including Facebook, Twitter and Instagram, through online influencers on Facebook and YouTube, in print, television, and radio advertisements, as well as a video billboard in Times Square in New York City.

B. Defendant’s Wrongful Acts

19. Despite 23andMe’s long-standing prior use and repeated communications sent to Defendant to discontinue use of REVEAL23, Defendant continued using the REVEAL23 mark for its genetic testing kits and services, as shown on Defendant’s website:



///



20. Defendant advertises and sells its genetic testing kits and services on its website located at <reveal23.com>. Attached as Exhibit B is a true and correct screenshot of this web page.

21. Upon information and belief, Defendant’s genetic testing kits and services provide consumers insights into their genetic risk for certain health conditions.

22. Upon information and belief, Defendant markets and sells its genetic testing kits and services to the general consuming public in the United States.

23. In early 2017, 23andMe learned that Defendant was for the first time, promoting its genetic testing kits and services in connection with the REVEAL23 trademark. Accordingly, on March 22, 2017, 23andMe, through its counsel, sent correspondence to Defendant advising it of 23andMe’s prior and senior trademark rights in 23ANDME for genetic testing kits and services, and requesting that Defendant cease use of the REVEAL23 trademark, or at least the “23” portion of that trademark. Defendant, however, continues to use the REVEAL23 trademark.

FIRST CAUSE OF ACTION

(Federal Trademark Infringement under 15 U.S.C. § 1114)

24. 23andMe repeats and re-alleges Paragraphs 1 through 23, inclusive of this Complaint as if fully set forth herein.

///

1 25. 23andMe owns numerous valid and protectable federal trademark registrations for the
2 23ANDME trademark, as shown at Exhibit A. The 23ANDME trademark is distinctive by virtue of
3 its inherent and acquired distinctiveness, extensive use, prominence in intended and unsolicited
4 media attention, and publicity.

5 26. As described in more detail above in Paragraphs 19 through 23, Defendant has begun
6 advertising and selling genetic testing kits and services in connection with the REVEAL23
7 trademark in the United States.

8 27. Upon information and belief, consumers who encounter Defendant's REVEAL23
9 trademark for genetic testing kits and services are likely to believe that these products and services
10 are sourced from, are affiliated with, or are a secondary brand of 23andMe. Thus, Defendant's use
11 of REVEAL23 for genetic testing kits and services is likely to cause confusion, mistake, or
12 deception as to the affiliation, connection, or association of Defendant with 23andMe, or as to the
13 origin, sponsorship, or approval of Defendant's genetic testing kits and services by 23andMe. Such
14 use constitutes trademark infringement in violation of 15 U.S.C. § 1114(1)(a).

15 28. Defendant's conduct is without 23andMe's permission or authority. Upon
16 information and belief, prior to beginning this use, Defendant had actual knowledge of 23andMe's
17 senior rights in the 23ANDME trademarks for genetic testing kits and services. As a result,
18 Defendant has committed its infringement with full knowledge of 23andMe's rights in the
19 23ANDME mark for genetic testing kits and services, and has willfully, deliberately, and
20 maliciously engaged in the described acts with an intent to injure 23andMe and to deceive the
21 public.

22 29. Upon information and belief, Defendant has profited from this infringement.

23 30. This is an exceptional case under 15 U.S.C. § 1117(a).

24 31. Defendant's willful conduct has caused damage to 23andMe in an amount to be
25 determined at trial, and unless restrained, will continue to cause serious and irreparable injury for
26 which there is no adequate remedy at law.

27 32. In light of the foregoing, 23andMe is entitled to injunctive relief, and to recover from
28 Defendant all damages, including lost profits and attorneys' fees, that 23andMe has sustained and

1 will sustain as a result thereof, in an amount not yet known, but which circumstances warrant
2 enhancement pursuant to 15 U.S.C. § 1117(a), as well as the costs of this action. 23andMe is also
3 entitled to an accounting of Defendant's profits resulting from its Lanham Act violations.

4 **SECOND CAUSE OF ACTION**

5 (Federal Unfair Competition and False Designation of Origin under 15 U.S.C. § 1125(a))

6 33. 23andMe repeats and re-alleges Paragraphs 1 through 32, inclusive of this Complaint
7 as if fully set forth herein.

8 34. As described in more detail above in Paragraphs 19 through 23, Defendant has begun
9 advertising and selling genetic testing kits and services in connection with the REVEAL23
10 trademark in United States commerce.

11 35. Upon information and belief, consumers who encounter Defendant's REVEAL23
12 trademark for genetic testing kits and services are likely to believe that these products and services
13 are sourced from, are affiliated with, or are a secondary brand of 23andMe. Thus, Defendant's use
14 of REVEAL23 for genetic testing kits and services is likely to cause confusion, mistake, or
15 deception as to the affiliation, connection, or association of Defendant with 23andMe, or as to origin,
16 sponsorship, or approval of Defendant's genetic testing goods and services by 23andMe. Such use
17 constitutes trademark infringement in violation of 15 U.S.C. § 1125(a).

18 36. Upon information and belief Defendant's conduct was designed and undertaken for
19 the purpose of unfairly competing with 23andMe.

20 37. Defendant's conduct is without 23andMe's permission or authority. Upon
21 information and belief, prior to beginning this use, Defendant had actual knowledge of 23andMe's
22 senior rights in the 23ANDME trademarks for genetic testing kits and services. As a result,
23 Defendant has committed its infringement with full knowledge of 23andMe's rights in the
24 23ANDME mark for genetic testing kits and services, and has willfully, deliberately, and
25 maliciously engaged in the described acts with an intent to injure 23andMe and to deceive the
26 public.

27 38. Upon information and belief, Defendant has profited from this unfair competition and
28 false designation of origin.

1 39. This is an exceptional case under 15 U.S.C. § 1117(a).

2 40. Defendant’s willful conduct has caused damage to 23andMe in an amount to be
3 determined at trial, and unless restrained, will continue to cause serious and irreparable injury for
4 which there is no adequate remedy at law.

5 41. In light of the foregoing, 23andMe is entitled to injunctive relief, and to recover from
6 Defendant all damages, including lost profits and attorneys’ fees, that 23andMe has sustained and
7 will sustain as a result thereof, in an amount not yet known, but which circumstances warrant
8 enhancement pursuant to 15 U.S.C. § 1117(a), as well as the costs of this action. 23andMe is also
9 entitled to an accounting of Defendant’s profits resulting from its Lanham Act violations.

10 **THIRD CAUSE OF ACTION**

11 (State Unfair Competition, Cal. Bus. & Prof. Code § 17200)

12 42. 23andMe repeats and re-alleges Paragraphs 1 through 41, inclusive of this Complaint
13 as if fully set forth herein.

14 43. The acts of Defendant described in this Complaint constitute unlawful, unfair and
15 fraudulent business acts and practices as defined by California Business & Professions Code §§
16 17200 *et seq.*

17 44. Defendant’s conduct constitutes willful and deliberate unfair competition in wanton
18 disregard of 23andMe’s valuable intellectual property rights. Upon information and belief, Plaintiff
19 has suffered damages and Defendant has obtained profits or been unjustly enriched as a result of
20 Defendant’s wrongful conduct.

21 45. Defendant’s conduct has directly and proximately caused and will continue to cause
22 23andMe substantial and irreparable injury, including consumer confusion, injury to its reputation,
23 and diminution in value of its intellectual property, and unless restrained, will continue to seriously
24 and irreparably impair further the value of 23andMe’s 23ANDME trademarks, for which there is no
25 adequate remedy at law.

26 46. In light of the foregoing, 23andMe is entitled to injunctive relief under Cal. Bus.&
27 Prof Code §§ 17200 *et seq.* restraining Defendant from engaging in further such unlawful conduct,
28 ///

1 as well as restitution of those amounts unlawfully obtained by Defendant through its wrongful
2 conduct.

3 **FOURTH CAUSE OF ACTION**

4 (Common law Unfair Competition)

5 47. 23andMe repeats and re-alleges Paragraphs 1 through 46, inclusive of this Complaint
6 as if fully set forth herein.

7 48. Defendant’s conduct alleged herein constitutes use of the REVEAL23 trademark in
8 connection with the advertising and selling of genetic testing kits and services in United States
9 commerce. Defendant’s use of REVEAL23 for genetic testing kits and services is likely to cause
10 confusion, mistake, or deception as to the affiliation, connection, or association of Defendant with
11 23andMe, or as to origin, sponsorship, or approval of Defendant’s genetic testing kits and services
12 by 23andMe.

13 49. Defendant’s conduct is without 23andMe’s permission or authority. Upon
14 information and belief, prior to beginning this use, Defendant had actual knowledge of 23andMe’s
15 senior rights in the 23ANDME trademarks for genetic testing kits and services. As a result,
16 Defendant has committed its infringement with full knowledge of 23andMe’s rights in the
17 23ANDME trademarks for genetic testing kits and services, and has willfully, deliberately, and
18 maliciously engaged in the described acts with an intent to injure 23andMe and to deceive the
19 public.

20 50. Defendant’s conduct, as described above, constitutes unfair competition under
21 California Common Law.

22 51. Defendant’s willful conduct has caused damage to 23andMe in an amount to be
23 determined at trial, and unless restrained, will continue to cause serious and irreparable injury for
24 which there is no adequate remedy at law. Upon information and belief, Defendant has profited from
25 this activity.

26 52. In light of the foregoing, 23andMe is entitled to injunctive relief, and to recover from
27 Defendant all damages, including lost profits and attorneys’ fees, that 23andMe has sustained and
28 will sustain as a result thereof, in an amount not yet known, as well as the costs of this action.

PRAYER FOR RELIEF

WHEREFORE, 23andMe requests that judgment be entered in its favor against Defendant as follows:

- 1. For an order and judgment that Defendant has infringed 23andMe’s trademarks in violation of 23andMe’s rights under federal law, common law, and/or California law;
- 2. For an order and judgment that Defendant has unfairly competed with 23andMe in violation of 23andMe’s rights under 15 U.S.C. § 1125(a), common law, and/or California law;
- 3. For an order and judgment that Defendant has acted in bad faith, willfully, intentionally, and/or reckless disregard to 23andMe’s rights;
- 4. For an order permanently enjoining and restraining Defendant, and its agents, affiliates, subsidiaries, parents, officers, directors, servants, attorneys, employees, and assigns, and all persons in active concert or participation with them:
 - a. From using or registering REVEAL23 or any other trademark, tradename, domain name, or other designation that comprises or includes “23” in connection with the sale or advertisement of genetic testing goods and services;
 - b. To immediately transfer all domain names that include “23” to 23andMe; and
 - c. From engaging in conduct intended to mislead consumers through false advertising such as that specified in this complaint or other similar advertisements intended to mislead or confuse consumers;
- 5. For an order requiring Defendant to permanently remove all references to REVEAL23 or any other trademark, tradename, domain name, or other designation that comprises or includes “23” from any website;
- 6. For an order requiring Defendant to file with the Court and serve upon 23andMe within fifteen (15) days after issuance of any injunction, a report in writing under oath setting forth in detail the manner and form in which Defendant has complied with the injunction;
- 7. For an order requiring Defendant to account for and pay over to 23andMe all profits derived by Defendant from the use of the REVEAL23 trademark for genetic testing kits and services, and for all damages sustained by 23andMe by reason of Defendant’s acts of infringement,

1 false designation of origin, unfair competition, and injury to business reputation complained of in
2 this Complaint, and that such amounts be held in constructive trust for 23andMe;

- 3 8. For an order awarding 23andMe:
 - 4 a. All profits derived by Defendant’s wrongful acts complained of herein;
 - 5 b. All damages sustained by reason of Defendant’s wrongful acts complained of
 - 6 herein;
 - 7 c. Treble the amount of actual damages suffered by 23andMe under 15 U.S.C.
 - 8 § 1117(a);
 - 9 d. Restitution for Defendant’s unfair business practices pursuant to Cal. Bus. &
 - 10 Prof. Code §§ 17200 et seq.;
 - 11 e. Punitive and exemplary damages in an amount sufficient to deter and punish
 - 12 Defendant for its willful and wrongful acts;
 - 13 f. Its costs incurred in this action;
 - 14 g. Its reasonable attorneys’ fees pursuant to 15 U.S.C. § 1117(a); and
 - 15 h. Pre-judgment and post-judgment interest;

16 9. For an order granting 23andMe such other and further relief as this Court deems just
17 and proper.

18 **JURY DEMAND**

19 Plaintiff 23andMe hereby demands a jury trial of all issues so triable.

22 Dated: December 29, 2017

DUANE MORRIS LLP

24 By: _____/s/ Mark A. Steiner
25 Mark A. Steiner
26 Justin J. Fields
27 Meghan C. Killian

Attorneys for Plaintiff 23andMe, Inc.