

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

**FREI ENTERPRISES, INC. d/b/a  
INK GENIE,**

**Plaintiff,**

**v.**

**HP, INC.**

**Defendant.**

**Civil Action No.**

**ECF CASE**

**COMPLAINT FOR DECLARATORY JUDGMENT**

Plaintiff, Frei Enterprises, Inc. (“Plaintiff” or “Ink Genie”) by and through its undersigned attorneys, STERN & SCHURIN LLP, as and for its Complaint against Defendant, HP, Inc. (“Defendant” or “HP”), alleges as follows:

**NATURE OF ACTION**

1. This is a case of greed and improper market control disguised as legitimate “brand protection.”
2. Plaintiff Ink Genie legally operates within a market niche that serves as a valuable, efficient segment of the economy. Specifically, Ink Genie sources various types of new and 100% authentic ink and toner cartridges from surplus suppliers and other downstream market participants. Ink Genie then advertises and offers these products to its customers for the lowest possible price on its online website located at [www.inkgenie.com](http://www.inkgenie.com).
3. Ink Genie thus benefits consumers who can access authentic HP branded ink and toner products at discount prices on the Ink Genie website.

4. HP and its purported authorized distributors desire to eliminate discount sellers – like Ink Genie – in order to maintain control over the prices at which HP branded products are advertised and sold to consumers, and thereby maintain the highest profit margins possible for these products.

5. With these goals, manufacturers, like HP, often use improper and unlawful means to try to eliminate lawful market competition so as to increase their own profits.

6. In this case, HP has employed such unlawful means, including threats from its counsel to bring legal action against Ink Genie for trademark and trade dress infringement.

7. For example, on May 10, 2021, HP’s counsel sent a “cease and desist” letter to an entity named “Genie Trading Group LLC.” HP and its counsel mistakenly believed that “Genie Trading Group LLC” was associated with Ink Genie, when in fact, Genie Trading Group LLC has nothing to do with the sale of ink and toner cartridges, and its only relationship with Ink Genie is that it is owned by both of Ink Genie’s principles.

8. In its “cease and desist letter,” HP demands unequivocally that the recipient “immediately remove all HP products” from its website, identifying [www.inkgenie.com](http://www.inkgenie.com) by name, and all other “unauthorized websites, stop selling any and all HP Products, and identify all sources of HP Products it is selling.” HP further states that to avoid a lawsuit, the recipient must “immediately” comply with its demands. A copy of the original letter sent by HP’s counsel on May 10, 2021, is attached hereto as **Exhibit A**.

9. More recently, on July 6, 2021, HP’s counsel sent a second letter again threatening and demanding that the recipient immediately stop advertising and selling HP branded products.

10. HP again threatened to bring suit if its demands are not met immediately. A copy of the letter dated July 6, 2021 is attached hereto as **Exhibit B**.

11. Since Ink Genie legally procures, advertises, markets, promotes, offers for sale, and sells HP branded products that are 100% genuine and authentic, Ink Genie has done absolutely nothing wrong and rejects HP's demands.

12. Accordingly, Ink Genie now brings this action against HP seeking a declaration of non-infringement, so as to once and for all stop HP's misplaced and clumsy threats and intimidation tactics.

### **JURISDICTION AND VENUE**

13. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338 with respect to the claims arising under the Lanham Act, 15 U.S.C. § 1051, *et seq.*, and pursuant to the Declaratory Judgment Act, 28 U.S.C. § 2201, *et seq.*

14. This Court also has diversity jurisdiction over this dispute under 28 U.S.C. §1332(a) since the matter in controversy exceeds \$75,000 and the dispute is between citizens of different states.

15. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events giving rise to the claims in this Complaint occurred in this judicial district.

### **THE PARTIES**

16. Ink Genie is a corporation organized and existing under the laws of the State of New Jersey located at 11 Cayuga Court, Springfield, New Jersey.

17. Ink Genie legally procures, then advertises, markets, promotes, offers for sale, and sells ink and toner products to the public through its online store located at [www.inkgenie.com](http://www.inkgenie.com).

18. Upon information and belief, HP is a corporation organized and existing under the laws of the State of Delaware.

19. Upon information and belief, HP has a principal place of business located in California at 1501 Page Mill Road, Palo Alto, California.

20. Upon information and belief, HP is in the business of advertising, marketing, promoting, developing, offering for sale, and selling a variety of products, including the toner and ink cartridges at issue in this case.

21. The ink and toner cartridges at issue herein are advertised and sold under HP trademarks, and the associated HP trade dress in its packaging.

22. Upon information and belief, HP does a substantial amount of business in the State of New Jersey and in this judicial district.

23. Upon information and belief, HP advertises, markets, promotes, offers for sale, and sells ink and toner products under the HP® trademarks, logos, and associated trade dress in its packaging for ink and toner products which are at issue in this lawsuit, in the State of New Jersey and in this judicial district.

24. Upon information and belief, HP sells ink and toner products throughout the United States and the world, including in the State of New Jersey and in this judicial district.

### **STATEMENT OF FACTS**

#### **INK GENIE'S LAWFUL ADVERTISEMENT AND SALE OF HP PRODUCTS**

25. Ink Genie has built a business by legally procuring, then advertising, marketing, promoting, offering for sale, and selling different types of authentic and genuine ink and toner cartridges on its own online website located at [www.inkgenie.com](http://www.inkgenie.com).

26. Some of the authentic and genuine products that Ink Genie legally procures, then advertises, markets, promotes, offers for sale, and sells are HP® branded ink and toner cartridges.

27. At all times material hereto, the HP® branded ink and toner cartridges advertised on Ink Genie's online website were brand new and had been legally purchased by Ink Genie.

28. Ink Genie legally procures, then markets, promotes, advertises, offers for sale, and sells 100% authentic and genuine HP® branded products under the HP® trademarks, logos, and associated trade dress in its original packaging.

29. Ink Genie does not use any of HP's photos on its website. Rather, Ink Genie only uses photos that it takes itself.

30. Such pictures of HP® branded ink and toner products may be found on Ink Genie's online website at <https://inkgenie.com/collections/genuine-hp-ink-and-toner-cartridges>, where there are currently over 400 listings being advertised and offered for sale.

31. Each of these ink and toner products appearing on the Ink Genie website are genuine and authentic HP® branded products.

32. The ink and toner products appearing on the Ink Genie website appear in packaging that serves as part of HP's trade dress in its packaging design.

33. By the same token, all of the HP®-branded products advertised and sold by Ink Genie bear the original copyright designs and logos that are depicted on the packaging of the HP®-branded products.

34. Ink Genie unilaterally and lawfully controls the prices at which it advertises and offers the goods that it sells on its website, including the HP®-branded products at issue herein.

35. Although unnecessary, in order to eliminate any conceivably possible likelihood of confusion, Ink Genie makes it clear on its website that it is not affiliated with HP in any way.

36. In particular, in connection with each HP® branded ink and toner product it advertises and offers for sale, Ink Genie provides a clear and easily understood disclaimer statement to its customers.

37. The Ink Genie statement reads, “Ink Genie® is an independent ink and toner reseller and is not affiliated with HP. This allows us to offer original, brand name ink and toner cartridges at below retail prices.”

38. Thus, the disclaimer statement clearly states that Ink Genie is not affiliated with HP, thus eliminating any purported likelihood of confusion that HP may believe would somehow otherwise exist.


39. This disclaimer is prominent and impossible to miss. For example, this statement appears twice on each product page, under the “add to cart” button and in the product description.

40. The Ink Genie website also provides additional disclaimer statements regarding HP® branded items.

41. For example, in connection with HP-branded ink and toner product it advertises and offers for sale, Ink Genie also states: “Every HP product that Ink Genie® offers is a genuine OEM product.”

### **DEFENDANT’S WRONGFUL ACTIVITIES**

42. HP manufactured or caused to be manufactured the HP®-branded ink and toner products that were advertised and sold by Ink Genie, and which are at issue in this case.

43. Packaging of HP's products comprises HP registered trademarks, including HP®, U.S. Reg. No. 1840215, and the registered design logo  , U.S. Reg. No. 4272548 (collectively "the HP Trademarks"), as well as the associated trade dress in its packaging design.

44. Upon information and belief, the packaging of HP® branded ink and toner products also comprise copyrighted designs and textual material, which are also proprietary to HP.

45. HP advertises and sells its HP® branded ink and toner products directly to consumers on its website located at [www.hp.com](http://www.hp.com).

46. Upon information and belief, HP also sells these same products on a wholesale basis to wholesale distributors, which then resell these products to other businesses and/or direct to consumers through online retail websites.

47. Ink Genie has no knowledge of the contractual terms or contractual relationships between HP and its wholesale distributors, if any.

48. Upon information and belief, all of the HP products at issue in this case were already sold once by HP to or through at least one of its so-called "authorized distributors."

49. Accordingly, HP has already been paid for and has already received revenue from each sale of HP®-branded ink and toner products advertised and sold by Ink Genie.

50. The revenues received by HP were earned well before Ink Genie ever commenced advertising and marketing the HP® branded ink and toner products for re-sale to consumers.

51. Well established doctrines make clear that trademark, trade dress and copyright laws do not prevent purchasers of such items from re-selling them without permission of the original manufacturer or original intellectual property rights holder. This is commonly referred to as the "First Sale Doctrine."

52. Moreover, the long recognized “First Sale Doctrine” also permits a reseller to use a party’s trademark and trade dress to identify the goods it is selling. Such use is entirely legitimate and does not create a likelihood of confusion as to the source of the product nor with respect to the trademark or trade dress holder’s sponsorship or affiliation.

53. The marketplace is thus routinely presented with multiple sellers of the same product, and customers can therefore shop for the best price.

54. However, in this case, HP has undertaken various measures to try to prevent the marketplace from working in this legitimate manner.

55. For example, in HP’s May 10, 2021, letter to Ink Genie, HP states unequivocally that “HP Products May Only Be Sold By Authorized Sellers Through Authorized Channels.”

56. In addition, HP also purports to claim that the product sold by a so-called “unauthorized re-seller” is materially different from the same exact product sold by an “authorized” seller because they fail to conform to so-called “quality control” standards imposed by HP on authorized sellers.

57. Here, however, the alleged quality control requirements are all “pretextual” and created exclusively for the purpose of restricting competition.

58. HP’s May 10, 2021, letter also claims that the products Ink Genie sells are materially different because HP “forbids Authorized Sellers from relabeling, repackaging or otherwise altering HP Products or any labels or literature accompanying the products.” However, as previously noted, Ink Genie does not alter the products in any way, and HP does not even claim that Ink Genie does so.



**COUNT I**  
**DECLARATION OF INVALIDITY, UNENFORCEABILITY AND/OR**  
**NON- INFRINGEMENT UNDER THE LANHAM ACT**

59. Ink Genie repeats and realleges each of the preceding allegations in paragraphs as though fully set forth herein.

60. Ink Genie has advertised, marketed, offered for sale, and sold products alleged by HP to be infringing and which, according to HP, infringe its trademark and trade dress rights.


61. However, and as described herein, Ink Genie is advertising and selling only 100% authentic and genuine HP Products which it lawfully procured, and which were originally sold by HP and or its authorized partners.

62. Accordingly, an actual controversy has arisen and now exists between Ink Genie and HP concerning whether Ink Genie has infringed and is infringing HP's trademark and trade dress rights in Ink Genie's advertisements and sales of products on its website, [www.inkgenie.com](http://www.inkgenie.com).

63. Upon information and belief, HP still believes and maintains that Ink Genie's activities with respect to its advertising, marketing, offer for sale, and sale of the HP® branded ink and toner products constitute infringement of HP's trademark and trade dress rights.

64. HP objects to Ink Genie's advertising and sale of HP® branded ink and toner products.

65. HP objects to Ink Genie's advertising and sale of ink and toner products bearing the HP Trademarks, including the registered word mark HP®, U.S. Reg. No. 1840215.

66. HP objects to Ink Genie's advertising and sale of ink and toner products bearing the HP Trademarks, including the registered design logo  , U.S. Reg. No. 4272548 (“the HP Design Logo”).

67. Upon information and belief, the HP Design Logo is also protectable under the Copyright Act, 17 U.S.C. § 101 et seq.

68. HP objects to Ink Genie's advertising and sale of ink and toner products in packaging bearing HP's trade dress and the HP Design Logo.

69. In contrast, Ink Genie believes and alleges that its products, advertisements, and marketing and promotional materials do not infringe upon any valid rights of HP, and that it has not committed any acts of infringement under the Lanham Act or the Copyright Act.

70. By virtue of the foregoing, Ink Genie desires a judicial determination of the parties' rights and duties with respect to the intellectual property rights asserted by HP.

71. A judicial declaration is necessary and appropriate at this time so that the parties may proceed in accordance with their respective rights as determined by the Court.

**PRAYER FOR RELIEF**

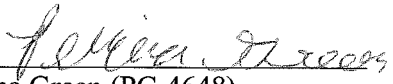
**WHEREFORE**, Plaintiff prays for judgment against Defendant as follows:

- A. For judgment declaring that HP's trademark and trade dress rights are not infringed by Ink Genie.
- B. Awarding Ink Genie costs, expenses, and reasonable attorney's fees as permitted by law; and
- C. Awarding Ink Genie such other and further relief as the Court may deem just and proper.

**JURY DEMAND**

Plaintiff demands a trial by jury on all issues so triable.

**STERN & SCHURIN LLP**

By:   
Penina Green (PG 4648)  
[pgreen@sternschurin.com](mailto:pgreen@sternschurin.com)  
*Attorneys for Plaintiff*  
595 Stewart Avenue, Suite 510  
Garden City, New York 11530  
Telephone: (516) 248-0300  
Facsimile: (516) 283-0277

Steven Stern (SS5203)  
Richard S. Schurin (RS0199)  
STERN & SCHURIN LLP

*(PRO HAC VICE APPLICATION  
FORTHCOMING)*

Dated: July 27, 2021  
Garden City, New York