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# UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF INDIANA TERRE HAUTE DIVISION

RIDERS CHOICE, LLC d/b/a SHOW AND TELL SADDLE BLANKETS and LONI RHODES,

**Plaintiffs** 

-v-

LORI HECKAMAN d/b/a GOLDEN WEST SADDLE BLANKETS, Defendant. Civil No. 2:13-cv-260

COMPLAINT FOR DECLARATORY RELIEF (FRCP 57)

Plaintiffs Riders Choice, LLC and Loni Rhodes by their attorneys Woodard, Emhardt, Moriarty, McNett & Henry, LLP, for their complaint state:

## Nature of the Case

- 1. This is a complaint under the Declaratory Judgment Act, 28 USC § 2201, and under the Indiana Uniform Declaratory Judgment Act, Ind. Code 34-14-1-1 et seq.
- 2. The Court has jurisdiction over the case under 28 USC § 1331 because the defendant alleges infringement of rights protected by U.S. copyright law, 17 USC § 101, et seq., and under the supplemental jurisdiction provisions of 28 USC § 1367(a).
- 3. Venue is proper under 28 USC §§ 1391(b) and 1400.

#### The Parties

4. Plaintiff Riders Choice, LLC ("Riders Choice") is an Indiana limited liability company with a principal place of business at 76 East Private Road 65 S., Center Point, IN 47840.

- 5. Plaintiff Loni Rhodes ("Rhodes") is an individual residing at 76 East Private Road 65 S., Center Point, IN 47840.
- 6. On information and belief, Defendant Lori Heckaman d/b/a Golden West Saddle Blankets ("Heckaman" or "Golden West") is a Texas citizen who resides in Gainesville, TX and has a principal place of business at 309 North Commerce, Suite No. 1, Gainesville, TX 76240.
- 7. The Court has personal jurisdiction over Heckaman under Ind. Trial 4.4 and venue is proper in this district because:
- (a) on information and belief, Heckaman and/or Golden West have marketed, sold and/or actively contracted to supply goods in the State of Indiana and within this district and actively conduct business in the State of Indiana and within this judicial district, in connection with the matters giving rise to this action;
- (b) Heckaman's threats of liability for copyright infringement and business tort liability were directed to Riders Choice and Rhodes in this district and would harm Riders Choice and Rhodes in this district; and
- (c) the production of the allegedly infringing goods and the use of the methods allegedly giving rise to business tort liability occurred in this district.

## The Dispute

8. On information and belief, Heckaman, doing business as Golden West Saddle Blankets, makes and sells products related to horseback-riding, including blankets with colorful geometric designs.

- 9. On information and belief, blankets with similar designs are widely produced and sold by third parties.
- 10. On information and belief, Heckaman uses certain weaving and design methods to produce her blankets.
- 11. On information and belief, Heckaman has not registered any of her designs with the U.S. copyright office.
- 12. On information and belief, Heckaman has not obtained or applied for a patent on the methods used to produce her blankets.
- 13. On information and belief, Heckaman has not taken steps to maintain the secrecy of the weaving and design methods she uses.
- 14. Plaintiff Rhodes owns Riders Choice.
- 15. Plaintiff Riders Choice, sometimes operating as "Show and Tell Saddle Blankets," makes and sells products related to horseback-riding, including handwoven saddle blankets with colorful geometric designs.
- 16. Riders Choice uses certain weaving and design methods to produce its blankets.
- 17. Rhodes learned these methods from books and other publicly available materials unaffiliated with Heckaman.
- 18. The blankets Riders Choice sells are original works designed by Rhodes.
- 19. Every blanket Riders Choice sells is unique in that no two blankets are sold with an identical pattern.
- 20. Rhodes has never copied defendant's designs.

- 21. Defendant's counsel sent two cease-and-desist letters to Rhodes and Riders Choice, the first on June 14, 2013 and the second on July 2, 2013. Copies of the letters are attached as Exhibits A, B and C (pictures sent with Exhibit B).
- 22. The first cease-and-desist letter, Exhibit A, asserts that the designs on defendant's blankets are copyrighted, and alleges against Rhodes and Riders Choice claims for copyright infringement based on Rhodes and/or Riders Choice's manufacture, marketing and sale of its own blankets.
- 23. The first cease-and-desist letter also alleges claims against Rhodes and Riders Choice for business interference, unfair competition and misappropriation of trade secrets based on Rhodes's and/or Riders Choice's marketing of Riders Choice's blankets and alleged copying of Golden West's weaving and design methods.
- 24. The second cease-and-desist letter, Exhibits B and C, repeats the allegation of copyright infringement by writing that Rhodes and/or Riders Choice is "intentionally copying the look" of Golden West's saddle blankets and by calling Riders Choice's blankets "substantially similar and infringing."
- 25. The second cease-and-desist letter alleges that Rhodes and/or Riders Choice intentionally copied Golden West's "method of manufacture" and "construction techniques" used in producing Golden West's blankets.
- 26. The second cease-and-desist letter alleges Rhodes and/or Riders Choice markets its blankets as a specific alternative to Golden West's blankets.
- 27. Both cease-and-desist letters demand that Rhodes and/or Riders Choice stop marketing, selling and producing its blankets.

- 28. On information and belief, both cease-and-desist letters threaten Rhodes and/or Riders Choice with imminent litigation if Rhodes and/or Riders Choice does not comply with defendant's demands, the first by writing "we will have no choice but to advise our client to protect her interests by instituting a suit in a court of competent jurisdiction," and the second by writing that although "Golden West prefers to resolve this matter without the necessity of court intervention, all necessary action will be taken if a voluntary agreement cannot be reached."
- 29. On July 2, 2013, Riders Choice's attorneys responded to the cease-and-desist letters by stating that they would investigate the allegations of infringement and prepare a substantive response within 45 days.
- 30. On July 3, 2013, defendant's counsel responded to Riders Choice via email and stated that 45 days was an "excessive" amount of time. A copy of the email is attached as Exhibit D.
- 31. On information and belief, the July 3, 2013 email threatened Rhodes and Riders Choice with imminent litigation by writing that if Rhodes and/or Riders Choice did not "refrain from promoting, marketing, producing, and selling saddle blankets," Heckaman would have "no choice but to seek available remedies."

## Count I—No Copyright Infringement

- 32. Plaintiffs adopt by reference paragraphs 1 to 31.
- 33. Defendant's allegations of copyright infringement have caused and will continue to cause damage to Rhodes and Riders Choice.

- 34. On information and belief, defendant will continue her allegations of copyright infringement unless enjoined by this Court.
- 35. There is an actual, substantial and judicable controversy about whether Rhodes or Riders Choice has infringed any copyright protection for defendant's blanket designs.
- 36. Copyright infringement is governed by section 501 of the Copyright Act, 17 USC § 501.
- 37. Copyright law protects only specific expression original to an author, and does not protect ideas such as the idea of a blanket with a geometric design.
- 38. Rhodes and Riders Choice have not copied any protectable expression original to defendant.
- 39. Rhodes and Riders Choice are entitled to a declaration of no copyright infringement.

#### Count II—No Business Interference

- 40. Plaintiffs adopt by reference paragraphs 1 to 39.
- 41. Defendant's allegations of businesses interference have caused and will continue to cause damage to Rhodes and Riders Choice.
- 42. On information and belief, defendant will continue her allegations of business interference unless enjoined by this Court.
- 43. There is an actual, substantial and judicable controversy about whether Rhodes's or Riders Choice's sales, marketing and production of blankets constitute business interference against defendant.

- 44. Defendant's business interference claims are governed by Indiana or Texas common law.
- 45. Under Indiana common law, business interference requires, *inter alia*, illegal conduct that constitutes knowing, unjustified and intentional interference with a valid business relationship.
- 46. Under Texas common law, business interference requires, *inter alia*, malicious and unjustified interference conducted with the intent to harm the aggrieved party's probable contractual relations.
- 47. Rhodes and Riders Choice have not engaged in any illegal conduct and their production, marketing and sales of blankets have not interfered with any of defendant's valid business relationships.
- 48. Rhodes and Riders Choice have not engaged in any malicious or unjustified conduct intended to harm defendant's probable contractual relations.
- 49. Rhodes and Riders Choice are entitled to a declaration of no business interference.

### Count III—No Unfair Competition

- 50. Plaintiffs adopt by reference paragraphs 1 to 49.
- 51. Defendant's allegations of unfair competition have caused and will continue to cause damage to Rhodes and Riders Choice.
- 52. On information and belief, defendant will continue her allegations of unfair competition unless enjoined by this Court.

- 53. There is an actual, substantial and judicable controversy about whether Rhodes's or Riders Choice's sales, marketing and production of blankets constitute unfair competition against defendant.
- 54. Defendant's unfair competition claims are governed by Indiana or Texas common law, and require a showing that plaintiffs deceived the public about the source of a good or service.
- 55. Rhodes and Riders Choice have not copied any of defendant's protected designs or weaving methods, and any use of these methods has not deceived the public about the source of Rhodes's or Riders Choice's products.
- 56. Rhodes's and Riders Choice's sales and marketing of its blankets have not deceived the public about the source of Rhodes's or Riders Choice's products.
- 57. Rhodes and Riders Choice are entitled to a declaration of no unfair competition.

#### Count IV—No Misappropriation of Trade Secrets

- 58. Plaintiffs adopt by reference paragraphs 1 to 57.
- 59. Defendant's allegations of misappropriation of trade secrets have caused and will continue to cause damage to Rhodes and Riders Choice.
- 60. On information and belief, defendant will continue her allegations of misappropriation of trade secrets unless enjoined by this Court.
- 61. There is an actual, substantial and judicable controversy about whether Rhodes's or Riders Choice's sales, marketing and production of blankets constitute misappropriation of trade secrets from defendant.

- 62. Misappropriation of trade secrets is governed in Indiana by Ind. Code 24-2-3-1 et seq., and in Texas by state common law.
- 63. In either Indiana or Texas, misappropriation of trade secrets requires, *inter alia*, improper acquisition of a trade secret.
- 64. On information and belief, defendant's design and weaving methods are not trade secrets.
- 65. Rhodes and Riders Choice have not copied or acquired any of defendant's design or weaving methods through improper means.
- 66. Rhodes and Riders Choice are entitled to a declaration of no misappropriation of trade secrets.

## Prayer for Relief

Plaintiffs request the Court:

- (a) declare Rhodes's and Riders Choice's blankets did not in the past and do not now infringe any of defendant's valid copyrights;
- (b) declare Rhodes and Riders Choice did not commit in the past and are not now engaged in business interference against defendant based on the sale, marketing or production of blankets;
- (c) declare Rhodes and Riders Choice did not commit in the past and are not now engaged in unfair competition against defendant based on the sale, marketing or production of blankets;

- (d) declare Rhodes and Riders Choice did not commit in the past and are not now engaged in the misappropriation of trade secrets from defendant based on the sale, marketing or production of blankets;
- (e) award plaintiffs their costs and attorney fees.

Dated: July 10, 2013 s/ Kurt N. Jones

Kurt N. Jones
Woodard, Emhardt, Moriarty,
McNett & Henry LLP
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Indianapolis, IN 46204
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Attorneys for Rhodes and Riders Choice, LLC

Attorneys & Counselors

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901 Main Street, Suite 3900 Dallas, TX 75202-3793 David J. Metzler Tel: 214-672-2167 Fax: 214-672-2367 dmetzler@cowlesthompson.com

June 14, 2013

Via U.S. Mail

Via CMRRR Mail: 7010 2780 0000 4097 4131

Ms. Loni Rhodes

Show and Tell Saddle Blankets 76 East Private Road 65 S.

Center Point, IN 47840

Via U.S. Mail

Via CMRR Mail: 7010 2780 0000 4097 4216

Mr. Ty Hornick 4155 Hussey Road Jamestown, OH 45335 Via U.S. Mail

Via CMRRR Mail: 7010 2780 0000 4097 4261

Ms. Leeann Rhodes

Show and Tell Saddle Blankets 76 East Private Road 65 S.

Center Point, IN 47840

Via U.S. Mail

Via CMRRR Mail: 7010 2780 0000 4097 4254

Mrs. Karen Hornick 4155 Hussey Road Jamestown, OH 45335

Re: Copyright Infringement - Lori Heckaman, d/b/a Golden West Saddle Blankets

Dear Ms. Rhodes, Ms. Rhodes, Mrs. Hornick and Mr. Hornick:

Please be advised Lori Heckaman, doing business as Golden West Saddle Blankets, retained this firm to prosecute claims against each of you under the United States Code for copyright infringement as well as claims for business interference, unfair competition and misappropriation of trade secrets. These claims arise out of the concerted efforts of each of you to promote, market and sell saddle blankets through of Show and Tell Saddle Blankets. These saddle blankets infringe upon the property and proprietary rights of Ms. Heckaman. This letter constitutes formal demand for each of you to immediately cease and desist using Ms. Heckaman's methods and designs with regard to such saddle blankets.

In the event you do not cease and desist from using the methods and designs of Ms. Heckaman immediately upon receipt of this letter, we will have no choice but to advise our client to protect her interests by instituting a suit in a court of competent jurisdiction. You are further advised that in the event litigation is necessary, Ms. Heckaman will seek to recover, in addition to actual damages, attorney's fees, expenses and court costs which she may incur in her efforts to enforce her rights regarding your illegal use of her designs and methods. Such claims will include any individuals that conspired in or assisted with the aforementioned acts.

Ms. Loni Rhodes Mrs. Karen Hornick Mr. Ty Hornick June 14, 2013 Page 2

In order to resolve this matter without the expense and embarrassment of litigation, please cease and desist using the saddle blanket methods and designs of Lori Heckaman. I know you realize this is a serious matter and that you will take the appropriate action immediately.

TIAL

David Metzle

DJM/acc

cc: Ms. Lori Heckaman [via E-Mail]

Attorneys & Counselors

Tel: 214-672-2000 | Fax: 214-672-2020 | www.cowlesthompson.com

901 Main Street, Suite 3900 Dallas, TX 75202-3793 David J. Metzler Tel: 214-672-2167 Fax: 214-672-2367 dmetzler@cowlesthompson.com

July 2, 2013

Via E-Mail: kjones@uspatent.com
Kurt N. Jones, Esq.
Woodard, Emhardt, Moriarty et al.
Chase Tower
111 Monument Circle, Suite 3700
Indianapolis, Indiana 46204

COWLES & THOMPSON

Re: Golden West Saddle Blankets

Dear Kurt:

Thank you for your e-mail correspondence of June 17, 2013.

In response to your inquiry, Golden West has not completed a formal copyright registration, but as I am sure you are aware, prior registration is not necessary for legal protection of original designs. My client has hand-drawn and dated original artwork for each and every blanket sold.

More importantly, our investigation demonstrates your clients had direct access to original designs of Golden West through association with Golden West customers, including Ty and Karen Hornick. Based upon our information, your clients and/or the Hornick's specifically market these infringing saddle blankets as an alternative to Golden West saddle blankets. Although your clients represent that their saddle blankets are "one of a kind" and their own "custom design," a marketing technique of Golden West, each blanket appears to be a copy of existing Golden West designs. As the enclosed photographs indicate, your clients are intentionally copying the look, size and method of manufacture of Golden West saddle blankets.

Although we anticipate you will argue there are significant variations in the patterns, we are confident a jury will find your clients' saddle blankets to be substantially similar and infringing. Notably, your clients' did not limit the replication of Golden West blankets solely to the patterns. Other unique characteristics copied by your clients include:

An identical design for the number of strings in the salvage;

Identical location and design of the of the wear leather;

Identical tie up method for the looms; and,

Identical method at the beginning and ending of patterns to conceal warp strings.

Kurt N. Jones, Esq. Woodard, Emhardt, Moriarty et al. July 2, 2013 Page 2

The chances of a random duplication of both the similar patterns and these construction techniques are highly unlikely without direct access and intent to duplicate.

Please advise within 10 days if your clients agree to immediately cease promoting, marketing and selling saddle blankets which infringe on Golden West's intellectual property. While Golden West prefers to resolve this matter without the necessity of court intervention, all necessary action will be taken if a voluntary agreement cannot be reached.

Sincerely,

David J. Metzler

DJM/acc Enclosures



Pattern COPY - Show + Tell

## Jones, Kurt N.

Case 2:13-cv-00260-WTL-MJD Document 1-4 Filed 07/10/13 Page 1 of 1 PageID #: 17

Metzler, David [dmetzler@cowlesthompson.com]

**Sent:** Wednesday, July 03, 2013 11:01 AM

To: Craft, Conor; Jones, Kurt N.Cc: Wiles, Cindy J.; Chiro, Ann

Subject: RE: Golden West Saddle Blankets (Our Ref 26108-2)

Mr. Jones –

From:

With all due respect, 45 days is an excessive amount of time to respond to this urgent matter. While I am willing to work with your schedule, I cannot agree to the proposed delay. As a suggestion, if your clients will agree, in writing, to refrain from promoting, marketing, producing, and selling saddle blankets until you can deal with this matter, I will see if that is acceptable to my client. Short of that, you leave us with no choice but to seek available remedies.

I look forward to your prompt response.

From: Craft, Conor [mailto:CCraft@uspatent.com]

Sent: Tuesday, July 02, 2013 1:11 PM

**To:** Metzler, David

Cc: Wiles, Cindy J.; Chiro, Ann

Subject: Golden West Saddle Blankets (Our Ref 26108-2)

Dabjecti Colden West Saddle Blankets (Our Nei 201

Dear Mr. Metzler,

The attached PDF contains correspondence from Mr. Kurt Jones in the above-referenced matter.

Conor Craft

# $_{ m JS~44~(Rev.~12/C)}$ as 2:13-cv-00260-WTL-MJD Recurrent 1.5 Filed 0.7/10/13 Page 1 of 1 PageID #: 18

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

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☐ 160 Stockholders' Suits ☐ 190 Other Contract ☐ 195 Contract Product Liability ☐ 196 Franchise  REAL PROPERTY	□ 355 Motor Vehicle Product Liability □ 360 Other Personal Injury □ 362 Personal Injury - Medical Malpractice CIVIL RIGHTS	□ 371 Truth in Lending □ 380 Other Personal Property Damage □ 385 Property Damage Product Liability  PRISONER PETITIO	□ 74 □ 75 □ 79	0 Labor/Management Relations 0 Railway Labor Act 1 Family and Medical Leave Act 0 Other Labor Litigation 1 Employee Retirement	□ 863 DIWC/DIWW (405(g)) □ 864 SSID Title XVI □ 865 RSI (405(g))  FEDERAL TAX SUITS		<ul> <li>890 Other Statutory Actions</li> <li>891 Agricultural Acts</li> <li>893 Environmental Matters</li> <li>895 Freedom of Information Act</li> <li>896 Arbitration</li> <li>899 Administrative Procedure</li> </ul>			
<ul> <li>210 Land Condemnation</li> <li>220 Foreclosure</li> <li>230 Rent Lease &amp; Ejectment</li> <li>240 Torts to Land</li> <li>245 Tort Product Liability</li> <li>290 All Other Real Property</li> </ul>	□ 440 Other Civil Rights □ 441 Voting □ 442 Employment □ 443 Housing/	Habeas Corpus:  463 Alien Detainee  510 Motions to Vacate Sentence  535 General  535 Death Penalty  Other:  540 Mandamus & Oth  550 Civil Rights  555 Prison Condition  560 Civil Detainee -  Conditions of  Confinement	□ 46	Income Security Act  IMMIGRATION 2 Naturalization Application 5 Other Immigration Actions	□ 870 Taxe: or D. □ 871 IRS— 26 U	Agency I  950 Constitut	Act/Review or Appeal of Agency Decision  950 Constitutionality of State Statutes			
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