

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION



Provided by:
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VROOM, INC.;

Plaintiff,

v.

MIDWEST MOTORS LLC, DBA,
VROOOMSACE CAR SELECTION;
KHALED ALRAGWI

Defendants.

Case No.: 1:21-cv-715

JURY TRIAL DEMANDED

COMPLAINT

Vroom, Inc. (“Vroom” or “Plaintiff”) brings this Complaint for trademark infringement and unfair competition against the Defendants Midwest Motors LLC, doing business as Vrooomsace Car Selection, and Khaled Alragwi (collectively, “Defendants”).

PARTIES, JURISDICTION, AND VENUE

1. Vroom is Delaware Corporation, with its principal place of business in New York City, New York.
2. Upon information and belief, Midwest Motors LLC is an Indiana Limited Liability Company, with its principal place of business in Indianapolis, Indiana.
3. Upon information and belief, Midwest Motors LLC has registered the assumed name, Vrooomsace Car Selection, with the Indiana Secretary of State’s Office. A printout from the Indiana Secretary of State’s Office’s online database identifying Vrooomsace Car Selection as an assumed name registered by Midwest Motors LLC is attached as **Exhibit A**.
4. Upon information and belief, Khaled Alragwi is the owner, proprietor, registered agent, and incorporator of Midwest Motors LLC.

5. This action arises under the trademark and unfair competition laws of the United States and is brought pursuant to Sections 32, 43(a), and 43(d) of the Lanham Act, 15 U.S.C. §§ 1114, 1125(a), and 1125(d), and common law.

6. This Court has jurisdiction over the subject matter of this case pursuant to 15 U.S.C. § 1121, and 28 U.S.C. §§ 1331 and 1338(b).

7. This Court has supplemental jurisdiction over the claims in this Complaint that arise under state common law pursuant to 28 U.S.C. § 1367(a) because these state law claims are so related to Plaintiff's claims under federal law that they form part of the same case or controversy and derive from a common nucleus of operative facts.

8. This Court has personal jurisdiction over Defendants because Defendants reside and are domiciled in, and have been conducting continuous and systematic business within the State of Indiana and within the boundaries of the Southern District of Indiana by promoting, advertising, offering for sale, and providing their services. Further, Defendants have caused harm and committed the unlawful acts hereinafter complained of in the Southern District of Indiana.

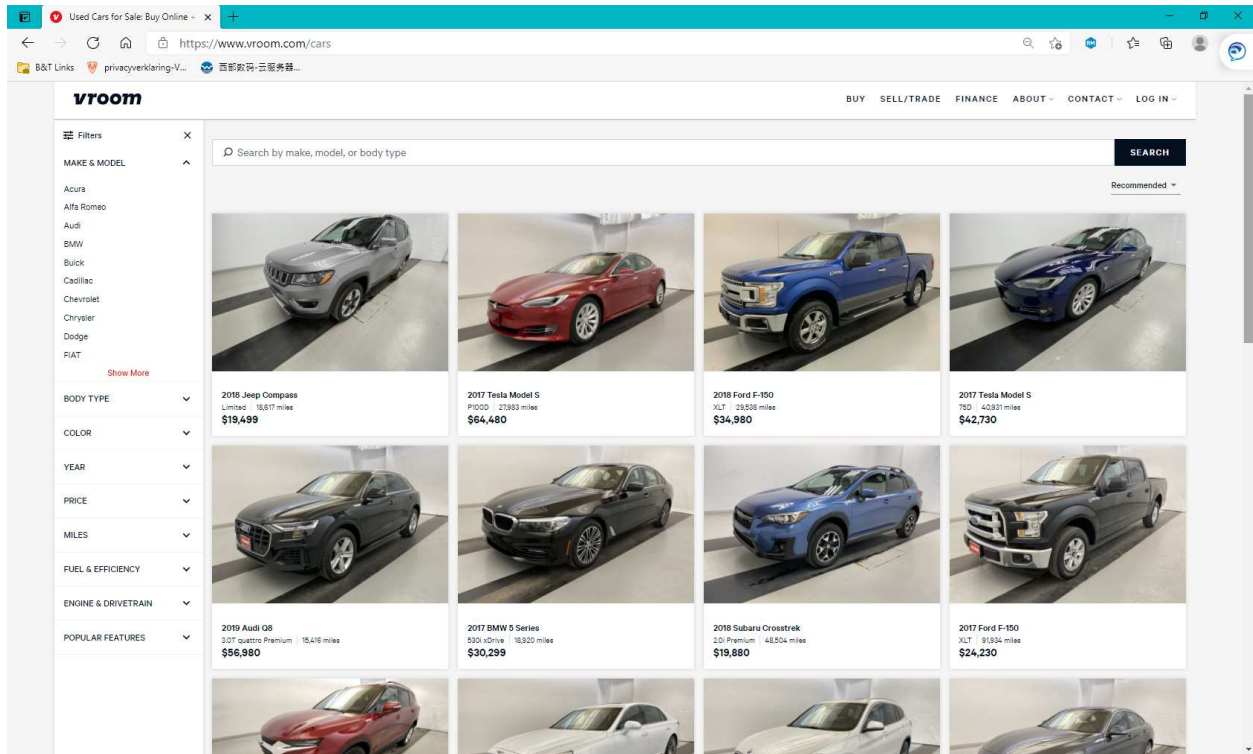
9. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b).

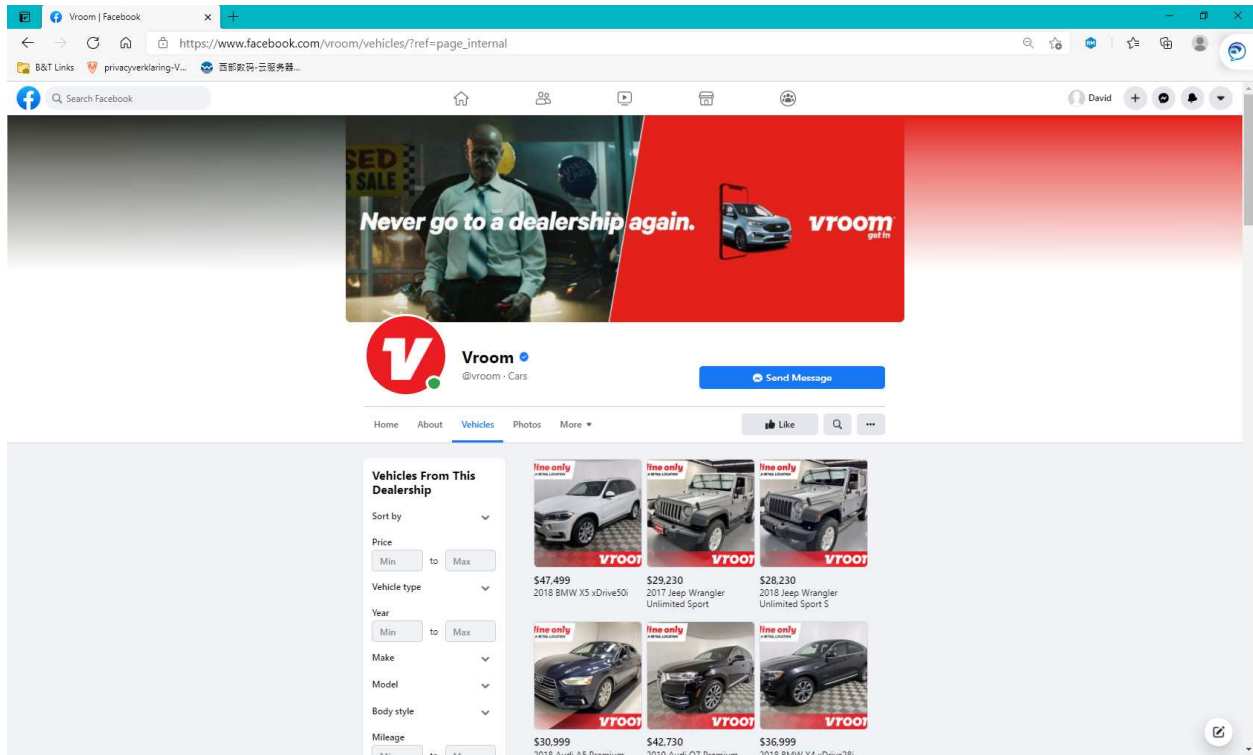
ALLEGATIONS COMMON TO ALL COUNTS

The Business and Trademarks of Vroom

10. Founded in 2013, Vroom is a nationwide used car retailer and e-commerce company that brings all three aspects of the used car buying process – buying, financing and selling – together online in an easy, transparent, and affordable way. Vroom offers thousands of high quality, refurbished, pre-owned vehicles and deliver of those vehicles to customers.

Representative screenshots of Vroom's website available at <https://www.vroom.com/> and Vroom's Facebook page available at <https://www.facebook.com/vroom> are provided below.





11. Since at least 2014, Vroom has been using its VROOM trademark in connection with the buying, selling, and financing of used cars.

12. In addition to its significant common law trademark rights in the VROOM trademark, Vroom has sought and secured federal registration of the VROOM trademark in multiple variations, including but not limited to those appearing in the chart below:

Mark	Goods/Services	Reg. No./Serial No.	Filing Date/ Reg. Date (If applicable)
VROOM	Class 35 On-line wholesale and retail store services featuring automobiles	4917005	Dec. 15, 2014 Mar. 15, 2016
VROOM & Design	Class 35 On-line wholesale and retail store services featuring automobiles	5076055	Dec. 15, 2014 Nov. 8, 2016
VROOM	Class 36: accepting, processing, and reconciling electronic payment transactions via a global computer network; financial transaction services, namely, providing secure commercial transactions and payment options; facilitating and arranging for the financing of automobiles	5592887	Jan. 3, 2017 Oct. 30, 2018
VROOM & Design	Class 35: online wholesale and retail store services featuring automobiles	5436572	June 1, 2017 April 3, 2018

VROOM GET IN	Class 35: online wholesale and retail store services featuring automobiles	5964489	Apr. 4, 2018 Jan. 21, 2020
VROOM	Class 9: computer software and mobile device software for creating, managing, organizing, displaying, tagging, bookmarking, storing, and sharing information, and for providing electronic media and information over the Internet and other communications networks; computer software and mobile device software to allow users to perform electronic business transactions via a global computer network; computer software and mobile device software for use in processing the sales transactions of online retail store services featuring a variety of consumer goods of others	6075286	Jan. 3, 2017 Jun. 9, 2020
VROOM & Design	Class 9: downloadable and recorded computer software and downloadable mobile device software for creating, managing, organizing, displaying, tagging, bookmarking, storing, sharing and providing electronic media and information over the Internet or other communications network; downloadable and recorded computer software and downloadable mobile device software to allow users to perform electronic business transactions via a global computer network; downloadable and recorded computer software and downloadable mobile device software for online retail store services featuring a variety of consumers goods of others; downloadable and recorded computer e-commerce software and downloadable mobile device e-commerce software to allow users to perform electronic business transactions via a global computer network; downloadable and recorded computer e-commerce software and downloadable mobile device e-commerce software to allow users to purchase and sell vehicles via a global computer network; downloadable and recorded computer software and mobile device software for creating, managing, organizing, displaying, tagging, bookmarking, storing, sharing and providing electronic media information about vehicles for sale, namely, vehicle specifications, selection, availability, pricing, vehicle comparisons, valuations, and providing photographs of vehicles	6070931	Jun. 27, 2019 Jun. 2, 2020
VROOM	Class 42: providing a website for creating, managing, organizing, displaying, tagging, bookmarking, storing, sharing or otherwise providing electronic media or information over the Internet or other communications network; providing a website to allow users to perform electronic business transactions via a global computer network; providing a website for online retail store services featuring a variety of consumers goods of others	87287698	Jan. 3, 2017

Copies of the registration/application information for the above trademarks are attached to the Complaint at **Exhibit B**.

13. The common law and registered trademark rights referred to in paragraphs 11-12 will be collectively referred to as the “Vroom Marks”. The goods and services referred to in paragraphs 11-12 will be collectively referred to as the “Vroom Goods and Services.”

14. Through the extensive, continuous use and promotion of the Vroom Marks, the Vroom Marks have become associated with Vroom and the Vroom Goods and Services.

15. As a result of the promotion and use of the Vroom Marks in connection with the Vroom Goods and Services, the Vroom Marks and the goodwill associated therewith are of significant value to Vroom.

Relevant Background and Discussions Between the Parties

16. In December of 2020, Vroom became aware of Defendants’ use the business names and trademarks, VROOMSACE, VROOMSACE CAR SELECTION, VROOOMCARS.COM, and the vrooomcars.com and vroomindy.com domain named in connection with buying and selling of used cars (collectively, the “Infringing Properties”). Representative screenshots of Defendants’ store signage and website available at the vroomindy.com and vrooomcars.com domain names and the <https://midwestmotors317.net/> URL and Defendants’ Facebook page available at <https://www.facebook.com/vrooomsace/vehicles/> are provided below.

Used Cars Indianapolis IN | Use: x

https://midwestmotors317.net

B&T Links privacyverklaring-V... 西部数据-云服务器...

VROOMSACE *By*
MIDWEST MOTORS LLC

4615 N Franklin Road
Indianapolis, IN 46226
317-703-7034

f y G

INVENTORY ▾ FINANCING ▾ VISIT US SERVICES ▾ OUR STORE ▾

	2016 Chevrolet Camaro \$23,900		2014 Chevrolet Silverado 1500 \$23,900		2015 Chevrolet Silverado 1500 \$23,900
	2014 Chevrolet Silverado 1500 \$22,900		2007 HUMMER H2 \$19,900		2016 Ford F-150 \$18,900
	2008 Ford E450 \$17,900		2001 Mercedes-Benz S-Class \$16,900		2016 Chevrolet Malibu \$15,900
	2017 Buick		2011 Ford		2011 RAM

Vroomsace car selection | Face: x

https://www.facebook.com/vroomsace/vehicles/

B&T Links privacyverklaring-V... 西部数据-云服务器...

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David

Vroomsace car selection
@vroomsace · Cars

View Inventory

Home Vehicles Reviews Photos More ▾

Like Message

Vehicles From This Dealership

Sort by ▾

Price
Min to Max

Vehicle type ▾

Year
Min to Max

Make ▾

Model ▾

Body style ▾

Mileage
Min to Max

Exterior color ▾

Interior color ▾

Transmission type ▾

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\$19,900 2007 Hummer H2 SUT	\$8,900 2007 Ford F-150 SLT SuperCrew Short Box 4WD	\$6,900 2011 Ram 1500 SLT Quad Cab 4WD
\$6,900 2005 Ford Econoline E-250	\$15,900 2016 Chevrolet Malibu 1LT	\$4,900 2006 Chevrolet Express Cargo 1500
\$12,900 2013 Honda Pilot EX 4WD 5-Spd AT	\$11,900 2012 Ford Econoline E-350 Super Duty Extended	\$7,900 2012 Volvo S80 3.2 FWD

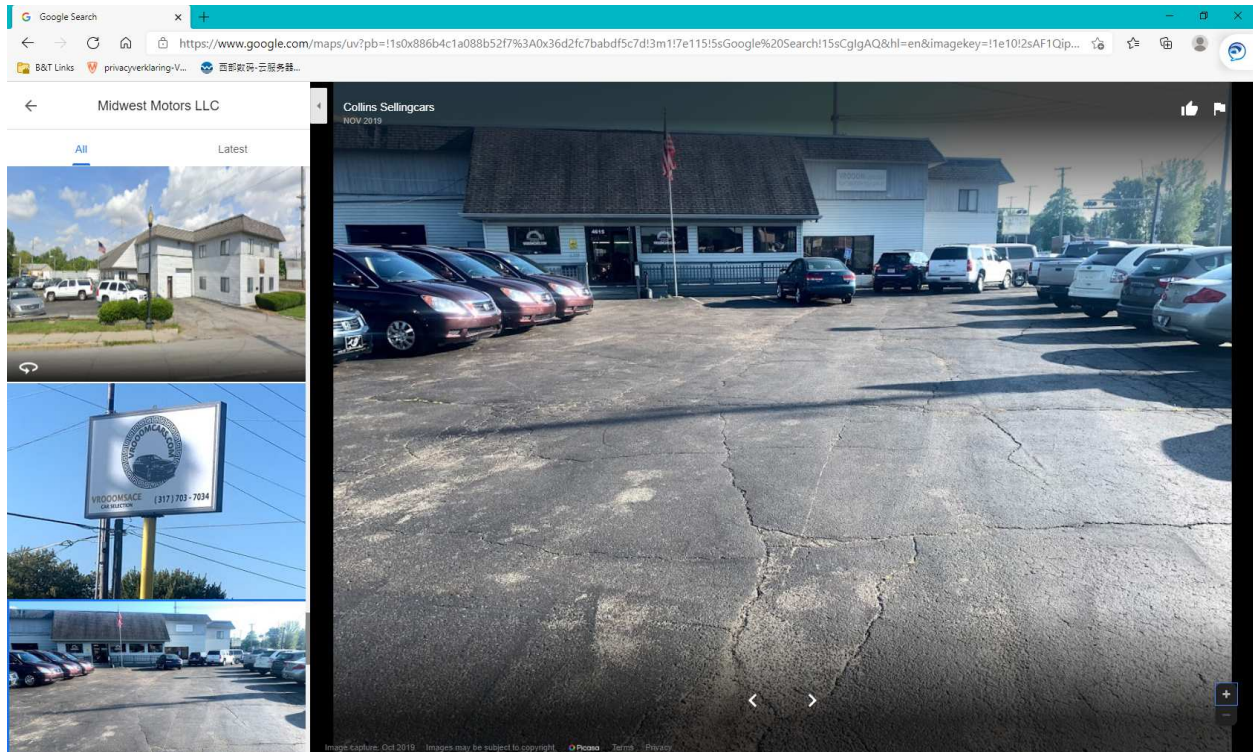
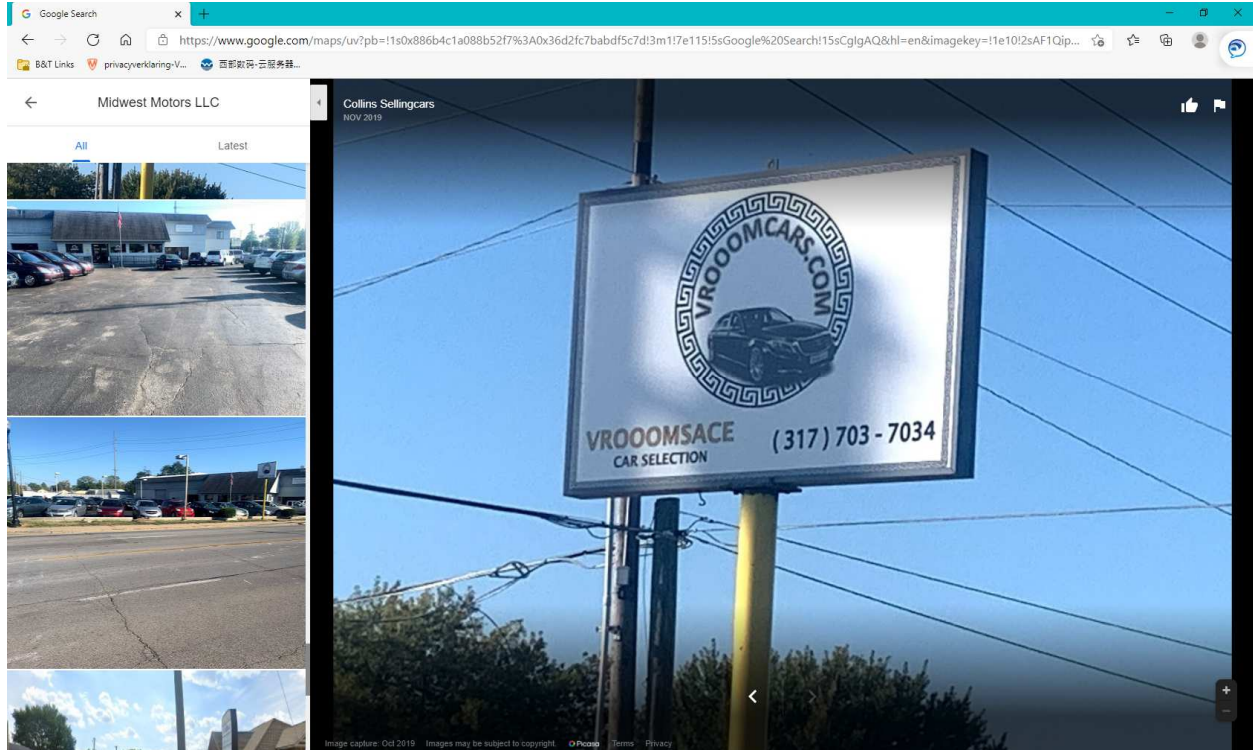
Vroomsace car selection

Typically replies within a few hours

Cars

Hi David Wong! Thanks for getting in touch with us on Messenger. Please send us any questions you may have.

When you send a message, Vroomsace car selection will see your public info.





17. On December 30, 2020, Vroom, through counsel, sent a letter to Defendants putting them on notice of Vroom's rights to the Vroom Marks and requesting that they cease infringement of the Vroom Marks (the "Vroom Letter").

18. After receiving no response, Vroom, through counsel, again sent the Vroom Letter to Defendants on January 15 and January 23, 2021.

19. On January 23, 2021, Vroom, through counsel, called Defendants by phone requesting an email address so that Vroom could help ensure the Defendants would receive the Vroom Letter. In response, Defendants provided to Vroom's counsel the email address broomsace2@gmail.com. Upon information and belief, Defendants provided this email address with full knowledge that it did not belong to Defendants and Defendants willfully and deliberately provided the fraudulent email address after determining that the request for the email address was made on behalf of Vroom for the purpose of seeking to enforce Vroom's trademark rights.

20. On January 30, 2021, Vroom, through counsel, sent to Defendants another email insisting on Defendants' response.

21. On or February 2, 2021, Vroom, through counsel, spoke with a representative of Defendants by phone asking for Mr. Khaled Alragwi and when told Mr. Alragwi was not available, asked that Mr. Alragwi call Vroom's counsel.

22. On February 22, 2021, Plaintiff sent to Defendants, by both email and certified U.S. mail, another letter insisting that the Defendants immediately cease use all use of the Infringing Properties and enclosing a courtesy draft copy of this federal complaint. A Return Receipt for the letter sent to Defendants by certified U.S. mail was signed on behalf of Defendants and returned to Plaintiff confirming that Plaintiff's letter and draft federal complaint was indeed received by Defendants.

23. To date, Vroom has not received any response from Defendants and Plaintiff has confirmed the Defendants continue to use the Infringing Properties in connection with the marketing and sale of automobiles.

Defendants' Current Infringement

24. As of the date of the filing of this Complaint, Defendants have failed to cease use of the Infringing Properties.

25. The Defendants continue to advertise and promote their services through various mediums, including Facebook, the website available the <https://midwestmotors317.net/> URL, and the vroomindy.com domain name.

26. Defendants' adoption and continued use of the Infringing Properties is a clear and willful attempt to trade on Vroom's rights to the Vroom Marks and the goodwill symbolized thereby.

27. Defendants' advertising and marketing materials infringe upon the Vroom Marks and suggest a false connection or association with Vroom.

28. Defendants do not have the authorization or consent of Vroom to use the Infringing Properties, the term VROOM, or the Vroom Marks in any capacity.

29. Defendants' use of the Infringing Properties are likely to cause confusion, to cause mistake, and/or to deceive consumers as to the affiliation, connection, and association of Defendants with Vroom, and as to the origin, sponsorship, and approval of Defendants' services and commercial activities by Vroom.

**COUNT I
INFRINGEMENT OF FEDERALLY REGISTERED TRADEMARK
(LANHAM ACT, 15 U.S.C. § 1114(1))**

30. Vroom realleges and incorporates by reference the allegations of paragraphs 1 through 29 as if fully set forth in this paragraph.

31. Defendants' use the Infringing Properties in connection with the promotion, advertising, provision, sale, and offering for sale of its services and operation of Defendants and their services is likely to confuse, mislead, or deceive consumers and the relevant public as to the origin, source, sponsorship, or affiliation of said services with Vroom, and is intended and is likely to cause such parties to believe in error that the Defendants' services have been authorized, sponsored, approved, endorsed, or licensed by Vroom, or that Defendants are in some way related to or affiliated with Vroom.

32. Defendants' activities, as described herein, constitute infringement of the registered Vroom Marks in violation of the Lanham Act, including, but not limited to, 15 U.S.C. § 1114.

33. Defendants' use of the Infringing Properties with the promotion, advertising, and provision of their services has been and continues to be willful, deliberate, unfair, false,

deceptive, and is intended to trade upon the goodwill and reputation appurtenant to Vroom's registered Vroom Marks.

34. Defendants' actions have damaged and will continue to damage Vroom.

35. As a result of these wrongful acts, Vroom is entitled to injunctive relief prohibiting Defendants from using the Infringing Properties or any variation thereof, or any other trademarks confusingly similar to Vroom's registered Vroom Marks, in accordance with 15 U.S.C. § 1116, and to recover all damages, that Vroom has sustained and will sustain, and all gains, profits, and advantages obtained by Defendants as a result of their infringing acts in an amount not yet known, as well as the costs of this action, pursuant to 15 U.S.C. § 1117(a).

36. This is an exceptional case justifying the award of attorneys' fees under Section 1117(a).

**COUNT II
FEDERAL UNFAIR COMPETITION
AND FALSE DESIGNATION OF ORIGIN
(LANHAM ACT, 15 U.S.C. § 1125(A))**

37. Vroom realleges and incorporates by reference the allegations of paragraphs 1 through 36 as if fully set forth in this paragraph.

38. Defendants' conduct complained of herein constitutes federal unfair competition, false designation of origin, and false advertising pursuant to 15 U.S.C. § 1125(a).

39. Defendants' intentional and unlawful use in commerce of the Infringing Properties is likely to cause confusion, mistake, or deception as to the origin, sponsorship, or approval of Defendants' services by Vroom and therefore constitutes false designation of origin and false advertising, in violation of 15 U.S.C. § 1125(a).

40. As a direct and proximate result of Defendants' knowing, deliberate, and willful infringement of the Vroom Marks, Vroom has suffered and will continue to suffer harm to its business, reputation, and goodwill.

41. As a result of these wrongful acts, Vroom is entitled to injunctive relief prohibiting the Defendants from using the Infringing Properties and any other marks confusingly similar to the Vroom Marks, in accordance with 15 U.S.C. § 1116, and to recover all damages, that Vroom has sustained and will sustain, and all gains, profits, and advantages obtained by Defendants as a result of its infringing acts in an amount not yet known, as well as the costs of this action, pursuant to 15 U.S.C. § 1117(a).

42. This is an exceptional case justifying the award of attorneys' fees under Section 1117(a).

**COUNT III
COMMON LAW UNFAIR COMPETITION
AND TRADEMARK INFRINGEMENT**

43. Vroom realleges and incorporates paragraphs 1 through 42, as if fully set forth in this paragraph.

44. Vroom is the owner and authorized user of the Vroom Marks, with the right to enforce the Vroom Marks. Defendants are not authorized to use the Vroom Marks or any variation thereof, or any mark confusingly similar to the Vroom Marks.

45. The Vroom Marks are inherently distinctive.

46. Defendants have sold, promoted, and offered for sale their products and services using the Infringing Properties in violation of and with knowledge of Vroom's rights to the Vroom Marks for the purpose of trading upon Vroom's goodwill and reputation.

47. Defendants' use of the Infringing Properties constitutes a willful and intentional infringement of Vroom's common law trademark rights in the Vroom Marks and is likely to cause confusion, mistake, and deception as to source, affiliation, or sponsorship with Vroom.

48. Vroom has been harmed by Defendants' wrongful acts.

49. Vroom is entitled to injunctive relief, recovery of Defendants' profits, actual damages, treble profits and damages, costs, and reasonable attorneys' fees.

COUNT IV
ANTICYBERSQUATTING CONSUMER PROTECTION ACT
(LANHAM ACT: 15 U.S.C. § 1125 (D))

50. Vroom realleges and incorporates by reference the allegations of paragraphs 1 through 49 as if fully set forth in this paragraph.

51. Defendants are using and have registered the domain names vroomindy.com and vroomcars.com (collectively, the "Infringing Domain Names"). Defendants have set the Infringing Domain Names to redirect to Defendant's website at <https://midwestmotors317.net/>.

52. The vroomcars.com domain name was registered on June, 27, 2019 and the vroomindy.com domain name was registered on December 12, 2020.

53. The Vroom Marks were distinctive at the time of Defendants' registered the Infringing Domain Names.

54. The Infringing Domain Names incorporate and are confusingly similar to the Vroom Marks.

55. Upon information and belief, Defendants have registered and used the Infringing Domain Names with the bad faith intent to profit from the registration and continued use of the Infringing Domain Names by creating an association with Vroom and the Vroom Marks.

56. Vroom has been damaged by Defendants' unlawful use and registration of the Infringing Domain Names and will suffer irreparable harm.

57. Defendants' acts, as aforesaid, are in violation of the Anti-cybersquatting Consumer Protection Act under Section 43(d) of the Lanham Act, 15 U.S.C. § 1125(d).

58. As a result of Defendants' actions, Vroom is entitled to immediate transfer of any domain names incorporating the Vroom, including the Infringing Domain Names, that are used, registered, or under the control of Defendants, in accordance with 15 U.S.C. § 1125(D)(1)(c); and an award of statutory damages of between \$1,000 and \$100,000 per each of the Infringing Domain Names pursuant to 15 U.S.C. § 1117(d).

PRAYER FOR RELIEF

WHEREFORE, Vroom requests the Court to award the following relief:

1. The issuance of preliminary and permanent injunctions enjoining and restraining Defendants, their associates, agents, servants, employees, officers, members, directors, representatives, successors, assigns, attorneys and all persons in active concert or participation with it who learn of the injunction through personal service or otherwise:
 - a. from using the Infringing Properties, the Vroom Marks, or any marks confusingly similar to the Vroom Marks, including but not limited to, as part of a company name, domain name, social media account name, or in connection with the marketing and sale of any product or service;
 - b. from claiming, representing, suggesting, or implying that Defendants' services are in any way sponsored by or associated with Vroom;
 - c. from representing by words or conduct that Defendants or its services are authorized, sponsored, endorsed, or otherwise connected with Vroom;
 - d. from engaging in any other conduct which causes, or is likely to cause, confusion, mistake, deception, or misunderstanding as to the source, affiliation, connection or association of Defendants or Defendants' services with Vroom.
2. An accounting and judgment against Defendants and all others acting concert with

them, for (a) all profits received from the sale of goods or services by Defendants in association with the use of the Infringing Properties or any other infringement of the Vroom Marks; (b) damages sustained by Vroom on account of Defendants' trademark infringement, unfair competition, and false designation of origin; (c) treble damages, where appropriate; (d) \$100,000.00 for each of the Infringing Domain Names or any other domain names confusingly similar to the Vroom Marks used or registered by Defendants in the connection with any good or services related to the purchase and sale of cars; (e) the transfer to Vroom of the Infringing Domain Names or any other domain names confusingly similar to the Vroom Marks used or registered by Defendants; and (f) punitive damages to deter such actions in the future.

3. An enhancement of damages to a sum not exceeding three (3) times the profits earned by Defendants as a result of their willful and improper use of marks confusingly similar to the marks of Vroom.

4. Damages under 15 U.S.C. § 1117(b)-(d).

5. Pursuant to 15 U.S.C. § 1118, the removal and destruction of all signage, business cards, invoices, forms, advertisements, packaging, catalogs, promotional materials or any other materials bearing the Infringing Properties or any other term confusingly similar to the Vroom Marks, and the termination of all websites, social media handles, URLs, and other digital or online properties owned or controlled by Defendants so as to prevent any further use or reference to the Vroom Marks by Defendants.

6. Vroom's costs of this suit, including reasonable attorneys' fees and expenses, including all fees and costs incurred in the collection and enforcement of any judgment subsequently obtained, with interest pursuant to 15 U.S.C. § 1117.

7. All other just and proper relief.

Respectfully submitted,

/s/ David A.W. Wong

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