ESTTA Tracking number: **ESTTA16487**

Filing date: **10/06/2004**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91162153
Party	Plaintiff SERVICE EXPERTS INC.
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Submission	Motion to Suspend for Civil Action
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Date	10/06/2004
Attachments	MotiontoSuspend.pdf (25 pages)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SERVICE EXPERTS INC., **Opposer,**	)	
v.	)	**Opposition No. 91162153**
SERVICEMASTER BRANDS, L.L.C., **Applicant .**	)	

OPPOSER'S MOTION TO SUSPEND PROCEEDINGS UNDER 37 C.F.R. § 2.117(a) AND TBMP § 510.02(a) AND MOTION FOR ADJOURNMENT OF TRIAL DATES

Opposer SERVICE EXPERTS INC. ("Opposer") hereby moves this Board for an order suspending Opposition No. 91162153, pursuant to 37 C.F.R. § 2.117(a) and TBMP § 510.02(a), pending the disposition of the trademark infringement action filed on June 21, 2004 by Opposer and its affiliate against Applicant SERVICEMASTER BRANDS, L.L.C. ("Applicant") and its affiliates in the United States District Court for the Eastern District of Texas, Sherman Division.

The grounds for this motion are as follows:

1. Opposer filed the present opposition ("Opposition") on September 17, 2004. Opposer alleged that it would be harmed by the registration of the mark ARS SERVICE EXPRESS and Design (Serial No. 78/202,736). Opposer also alleged that ARS SERVICE EXPRESS and Design is likely, when used in connection with identical

and confusingly similar services to those offered by Opposer[1], to cause confusion, mistake or deceive customers, potential customers and the general public as to whether Applicant's services are Opposer's services under the marks SERVICE EXPERTS (Reg. No. 1,979,318), SERVICE EXPERTS SE and Design (Reg. No. 2,321,333), and S SERVICE EXPERTS and Design (Reg. No. 2,655,797) (collectively, the "Service Experts Marks"), or are otherwise affiliated, connected or associated with Opposer or the Service Experts Marks.

2. In accordance with the Board's Order of September 20, 2004, the Opposition discovery period is scheduled to commence on October 10, 2004.

3. On June 21, 2004, Opposer filed a complaint ("Complaint") in the United States District Court for the Eastern District of Texas, Sherman Division against Applicant. The action was assigned case number 4:04-CV-215 ("Civil Action"). A copy of the Complaint is attached as Exhibit A. The plaintiffs in the Civil Action include Opposer and Service Experts DFW LLC, a wholly owned subsidiary of Opposer. In addition to the Applicant, the defendants in the Civil Action include The ServiceMaster Company and American Residential Services L.L.C. d/b/a ARS Service Express and d/b/a Service Express.

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[1] Applicant's ARS SERVICE EXPRESS and Design application covers the following services "providing extended warranties and service contracts in connection with air conditioning and heating equipment, plumbing and electrical systems and appliances," and "installation, maintenance, repair and replacement of air conditioning and heating equipment, plumbing and electrical systems, and appliances, and water quality, conditioning and filtration units; air quality consulting; gas log installations." Registrations for Opposer's Service Experts Marks cover "maintenance, repair, servicing and installation services for air conditioning, heating, plumbing and electrical equipment."

4. The Complaint sets forth claims by Opposer against Applicant for 1) trademark infringement under 15 U.S.C. § 1114(1)(a); 2) unfair competition under 15 U.S.C. § 1125(a); 3) false advertising under 15 U.S.C. § 1125(a); 4) dilution under 15 U.S.C. § 1125(c); 5) injury to trade name and dilution under Texas Bus. & Com. Code § 16.29; 6) common law unfair competition and trademark infringement; 7) common law false advertising; and 8) common law unjust enrichment. The Complaint asserts, among other charges, that Applicant's use of its marks, including the mark that is subject of the Opposition, infringes Opposer's registered Service Experts Marks (see Complaint, Ex. A., First Claim for Relief, ¶¶ 39-49).

5. The Complaint specifically makes reference to the ARS SERVICE EXPRESS and Design mark, the subject of this Opposition, as well as to each of the Service Experts Marks (Ex. A at ¶ 1). The Complaint alleges that the use of the ARS SERVICE EXPRESS and Design mark in connection with Applicant's services is likely to cause consumer confusion (Ex. A at ¶¶ 1, 19-36).

6. The relief sought by Opposer in the Civil Action includes a permanent injunction against Applicant's use of ARS SERVICE EXPRESS and Design and confusingly similar marks and trade names in commerce, as well as other forms of injunctive relief, damages, attorneys' fees and costs (Ex. A at pp. 15-17).

7. The Civil Action encompasses the issues in the Opposition, principally, whether there is a likelihood of confusion between ARS SERVICE EXPRESS and

Design as used with Applicant's services and Opposer's earlier registered and used Service Experts Marks.

8. The Board may suspend the Opposition pending resolution of the Civil Action. 37 C.F.R. § 2.117(a) provides:

> "(a) Whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action or another Board proceeding which may have a bearing on the case, proceedings before the Board may be suspended until termination of the civil action or the other Board proceeding."

Further, as noted in the Trademark Trial and Appeal Board Manual of Procedure (TBMP) at § 510.02(a): "Ordinarily, the Board will suspend proceedings in the case before it if the final determination of the other proceedings will have a bearing on the issues before the Board."

9. The determination of the Civil Action will have a direct bearing on the issues before the Board in the Opposition. If the Texas District Court finds that there is a likelihood of confusion between the ARS SERVICE EXPRESS and Design mark and the Service Experts Marks, the Board, being apprised of the Court's ruling, is likely to sustain the Opposition in favor of Opposer and against Applicant.

10. In light of the foregoing, Opposer respectfully requests that the Opposition be suspended pending the outcome of the Civil Action currently pending in Federal District Court between the parties herein.

MOTION FOR ADJOURNMENT OF TRAIL DATES

As noted above, the present proceedings will open on October 10, 2004. Opposer respectfully moves the Board for an adjournment of all trial dates pending the disposition of the motion to suspend in light of the Civil Action. This relief is requested so that neither party will have to proceed with the effort and expense of preparing and prosecuting discovery, taking testimony and other requirements in the Opposition only to have the Board later decide that the Opposition will be suspended to await the determination of the Civil Action.

Dated: October 6, 2004

Respectfully submitted,

SERVICE EXPERTS INC., Opposer

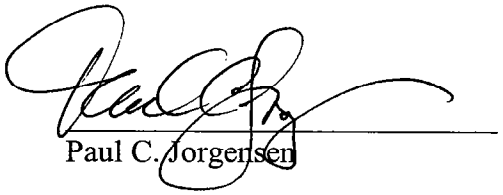
By: _____

Joseph V. Colaianni
Paul C. Jorgensen
PATTON BOGGS LLP
2550 M Street, N.W.
Washington, D.C. 20037
Telephone: 202-457-6000

Attorneys for Opposer

CERTIFICATE OF DELIVERY

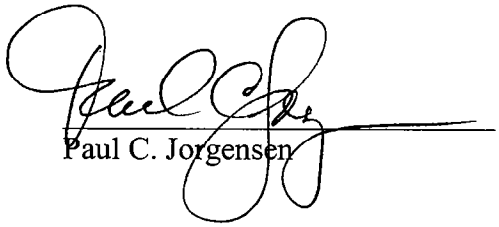
I hereby certify that a true copy of the foregoing **OPPOSER'S MOTION TO SUSPEND PROCEEDINGS UNDER 37 C.F.R. § 2.117(a) AND TBMP § 510.02(a) AND MOTION FOR ADJOURNMENT OF TRIAL DATES** is being filed electronically with the TTAB via ESTTA on this day, October 6, 2004.



Paul C. Jorgensen

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **OPPOSER'S MOTION TO SUSPEND PROCEEDINGS UNDER 37 C.F.R. § 2.117(a) AND TBMP § 510.02(a) AND MOTION FOR ADJOURNMENT OF TRIAL DATES** has been served on P. Jay Hines, Attorney for Applicant, by mailing said copy on this day, October 6, 2004, via First Class Mail, postage prepaid to: P. Jay Hines, Oblon, Spivak, McClelland, Maier & Neustadt, 1940 Duke Street, Alexandria, Virginia 22314.



Paul C. Jorgensen

EXHIBIT A

Copy of the Complaint in
Service Experts Inc. and Service Experts DFW LLC v.
The ServiceMaster Company, ServiceMaster Brands L.L.C. and American Residential Services L.L.C. d/b/a ARS Service Express and d/b/a Service Express,
Civil Cause No. 4:04-CV-215.

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

(1) Service Experts Inc. and (2) Service Experts DFW LLC,	§	
Plaintiffs	§	**CIVIL CAUSE NO.** 4:04CV215
v.	§	
(1) The ServiceMaster Company, (2) ServiceMaster Brands L.L.C., and (3) American Residential Services L.L.C. d/b/a ARS Service Express and d/b/a Service Express,	§	**JURY**
Defendants.	§	

PLAINTIFFS' ORIGINAL COMPLAINT

Plaintiffs Service Experts Inc. and Service Experts DFW LLC file this Original Complaint against Defendants The ServiceMaster Company, ServiceMaster Brands L.L.C., and American Residential Services L.L.C. d/b/a ARS Service Express and d/b/a Service Express, and state as follows:

INTRODUCTION

1. Plaintiffs seek damages and injunctive relief against Defendants based on their use of a new trademark that misleads and confuses consumers. Specifically, Plaintiff Service Experts Inc. holds trademark registrations for the following marks:

"SERVICE EXPERTS"

The mark "SERVICE EXPERTS" was registered June 11, 1996 as U.S. Registration No. 1,979,318 and is incontestable. The "S SERVICE EXPERTS" logo was registered December 3, 2002 as U.S. Registration No. 2,655,797. Service Experts Inc. or its predecessors in interest have used the trademark and trade name "SERVICE EXPERTS" in connection with maintenance, repair, servicing and installation services for air conditioning, heating, plumbing and electrical equipment since at least as early as 1990.

On January 13, 2003, Defendant The ServiceMaster Co. filed a trademark registration application (serial no. 78/202736) for the following logo for services including installation, maintenance, repair and replacement of air conditioning and heating equipment, plumbing and electrical systems:

On May 16, 2003, Defendant ServiceMaster Brands filed with the United States Patent and Trademark Office a Trademark/Service Mark Application (serial no. 78/250854) for "ARS SERVICE EXPRESS FRUSTRATION REPAIR" in Class 37 for installation, maintenance, repair and replacement of air conditioning and heating equipment, plumbing and electrical systems.

According to the applications, Defendants began using the marks in commerce on January 6, 2003 and April 25, 2003, respectively. Thereafter, Defendants began using in conjunction with the logo the trade name "ARS Service Express" and, at least in Collin County, Texas, "Service Express". Defendants' actions in this regard not only present a likelihood of confusion, but have caused numerous instances of actual confusion among consumers of Plaintiffs' and Defendants' services. Plaintiffs seek damages and a preliminary and permanent injunction prohibiting Defendants from using the marks shown above, as well as additional marks that violate federal and state trademark law.

PARTIES

2. Plaintiff Service Experts Inc. is a Delaware corporation registered to transact business in Texas with a principal place of business in Richardson, Texas.

3. Plaintiff Service Experts DFW LLC ("Service Experts DFW") is a Tennessee limited liability company registered to transact business in Texas with a principal place of business in Plano, Texas.

4. Defendant The ServiceMaster Company ("ServiceMaster") is a Delaware corporation with its principal place of business at 3250 Lacey Road, Suite 600, Downers Grove, Illinois 60515. ServiceMaster can be served with process on its registered agent CT Corporation System, 208 South LaSalle Street, Chicago, Illinois 60604-1136.

5. Defendant ServiceMaster Brands L.L.C. ("ServiceMaster Brands") is a Vermont Limited Liability Company with a principal place of business at 100 Bank Street, Suite 610, Burlington, Vermont 05401. ServiceMaster Brands can be served with process on its registered agent CT Corporation System, 26 Railroad Avenue, Essex Junction, Vermont 05453-0123.

6. Defendant American Residential Services L.L.C. ("ARS") is a limited liability company with a principal place of business at 860 Ridge Lake Boulevard, Memphis, Tennessee

38120. ARS recently began doing business as "ARS Service Express" and also as "Service Express". ARS can be served with process on its registered agent CT Corporation System, 530 Gay Street, Knoxville, Tennessee 37902.

JURISDICTION

7. This Court has jurisdiction over this matter because:

   a. Plaintiff Service Experts Inc.'s trademark infringement claims arise under Title 15 of the United States Code, arise under the laws of the United States, and relate to trademarks. *See* 15 U.S.C. § 1121; 28 U.S.C. §§ 1331 & 1338(a).

   b. Plaintiffs' claims for trademark infringement under Texas common law and for injury to Plaintiffs' business reputation or trade name or mark are unfair competition claims joined with a substantial and related claim under the trademark laws, and are also so related to the federal trademark infringement claims that they form part of the same case or controversy under Article III of the United States Constitution. 28 U.S.C. §§ 1338(b), 1367(a).

8. Venue is proper in this Court because:

   a. All Defendants are corporations who conduct on-going, substantial business in Collin County, Texas, and therefore reside in this judicial district for purposes of venue under 28 U.S.C. § 1391(b)(1). 28 U.S.C. § 1391(c). Specifically:

      i. Defendant ServiceMaster offers in Collin County and throughout the United States lawn care and landscape maintenance, termite and pest control, plumbing, heating and air conditioning maintenance and repair, appliance maintenance and repair, cleaning and furniture maintenance and home warranties through a network of over 5,400 company-owned and franchised service centers and business units, operating under brands which include TruGreen ChemLawn, TruGreen LandCare Terminix, American Home Shield, American Residential Services, Rescue Rooter, American Mechanical Services, ServiceMaster Clean, Merry Maids, AmeriSpec, Furniture Medic, and, most recently, ARS Service Express and Service Express. Defendant ServiceMaster maintains the following offices in Collin County: 707 Anderson, McKinney; 2540 E. Plano Parkway, Plano; 1500 10th Street, Plano; and 1304 Summit Ave., Plano.

      ii. On information and belief, Defendant ServiceMaster Brands licenses its brands to certain ServiceMaster entities across the United States, including those operating in Collin County, Texas. Such brands include: "Rescue Rooter", "ServiceMaster Fulfilling the Dream Franchising", "ARS American Residential Services", "ARS", "Allaboutthehome.com", "Cleanware", "ARS Mastertechs", "ARS Service Express", "ARS Service Express Frustration Repair", "On-Time Plumbers", and "On-Time Repair Guys". Licensees using these brands in Collin County include Defendant ARS.

iii. Defendant ARS offers in Collin County and throughout the United States plumbing, heating, and air conditioning maintenance and repair. In Collin County and in other counties across the United States, Defendant ARS recently began doing business as "ARS Service Express" and as "Service Express".

b. A substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in this judicial district. Specifically: Defendant ServiceMaster Brands has licensed and continues to license the "ARS SERVICE EXPRESS" and "ARS SERVICE EXPRESS FRUSTRATION REPAIR" marks for use in Collin County; Defendant ARS has called itself and continues to call itself "ARS Service Express" and "Service Express", and, along with Defendant ServiceMaster, has used and promoted and continues to use and promote the "ARS SERVICE EXPRESS" and "ARS SERVICE EXPRESS FRUSTRATION REPAIR" marks in Collin County.

BACKGROUND

The SERVICE EXPERTS Trade Names and Registered Marks

9. Plaintiff Service Experts Inc. is a nationally recognized provider of maintenance, repair, and installation of air conditioning, heating, plumbing, and electrical equipment. Plaintiff has earned a reputation for exemplary service and complete customer satisfaction.

10. Since at least 1990, Plaintiff Service Experts Inc. or its predecessor in interest has used the "SERVICE EXPERTS" trade name and trademark in connection with these services.

11. Plaintiff Service Experts DFW or its predecessor in interest has used "Service Experts" as a trade name, first as "Service Experts of the Metroplex, Inc." beginning on or about December 1, 1998, then as "Service Experts DFW, Inc." beginning on or about December 28, 1998, then as "Service Experts DFW LLC" beginning on or about January 1, 2000.

12. On October 1, 1990, Plaintiff Service Experts Inc. first used in commerce the "SERVICE EXPERTS" trademark (U.S. Reg. No 1,979,318) described and shown in this Complaint's introductory paragraph. The trademark was registered in Class 37 (U.S. Cls. 100, 103, and 106) for maintenance, repair, servicing, and installation services for air conditioning, heating, plumbing, and electrical equipment.

13. On October 1, 1990, Plaintiff Service Experts Inc. first used in commerce the following logo in connection with the services listed above. The logo was registered June 11, 1996 as U.S. Reg. No. 1,979,317 in Class 37 (U.S. Cls. 100, 103, and 106) for maintenance, repair, servicing, and installation of air conditioners:

14. On October 1, 1993, Plaintiff Service Experts Inc. first used in commerce the following logo in connection with the services listed above. The logo was registered February 22, 2000 as U.S. Reg. No. 2,321,333 in Class 37 (U.S. Cls. 100, 103, and 106) for maintenance, repair, servicing, and installation services for air conditioning, heating, plumbing and electrical equipment:

15. In August 2000, Plaintiff Service Experts Inc. first used in commerce the "S SERVICE EXPERTS" logo (U.S. Reg. No. 2,655,797) described and pictured in this Complaint's introductory paragraph. The logo was registered in Class 37 (U.S. Cls. 100, 103, and 106) for maintenance, repair, servicing, and installation services for air conditioning, hearing, plumbing, and electrical equipment. The "S SERVICE EXPERTS" logo typically appears in red, although it may also on occasion appear in either black (when color is not available) or in white with a red background. Plaintiff Service Experts Inc. has used the "S SERVICE EXPERTS" logo continuously since August 2000.

Defendants' Use of and Applications to Register the Infringing Marks

16. On January 13, 2003, Defendant ServiceMaster filed with the United States Patent and Trademark Office a Trademark/Service Mark Application (serial no. 78/202736) for the "ARS SERVICE EXPRESS" logo pictured and described in this Complaint's introductory paragraph in Class 37 for "installation, maintenance, repair and replacement of air conditioning and heating equipment, plumbing and electrical systems, and appliances; sewer and drain cleaning services; water quality, conditioning and filtration; air quality consulting; extended warranties and service contracts; gas log installations". On information and belief, the application will be published for opposition in the Official Gazette on July 20, 2004.

17. On information and belief, Defendant ServiceMaster subsequently assigned or claimed to assign its rights in the "ARS SERVICE EXPRESS" logo to Defendant ServiceMaster Brands.

18. On May 16, 2003, Defendant ServiceMaster Brands filed with the United States Patent and Trademark Office a Trademark/Service Mark Application (serial no. 78/250854) for "ARS SERVICE EXPRESS FRUSTRATION REPAIR" in Class 37 for "installation, maintenance, repair and replacement of air conditioning and heating equipment, plumbing and electrical systems, and appliances; sewer and drain cleaning services; water quality, conditioning and filtration; air quality consulting; extended warranties and service contracts; gas log installations". The application claimed that "the mark was first used in commerce at least as early as" April 25, 2003. Although the application sought to register "ARS SERVICE

EXPRESS FRUSTRATION REPAIR" as a word mark, the samples of use demonstrate that the mark consists of the "ARS SERVICE EXPRESS" logo with the words "FRUSTRATION REPAIR" written beneath the logo. On information and belief, on June 7, 2004, the United States Patent and Trademark Office mailed an office action making final a refusal to register the "ARS SERVICE EXPRESS FRUSTRATION REPAIR" mark.

Similarity Between ARS SERVICE EXPRESS and SERVICE EXPERTS Brands

19. The "S SERVICE EXPERTS" and the "ARS SERVICE EXPRESS" logos are pictured below in their typical color schemes:

20. The two logos share common elements, including but not limited to:

a. A stylized design to the left and writing to the right;

b. Stacking "Service" over the word "Experts" or "Express";

c. Capitalizing the first letter of the words "Service" and "Experts" or "Express", with the remaining letters in lower case;

d. Italicizing the words "Service Experts" or "Service Express";

e. Slanting the words "Service Experts" or "Service Express" to the right;

f. Using the terms "Service Experts" or "Service Express" as the dominant part of the mark;

g. Incorporating the color red into the logos; and

h. Primarily placing the logos against a white background.

21. The words "SERVICE EXPERTS" and "ARS SERVICE EXPRESS" are easily confused. The confusion is further compounded when Defendants, as they have, refer to themselves solely as "SERVICE EXPRESS". The ease of confusion is so great that Plaintiffs believe that anyone associated with the case – the lawyers, the witnesses, the Court, and the finder of fact – will themselves on occasion confuse the two phrases in speech or otherwise.

Similarity of Plaintiffs' and Defendant ARS's Advertising, Products, and Customers

22. Plaintiff Service Experts Inc. provides heating, cooling, and indoor air quality sales, installation, maintenance, and repair service for the residential, residential new construction, and light commercial market functions. Plaintiff Service Experts DFW offers these services in the DFW area from its base in Collin County.

23. According to its web site, Defendant ARS offers "Residential and Commercial services including heating, cooling, plumbing, drain cleaning, indoor air quality, electric and gas service needs."

24. Plaintiffs and Defendant ARS are direct competitors in the following fields:

a. Installation, maintenance, repair and replacement of air conditioning and heating equipment, plumbing and electrical systems, and appliances;

b. Sewer and drain cleaning services;

c. Water quality, conditioning and filtration;

d. Air quality consulting;

e. Extended warranties and service contracts; and

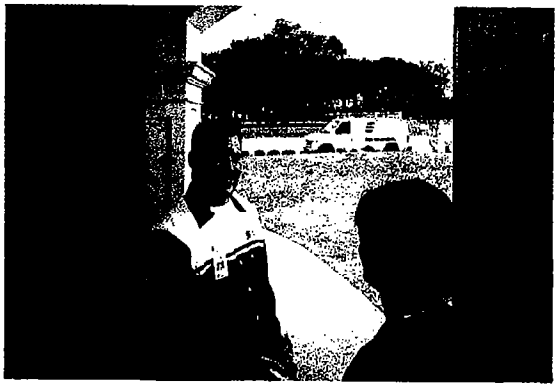
f. Gas log installations.

25. Because air conditioners and heating units are generally affixed to a home or business facility, both Plaintiffs and Defendant ARS do not primarily interact with their customers through retail outlets, but instead typically interact with their customers in three ways:

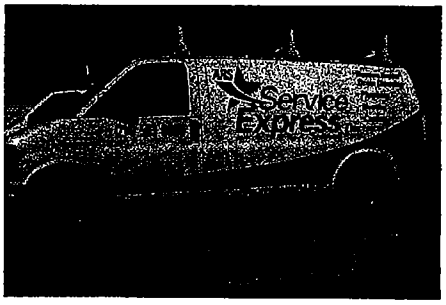
a. Advertisements by direct mail and in the yellow pages, and to a lesser extent through other mediums such as print, billboards, radio, television, and telemarketing;

b. Answering telephone calls requesting service, in which case the Plaintiffs' operator would answer "Service Experts" and Defendant ARS's operator would answer either "ARS Service Express" or simply "Service Express"; and

c. Making house calls: coming to the customers' home or business and performing the requested services. A sample of Plaintiffs' customer interaction as described is pictured below:



26. To reach their customers, both Plaintiffs and Defendant ARS utilize a fleet of white vans, which in Plaintiffs' case sport the "S SERVICE EXPERTS" logo, and in Defendant ARS's case sport the "ARS SERVICE EXPRESS" logo. Thus, the vans themselves serve as moving "billboards" advertising Plaintiffs' and Defendant ARS's services. The trade dress on Plaintiffs' vans is not functional. Photos of vans like those used by Plaintiff Service Experts DFW and Defendant ARS are pictured here:



27. Plaintiffs' interaction with their customers also occurs on either a scheduled or intermittent basis, depending on the customers' needs and service arrangement. Some of Plaintiffs' customers choose to enter service contracts, which under one option calls for semi-annual service to the heating and cooling units. In those instances, Plaintiffs' customers will call Plaintiffs to set up their semi-annual appointment, often based on reminder cards sent by Plaintiffs to the customers under contract. Customers without a service contract typically contact Plaintiffs on an intermittent basis as the need arises. Such customers could go several years between requesting service calls from Plaintiffs.

Defendants' Intent to Create and Capitalize On Consumer Confusion

28. Defendant ARS is seeking to capitalize on the nature of Plaintiffs' relationships with its customers and on the confusion created by the similarity of the trade names and marks through its d/b/as, telephone listings, advertisements, and interaction with Plaintiffs' customers. Examples are set forth in paragraphs 29-32:

29. Defendant ARS lists itself in the alphabetical listings of the December 2003 *SBC Greater Dallas SMART Yellow Pages* and the *Verizon Greater Dallas SuperPages* under "Air Conditioning Contractors" as "Service Express".

30. On an application for a permit with the town of Cary, North Carolina to replace a residential gas pack, Defendant ARS listed its d/b/a as "Service Express". The town of Cary then mailed the Application for Permit to Plaintiff Service Experts Inc. subsidiary Service Experts of the Triangle, located in Raleigh, North Carolina.

31. A Service Experts DFW customer in Collin County mistakenly called ARS Service Express believing it was Service Experts. When the customer inquired as to whether she had a service contract with them, Defendant ARS's employee replied that her name was in the system, implying that a service contract existed. When an ARS repairman came to her home, the customer inquired whether ARS Service Express and Service Experts were the same company. The repairman was evasive and implied that the companies were the same. ARS

then demanded and accepted funds for the repair work, despite the fact that the customer had a service contract with Service Experts that covered the repair.

32. Defendant ARS sent a direct mail advertisement bearing the "ARS SERVICE EXPRESS" logo to Plaintiff Service Experts Inc. subsidiary Service Experts of Southwest Florida's customer beginning "As a valued customer...", leading the customer to believe that the direct mail came from Plaintiff Service Experts Inc. or its subsidiary.

Defendants have Created Actual Confusion in the Relevant Marketplace

33. Since Defendants began doing business as "ARS Service Express" and "Service Express" in Collin County, Plaintiff Service Experts DFW has received approximately one call a week from an individual trying to reach Defendant ARS but confused about who to call. Plaintiff has consistently informed the callers that it is Service Experts DFW and that the caller was attempting to reach ARS Service Express.

34. Several individuals nationwide have presented ARS Service Express coupons to Service Experts Inc. or its subsidiaries on the erroneous belief that Service Experts Inc. or its subsidiaries had issued the coupons.

35. Other members of the public nationwide have experienced actual confusion as a result of Defendants' actions, including:

- Washington, District of Columbia: The *Washington Post* reported on September 3, 2003 that "Christopher Wagner of Parker Pearce Service Express installs an new air-conditioning unit..." Wagner actually works for Plaintiff Service Experts Inc. subsidiary Parker-Pearce Service Experts LLC.

- Bismarck, North Dakota: A Service Experts supplier addressed a letter to "Service Express" at "2140 Whitepark Blvd., Richardson, TX 75080". The Post Office delivered the letter to Plaintiff Service Experts Inc. at 2140 Lake Park Blvd. 75080.

- Raleigh, North Carolina: As Defendants launched their new marks, at least two individuals in the industry – a distributor and a competitor – expressed to the manager of Service Experts of the Triangle LLC the belief that Plaintiff Service Experts Inc. was merging with Defendant ARS.

- Indianapolis, Indiana: The owner of an advertising agency approached Plaintiff Service Experts Inc. subsidiary Service Experts of Indianapolis, Inc., and commented that he had seen Service Experts' recent television advertisements. The television ads were in fact for Defendant ARS d/b/a ARS Service Express.

- The manager of one of Plaintiff Service Experts Inc.'s subsidiaries called the manager of one of Defendant ARS's outlets and stated that the new paint job on the ARS vans made it look as though Defendant ARS had stolen Service Experts Inc.'s identity. Defendant ARS's manager replied: "I know." Plaintiff's manager on the same call also stated that because of Defendant ARS's recent use of the "ARS SERVICE EXPRESS"

name and mark, Plaintiff was getting calls from ARS customers who were confusing "ARS SERVICE EXPRESS" with the "SERVICE EXPERTS" name and mark. Defendant's manager replied: "I know. I've told our corporate office that and I'm really worried about it. This is something our corporate office is doing and we disagree with it."

A Preliminary Injunction is Warranted

36. As a result of Defendants' on-going activities, Plaintiffs will suffer irreparable harm. Specifically, Defendants' on-going infringement of Plaintiffs' marks and trade names will imminently harm Plaintiffs because customers and potential customers will be unable to distinguish Plaintiffs' services from those of Defendants. This association will damage Plaintiffs' reputation, as well as dilute the strength of Plaintiffs' marks and trade names, which are irreparable injuries. Moreover, state and federal statutes set forth below authorize injunctive relief in this instance. Furthermore, no adequate remedy at law exists because the damages to Plaintiffs are in part immeasurable.

37. Plaintiffs have a substantial likelihood of success on the merits for the reasons set forth in this Complaint.

38. The injury faced by Plaintiffs outweighs the injury Defendants will sustain if this Court grants injunctive relief. Defendants only recently began using the marks at issue, and on information and belief have not as yet converted all of their operations to the new marks or painted all of their vans with the new trade dress. Furthermore, Plaintiffs know of no actual confusion between the parties prior to Defendant ARS doing business as "ARS Service Express" and "Service Express". Plaintiff Service Experts Inc. also notified Defendant ServiceMaster that the "ARS SERVICE EXPRESS" mark would likely be confused with Plaintiffs' name and marks, and called to Defendant ServiceMaster's attention the *Washington Post* article demonstrating actual confusion. Defendants ignored this warning, and took no steps to reduce the likelihood of confusion. Furthermore, allowing actual consumer confusion to persist does not serve any legitimate interest of Defendants. Prevention of consumer confusion would serve the public interest and the legitimate business interests of all parties involved.

FIRST CLAIM FOR RELIEF

[Federal Trademark Infringement - Confusion]

39. Plaintiffs incorporate here by reference this Complaint's preceding paragraphs.

40. Plaintiff Service Experts Inc. owns all property interests in and enjoys all rights protected by federal and state trademark law with respect to the trademarks registered as U.S. Reg. Nos. 1,979,318 & 2,655,797 ("Plaintiff's Marks").

41. Plaintiff Service Experts Inc. acquired Plaintiff's Marks in good faith by satisfying all applicable statutory requisites, by registering them with the applicable federal and state regulatory authorities, and by first utilizing them in commerce and at common law.

42. Plaintiff Service Experts Inc. promotes and advertises its services in association with Plaintiff's Marks throughout the United States. Such promotions and advertisements have included, without limitation, mailings delivered by the U.S. Postal Service, broadcast television commercials, radio spots, print advertisements and listings in magazines, newspapers, and telephone directories, prominent signage readily visible to the purchasing public from Plaintiffs' offices, vehicle liveries, and Internet displays at www.serviceexperts.com.

43. Long before Defendants began calling Defendant ARS "ARS Service Express" and "Service Express" and using the marks in application nos. 78/202736 & 78/250854 ("Defendants' Marks"), Plaintiff's Marks had acquired substantial and material goodwill. Such goodwill is associated in the business and public realms with the trade name of Plaintiff and its subsidiaries and Plaintiffs' on-line services.

44. The renown of Plaintiff's Marks was accomplished by Plaintiff Service Experts Inc. over at least 14 years by providing unsurpassed customer service, by carefully attending to the esteem and integrity associated with Plaintiff's Marks, by investing millions of dollars in service, trademark, and trade name promotions, and by researching, designing, and developing Plaintiff's Marks, advertising, and web site.

45. Accordingly, Plaintiff's Marks are distinctive and famous marks.

46. Plaintiff Service Experts Inc.'s financial and labor investments in its advertisements and web site are aimed to promote brand loyalty among, and purchases by, Plaintiff Service Experts Inc.'s customers and prospective customers who view Plaintiff Service Experts Inc.'s advertisements and/or its web site. The web site also was designed to encourage consumers to browse the site extensively, exploring its contents, and to return to the site in the future to avail themselves of Plaintiff Service Experts Inc.'s services.

47. Defendants' misleading advertising scheme and its use and misappropriation of Plaintiff's Marks constitute use in commerce of the Plaintiff's Marks without Plaintiffs' approval or authorization.

48. Defendants' unauthorized use of the Plaintiff's Marks is likely to cause confusion or mistake among prospective consumers, has already caused confusion and mistake among existing customers, and deceives consumers regarding the relationship between Defendants and Plaintiffs.

49. Defendants' conduct constitutes trademark infringement in violation of Lanham Act section 32, 15 U.S. C. §1114(1)(a).

SECOND CLAIM FOR RELIEF

[Federal Trademark Infringement - Unfair Competition]

50. Plaintiffs incorporate here by reference this Complaint's preceding paragraphs.

51. Defendants' Marks, present advertising campaign, and the trade dress on Defendant ARS vans constitute a false or misleading description or representation of facts, by

misleading or creating the likelihood that consumers will be misled into believing that Defendants are really the Plaintiffs, and/or that Plaintiffs and Defendants are otherwise affiliated, connected, or associated with one another.

52. Defendants' conduct constitutes unfair competition in violation of Lanham Act section 43(a), 15 U.S.C. §1125(a).

THIRD CLAIM FOR RELIEF

[Federal Trademark Infringement - False Advertising]

53. Plaintiffs incorporate here by reference this Complaint's preceding paragraphs.

54. Defendants are Plaintiffs' competitors in interstate commerce.

55. Defendants promote their goods and services by unlawfully using trade dress, logos, and marks substantially similar to Plaintiff Service Experts Inc.'s trade dress and registered logos and marks.

56. Defendants' conduct constitutes unlawful false advertising that misrepresents the nature, characteristics, and qualities of Plaintiffs' goods, services, or commercial activities, in violation of Lanham Act section 43(a), 15 U.S.C. §1125(a).

FOURTH CLAIM FOR RELIEF

[Federal Trademark Infringement - Dilution]

57. Plaintiffs incorporate here by reference this Complaint's preceding paragraphs.

58. Plaintiff's Marks are famous within the meaning of the United States Trademark Dilution Act, 15 U.S.C. §1125(c).

59. Defendants' advertising scheme has the effect of blurring Plaintiff's Marks and therefore diluting the Plaintiff's Marks' function of identifying Plaintiffs as a source of goods and services.

60. Defendants' advertising has the effect of tarnishing the Plaintiff's Marks and therefore diluting the Plaintiff's Marks' distinctive qualities.

61. Defendants' conduct constitutes trademark dilution in violation of Lanham Act section 43(c), 15 U.S.C. §1125(c).

FIFTH CLAIM FOR RELIEF

[Injury to Trade Name and Dilution under TEX. BUS. & COMM. CODE Section 16.29]

62. Plaintiffs incorporate here by reference this Complaint's preceding paragraphs.

63. The trade names "Service Experts DFW", "Service Experts Inc.", and "Service Experts" are distinctive.

64. The trade dress on Plaintiffs' vans is distinctive and is a valid common law trademark.

65. Defendants' use of the trade names "ARS Service Express" and "Service Express" are likely to cause injury to Plaintiffs' business reputation or to dilute the distinctive quality of Plaintiffs' trade names.

66. Defendants' use and promotion of the ARS vans previously pictured in this Complaint's preceding paragraphs is likely to cause injury to Plaintiffs' business reputation or to dilute the distinctive quality of Plaintiffs' trade dress.

67. Defendants' conduct violates Texas Bus. & Com. Code §16.29.

SIXTH CLAIM FOR RELIEF

[Texas Common law Unfair Competition and Trademark Infringement]

68. Plaintiffs incorporate here by reference this Complaint's preceding paragraphs.

69. This is a claim for trademark infringement and unfair competition under the laws of the State of Texas, separately made and joined with a substantial and related claim under United States trademark law.

70. Defendants' conduct and acts have violated general principles of law and equity, constitute trademark infringement and unfair competition under the laws of the State of Texas, and have damaged Plaintiffs' valuable intellectual property rights. Such conduct and acts have caused irreparable injury to Plaintiffs and will continue to cause such injury unless enjoined by this Court.

71. Defendants' actions constitute common law infringement of Plaintiff's Marks and palming-off of Defendants' services to be understood as services from the Plaintiffs. That palming or passing-off creates a likelihood of confusion in the minds of the public as to the source and approval of Defendants' services and further creates the impression that Plaintiffs are responsible for the design and quality of the services offered for sale by Defendants. It also tends to dilute the value of Plaintiff's Marks that was built up at great expense.

72. Such acts by Defendants also constitute an attempt to unfairly trade on the goodwill of Plaintiffs. All such acts will result in misleading, confusing and deceiving the purchasing public into mistakenly purchasing Defendants' services or attributing to such services an association or affiliation with Plaintiffs.

73. The offering by Defendants of services bearing a simulation of Plaintiff's Marks and trade dress which are not approved by Plaintiffs could also conceivably create dissatisfaction and resentment among a substantial portion of the purchasing public if the

services are not to the customers' satisfaction. These acts will materially dilute Plaintiffs' reputations and damage the goodwill that Plaintiffs have created.

74. Defendants have unfairly competed with Plaintiffs by the acts complained of, have done so intentionally, and have caused, and unless restrained and enjoined by this Court, will continue to cause irreparable harm, damage, and injury to Plaintiffs.

SEVENTH CLAIM FOR RELIEF

[False Advertising]

75. Plaintiffs incorporate here by reference this Complaint's preceding paragraphs.

76. Defendants have committed acts of false and misleading advertising, in violation of Texas law prohibiting false or misleading advertising, by engaging in the conduct described in this Complaint.

77. Defendants undertook the described conduct with the intent of directly or indirectly inducing the public to terminate services of Plaintiffs and to instead purchase services from Defendants.

78. Defendants' conduct was false and misleading, and is likely to deceive the public into believing that Plaintiffs endorse or otherwise support Defendants' services.

EIGHTH CLAIM FOR RELIEF

[Unjust Enrichment]

79. Plaintiffs incorporate here by reference this Complaint's preceding paragraphs.

80. Defendants' advertisements confer a benefit upon Defendants by and at the expense of Plaintiffs. Without authorization from Plaintiffs, Defendants solicit and divert Plaintiffs' customers and there by reap a profit on Plaintiffs' reputation and goodwill.

81. Defendants' retention of the benefits of Plaintiffs' labor and investment violates fundamental principles of justice, equity, and good conscience.

82. Defendants' unauthorized use of Plaintiff's Marks has caused Defendants to be unjustly enriched to the detriment of Plaintiffs.

ATTORNEYS FEES

83. Plaintiffs incorporate here by reference this Complaint's preceding paragraphs.

84. The acts and conduct of Defendants were committed willfully and in bad faith. Accordingly, Plaintiffs are entitled to all of their reasonable and necessary attorney's fees in prosecuting this action under 15 U.S.C. §1117(a) and Texas Business & Commerce Code §16.29, and other applicable provisions of law.

PRAYER FOR RELIEF

Plaintiffs request judgment against Defendants that includes, without limitation:

1. A preliminary and permanent injunction ordering that Defendants, their officers, directors, shareholders, agents, servants, employees, and attorneys, and all those in active concert or participation with them, and each of them, be preliminarily and permanently enjoined and restrained from:

(a) Displaying or otherwise using the marks "ARS SERVICE EXPRESS", "ARS SERVICE EXPRESS FRUSTRATION REPAIR", or "SERVICE EXPRESS";

(b) Displaying or otherwise using the trade name "ARS Service Express" or "Service Express";

(c) Displaying or otherwise using the trade dress on the ARS vans pictured in this Complaint's preceding paragraphs;

(d) Causing any advertisement or other matter to appear on, over, or in any manner associated with Plaintiff's Marks;

(e) Making any false designation of origin, description, representation or suggestion that Plaintiffs are the source, sponsor or in any way affiliated with Defendants and/or Defendants' advertisements, web site(s), products, and/or services, and from otherwise competing unfairly with Plaintiffs in any manner; acting in any manner which causes Defendants' advertisements, products, services, or web site(s) to be in any way associated with Plaintiffs and/or Plaintiffs' products, services, or web site, including, but not limited to, any means of marketing, advertising, or

agreement with third parties likely to induce the belief that Defendants' advertisements, products, services, or web site(s) are in any way associated, connected, or affiliated with, or licensed or authorized by, Plaintiffs;

(f) Acting in any manner likely to dilute, tarnish, or blur the distinctiveness of Plaintiff's Marks; and

(g) Misappropriating or otherwise unfairly trading upon the goodwill of Plaintiffs and Plaintiff's Marks.

2. An Order that Defendants expressly abandon the marks "ARS SERVICE EXPRESS", "SERVICE EXPRESS", and "SERVICE EXPRESS FRUSTRATION REPAIR".

3. An Order that Defendant ServiceMaster Brands expressly abandon Trademark/Service Mark Application Nos. 78/202736 and 78/250854, and/or, if any trademark registrations result from those applications, then expressly abandon the registered mark and file with the United States Patent & Trademark Office a petition to cancel the registration on grounds of abandonment.

4. An Order that Defendants within 30 days file with the Court and serve on the Plaintiffs a report in writing under oath setting forth the manner and form in which Defendants complied with the above injunction provisions.

5. An Order that Defendants account for and pay over to Plaintiffs all profits, gains, savings, and advantages obtained by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of profits, gains, savings, and advantages obtained by Defendants by reason of its

unlawful acts be increased to a sum not exceeding three times the amount thereof, as provided by law;

6. An Order awarding Plaintiffs all damages caused by Defendants' wrongful actions, and statutory treble profits and treble damages;

7. An Order awarding Plaintiffs an amount sufficient to conduct a corrective advertising campaign to dispel the effects of Defendants' wrongful conduct and confusing and misleading advertising;

8. An Order directing Defendants to post corrective advertising on their web sites in a manner and form to be established by the Court;

9. An Order that Defendants pay all taxable costs, disbursements, and attorneys' fees in this action based upon Defendants' deliberate and willful violations of Plaintiff's Marks pursuant to 15 U.S.C. §1117(a) and Texas Business & Commerce Code §16.29, and other applicable provisions of law;

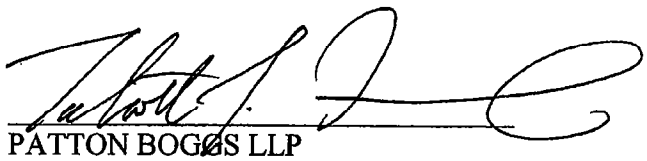
10. An Order that Plaintiffs be awarded punitive damages in an amount reasonably calculated to deter and punish Defendants; and

11. Such other, further, and different relief as the court may deem just and proper.

JURY TRIAL DEMAND

Plaintiffs also demand a jury trial.

Respectfully Submitted,



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