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Sprinkles Targets Fellow Cupcake Maker Over Trademark

By Ben James

Law360, New York (July 18, 2011) -- Sprinkles Cupcakes Inc. — a company co-founded by celebrity pastry chef Candace Nelson — hit Pink Sprinkles Cupcakes with a trademark and competition suit in Connecticut on Friday, looking to bar the defendant from using the name Pink Sprinkles.

Sprinkles Cupcakes' complaint targets Pink Sprinkles LLC, doing business as Pink Sprinkles Cupcakes, and alleges violations of the Lanham Act and Connecticut's Unfair Trade Practices Act.

Beverly Hills-based Sprinkles Cupcakes found out about the Fairfield, Conn.-based defendant's use of the terms Pink Sprinkles and Pink Sprinkles Cupcakes in January, and repeatedly tried to get the defendant to switch to a different name, but Pink Sprinkles refused, the plaintiff claims, adding that Pink Sprinkles opened up shop in August 2009.

The plaintiff has continuously used trademarks, including "Sprinkles" and "Sprinkles Cupcakes," since 2004, and obtained federal registration for its marks in 2007, according to the complaint. When the defendant set up shop in Fairfield, it adopted the marks "Pink Sprinkles" and "Pink Sprinkles Cupcakes," and has been operating a website at www.pinksprinklescupcakes.com, the plaintiff said.

"Defendant has used in commerce, without Sprinkles' consent, marks that are highly similar to the Sprinkles marks and that, taking into account the extremely similar commercial activities of the parties and other factors, are likely to cause confusion, deception or mistake among consumers," Sprinkles Cupcakes claimed.

Sprinkles has become a "nationwide phenomenon," and along with its baked goods, has been featured on television shows like the "Oprah Winfrey Show," "<u>Martha Stewart Show</u>," "Today Show" and "Good Morning America," the complaint said, adding that the company now had stores in several American cities and planned to expand both in the U.S. and abroad.

Pastry chef and Sprinkles co-owner Candace Nelson is a judge on the Food Network television show "Cupcake Wars," which is now in its third season, the plaintiff said. Candace and her husband, Charles Nelson, founded Sprinkles, according to the company's website.

Along with causes of action for trademark infringement and false designation of origin, the

complaint includes a cybersquatting claim that says Pink Sprinkles intends to divert customers seeking the plaintiff's goods by "creating a likelihood of confusion as to the source, sponsorship, affiliation or endorsement" of the Pink Sprinkles website.

The "extreme similarity" between the defendant's trademarks and the plaintiff's marks is likely to lead to confusion in the marketplace and hurt Sprinkles' reputation, according to the complaint.

In addition to seeking unspecified damages, the complaint asked the court for preliminary and permanent injunctive relief barring the defendant from using the name "Pink Sprinkles," "Pink Sprinkles Cupcakes" or any other mark, trade name or domain name that is confusingly similar to Sprinkles' marks.

Sprinkles also wants the court to order the defendant to fork over all signs, advertising, packaging or promotional materials that bear the "Pink Sprinkles" or "Pink Sprinkles Cupcakes" marks so they can be destroyed. Sprinkles also wants the court to compel Pink Sprinkles to transfer the www.pinksprinklescupcakes.com domain name to the plaintiff.

A representative for Pink Sprinkles could not be immediately reached for comment on Monday.

The plaintiff is represented by Steven Coyle of <u>Cantor Colburn LLP</u>, and John Slafsky and Hollis Beth Hire of <u>Wilson Sonsini</u> <u>Goodrich & Rosati PC</u>.

The case is Sprinkles Cupcakes Inc. v. Pink Sprinkles LLC, case number 3:11-cv-01117, in the U.S. District Court for the District of Connecticut.

--Editing by John Williams.

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