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06-CV-05703-CMP

FILED  
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DEC 13 2006  
AT SEATTLE  
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WESTERN DISTRICT OF WASHINGTON  
DEPUTY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

Received From  
SEATTLE  
DEC 14 2006

CASCADE YARNS, INC., a Washington corporation,

Plaintiff,

v.

CRAFTS AMERICANA GROUP, INC., a Washington corporation,

Defendant.

No. CV 06 - 5703 FDB

COMPLAINT FOR FALSE DESIGNATION OF ORIGIN, UNFAIR COMPETITION, AND TRADEMARK DILUTION

JURY TRIAL DEMANDED

Plaintiff Cascade Yarns, Inc. alleges as follows:

PARTIES

1. Plaintiff Cascade Yarns, Inc. ("Cascade") is a Washington corporation with its principal place of business in Tukwila, Washington. Cascade is a nationally recognized distributor of fine quality yarns.

2. Defendant Crafts Americana Group, Inc. ("Crafts Americana") is a Washington corporation with its principal place of business in Vancouver, Washington. Crafts Americana does business as "Knit Picks" selling yarn and related products to consumers via on-line and print catalogs.

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ORIGINAL

**JURISDICTION AND VENUE**

3. This is an action for false designation and unfair competition arising under the Lanham Trademark Act of 1946, 15 U.S.C. §§ 1051, *et seq.*, for unfair competition and unfair and deceptive acts and practices under the laws of the state of Washington, including Washington’s Unfair Business Practices/Consumer Protection Act, RCW 19.86.020, *et seq.*, and for trademark dilution under the laws of the state of Washington, including RCW 19.77.010 *et seq.*

4. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1367.

5. Venue is proper pursuant to 28 U.S.C. § 1391(b) because Crafts Americana resides in this district, provides services and sells products directly to customers that reside in this district, and a substantial part of the events and omissions giving rise to the claims herein occurred in this district.

**FIRST CLAIM FOR RELIEF**

**(For False Designation of Origin and Unfair Competition, 15 U.S.C. § 1125(a))**

6. Cascade realleges the allegations of paragraphs 1 through 5 above.

7. Cascade has been using the SIERRA trademark on or in connection with yarn, sales of yarn, publications of patterns for garments made from yarn, and other yarn-related products since as early as 1997. Cascade has invested considerable resources in promoting the SIERRA brand through advertising and other means. Consumers associate the SIERRA trademark with Cascade’s products. A copy of Cascade’s web page featuring SIERRA yarn is attached hereto as Exhibit A and made a part hereof.

8. Crafts Americana is selling its yarn under the identical SIERRA trademark in intrastate and interstate commerce without Cascade’s consent. A copy of Crafts Americana’s online Knit Picks catalog page featuring SIERRA yarn is attached hereto as Exhibit B and made a part hereof.

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1           9.       Crafts Americana directly competes with Cascade. Cascade sells the same  
2 types of yarn and yarn-related products as Cascade. Crafts Americana sells its products via its  
3 online and print Knit Picks catalogs; Cascade distributes its products to retailers who sell  
4 Cascade products in retail stores as well as online and in print catalogs. As such, Crafts  
5 Americana's use is likely to cause confusion to the general purchasing public.

6           10.       By misappropriating and using the SIERRA trademark, Crafts Americana  
7 misrepresents and falsely describes to the general public the origin and source of the yarn, and  
8 creates a likelihood of confusion by ultimate purchasers and others as to both the source and  
9 sponsorship of such yarn.

10           11.       Crafts Americana's aforesaid acts violate Section 43(a) of the Lanham Act,  
11 15 U.S.C. § 1125(a), in that Crafts Americana's use of Cascade's SIERRA trademark in  
12 interstate commerce in a manner likely to cause confusion, mistake, or deception constitutes  
13 false designation of origin and unfair competition.

14           12.       On information and belief, Crafts Americana's aforesaid acts are in knowing  
15 and willful violation of Cascade's rights under Section 43(a) of the Lanham Act, 15 U.S.C.  
16 § 1125(a).

17           13.       As a direct and proximate result of Crafts Americana's Lanham Act violations,  
18 Cascade is suffering irreparable injury to its goodwill, reputation, business, and property and  
19 will continue to suffer such irreparable injury unless and until Crafts Americana is enjoined  
20 from using the SIERRA trademark in any form in its business operations.

21           14.       Cascade has been damaged, and continues to be damaged, as a result of Crafts  
22 Americana's conduct violating 15 U.S.C. § 1125(a). Cascade is entitled to an award of Crafts  
23 Americana's profits, actual damages, and its attorneys' fees and costs pursuant to 15 U.S.C.  
24 § 1117.  
25  
26

**SECOND CLAIM FOR RELIEF**

**(For Unfair Competition and Unfair and Deceptive Acts and Practices, RCW 19.86.020)**

15. Cascade realleges the allegations of paragraphs 1 through 14 above.

16. Crafts Americana's conduct constitutes unfair competition and unfair and deceptive business acts and practices under statutory and common law, including without limitation, Washington's Unfair Business Practices/Consumer Protection Act, RCW 19.86.020, *et seq.*

17. As a direct and proximate result of Crafts Americana's unlawful conduct, Cascade is suffering irreparable injury to its goodwill, reputation, business, and property and will continue to suffer such irreparable injury until Crafts Americana is enjoined from using the SIERRA trademark in any form in its business operations.

18. Cascade is entitled to recover Crafts Americana's actual damages, treble damages, costs, and reasonable attorneys' fees to the full extent allowable under applicable state law.

**THIRD CLAIM FOR RELIEF**

**(For Trademark Dilution, RCW 19.77.160)**

19. Cascade realleges the allegations of paragraphs 1 through 18 above.

20. Cascade's SIERRA trademark for yarn products is famous and has distinctive quality in the state of Washington.

21. Crafts Americana's use of SIERRA dilutes the distinctive quality of Cascade's SIERRA trademark.

22. On information and belief, Crafts Americana willfully intended to trade on Cascade's reputation in violation of RCW 19.77.160.

23. As a direct and proximate result of Crafts Americana's use, Cascade's SIERRA trademark is being diluted and Cascade is suffering irreparable injury to its goodwill, reputation, business, and property and will continue to suffer such irreparable injury

1 until Crafts Americana is enjoined from using the SIERRA trademark in any form in its  
2 business operations.

3 24. Cascade is entitled to recover Crafts Americana's profits, actual damages,  
4 treble damages, costs, and reasonable attorneys' fees to the full extent allowable under  
5 applicable state law.

6 **JURY DEMAND**

7 25. Plaintiff respectfully demands a jury trial on all issues triable to a jury.

8 WHEREFORE, PLAINTIFF Cascade Yarns, Inc. respectfully prays as follows:

9 1. That Crafts Americana Group, Inc. and its affiliates, franchises, subsidiaries,  
10 officers, agents, servants, employees and all persons in active concert or participation with  
11 any of the foregoing entities and persons (collectively referred to as "Crafts Americana" in  
12 this Prayer for Relief), expressly including Knit Picks, be preliminarily and permanently  
13 enjoined from:

14 a. Using the SIERRA trademark in any manner, alone or in combination  
15 with any other word or words, in connection with the sale of yarn and any yarn-related  
16 products;

17 b. Engaging in any further violation of 15 U.S.C. § 1125(a); and

18 c. Otherwise competing unfairly with Cascade in any manner;

19 2. That, pursuant to RCW 19.77.150, all products bearing the SIERRA trademark  
20 be delivered to Cascade for immediate destruction and any reference to the SIERRA  
21 trademark on Crafts Americana's electronically maintained catalog, print catalog, and other  
22 materials be eliminated;

23 3. That Crafts Americana be directed to file with the Court and serve within thirty  
24 (30) days after the service of an injunction a report in writing, under oath, setting forth in  
25 detail the manner and form in which Crafts Americana complied with the injunction;  
26

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Case No.

117319.0012/603231.4

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- Cascade Yarns
- Di.Ve'
- Bollicine
- King Cole Yarns
- Madil Yarns
- Patterns & Free Patterns
- Contact Us
- Store Locator

## Cascade Sierra

	Fiber:	80% Pima Cotton / 20% Wool
	Yardage:	100g - 192 yds
	Gauge:	4.5s - #8, 5s - #7
	Wash:	Hand or machine wash gentle cold, tumble dry cool.

**Cascade Sierra**, wonderful blend of 80% pima cotton and 20% merino wool. Sierra's pima cotton and merino wool naturally wicks moisture from your skin and adds loft and memory, making the garment lighter and better fitting. The cotton and merino wool in Sierra also make it possible to machine wash your garments in cold water or gentle. Comfort, wearability and washability, whether your knitting involve cables or color work. Sierra is perfect for any project. See over 80 available colors at [cascadeyarns.com](http://www.cascadeyarns.com) and locate your nearest Cascade Yarn Shop.

Knitting Yarn : \$4.99/hank

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About Us  
HELP  
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VIEW SHOPPING CART  
1 Item in Cart: \$59.99

YARN BOOKS PATTERNS NEEDLES TOOLS

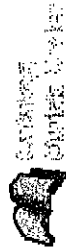
CLEARANCE

Find Knitting Yarns with patterns like:

For whom? All  
Knitting Yarn Weight: All

Search Our Site

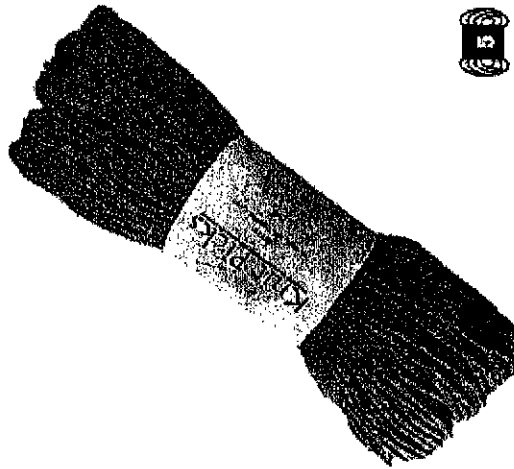
Enter keywords or item#



Enter item#

Enter email address

Enter email address



Sierra

Content: 70% Wool, 30% Superfine Alpaca  
Amount: 110 yards/100 gram hank  
Gauge: 3-3.5 sts=1" on #9-11 needles

A sturdy, no-nonsense yarn that is cushiony and soft, producing garments that will last for years. Textured stitches and cables really stand out. Sierra also felts into a very thick fabric. Bulky weight - hand wash

Purchase a color card for this yarn.

Your Cost: \$4.99 / hank  
Compare to other brands at \$14.70 / hank!



Recommended Knitting Patterns for 'Sierra'



Small Felted Messenger Bag  
by Knit Picks

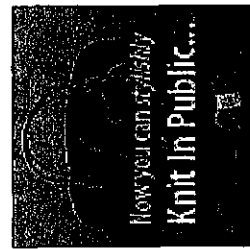
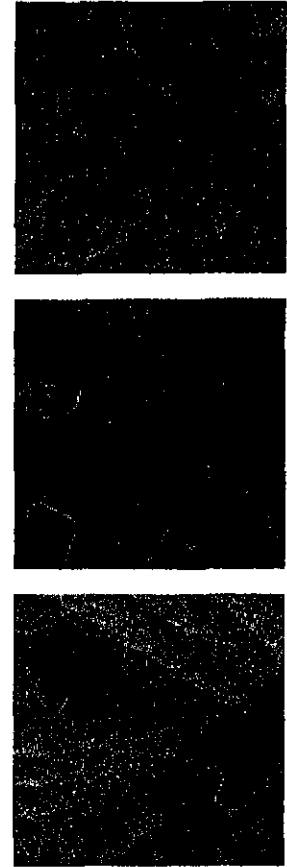


11th Hour Hat  
by Amy Florence



Tweed Jacket  
by E.J. Slayton

Concerned about color accuracy?



http://www.knitpicks.com/yarns/itemid\_5420129/yarn\_display.aspx

12/07/2006