IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

RELIANT HEATING & AIR CONDITIONING, INC., **Plaintiff,** **v.** **THE AC HERO, LLC,** **Defendant**	**Civil Action No. 3:20-cv-3156-E** **JURY TRIAL REQUESTED**

ANSWER AND COUNTERCLAIMS OF DEFENDANT THE AC HERO, LLC

Defendant The AC Hero, LLC ("AC Hero") by and through its undersigned counsel, hereby answers the complaint (Dkt# 1, hereinafter, the "Complaint") filed by Plaintiff Reliant Heating and Air Conditioning ("Plaintiff").

AC Hero denies each and every allegation contained in the Complaint that is not expressly admitted below. Any factual allegation admitted below is admitted only as to the specific facts, and not as to any purported conclusions, characterizations, implications, or speculations that might follow from any admitted facts. Additionally, to the extent that the headings or any other non-numbered statements in the Complaint contain any allegations, AC Hero denies each and every such allegation. AC Hero includes headings herein solely for purposes of clarity.

In addition, to the extent the allegations contained in the Complaint purport to characterize the nature and/or contents of the exhibits attached to the Complaint, the exhibits

speak for themselves, and AC Hero is without sufficient knowledge to confirm, and therefore denies, whether those exhibits are indeed what they purport to be.

NATURE OF THE ACTION

1. Defendant admits that Plaintiff's Complaint purports to allege trademark infringement, unfair competition and trademark dilution by AC Hero. Defendant denies the remaining allegations of Paragraph 1.

PARTIES

2. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 2 of the Complaint, and on that basis denies the allegations.

3. AC Hero admits that The AC Hero, LLC is a limited liability company organized and existing under the laws of the State of Texas and that it maintains its principal place of business at 7305 Boulevard 26, North Richland Hills, TX 76180.

JURISDICTION AND VENUE

4. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 4 of the Complaint, and on that basis denies the allegations.

5. AC Hero admits that it was formed in and has its principal place of business in the State of Texas and conducts its business in the State of Texas and within this district including at its address at 7305 Boulevard 26, North Richland Hills, TX 76180. AC Hero does not contest this Court's personal jurisdiction over Defendant..

6. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 6 of the Complaint, and on that basis denies the allegations.

FACTUAL BACKGROUND

7. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 7 of the Complaint, and on that basis denies the allegations.

8. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 8 of the Complaint, and on that basis denies the allegations.

9. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 9 of the Complaint, and on that basis denies the allegations.

10. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 10 of the Complaint, and on that basis denies the allegations.

11. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 11 of the Complaint, and on that basis denies the allegations.

12. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 12 of the Complaint, and on that basis denies the allegations.

13. AC Hero admits that 877-YOUR-HERO serves the role of informing consumers how to contact Reliant to purchase Reliant's HVAC services. AC Hero is without information and belief sufficient to form an opinion on the remaining allegations of Paragraph 13 of the Complaint, and on that basis denies the remaining allegations.

14. AC Hero admits that Plaintiff received U.S. Registration No. 5715063 for the mark "877-YOUR-HERO." AC Hero is without information and belief sufficient to form an opinion on the remaining allegations of Paragraph 14 of the Complaint, and on that basis denies the remaining allegations

15. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 15 of the Complaint, and on that basis denies the allegations.

16. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 16 of the Complaint, and on that basis denies the allegations.

17. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 17 of the Complaint, and on that basis denies the allegations.

18. AC Hero is without information and belief sufficient to form an opinion on the allegations of Paragraph 18 of the Complaint, and on that basis denies the allegations.

19. AC Hero admits that it was formed in Texas in 2017, and that it provides HVAC services in the Dallas-Fort Worth Metroplex. AC Hero is without information and belief sufficient to form an opinion as to the remaining allegations of Paragraph 19 of the Complaint, and on that basis denies the remaining allegations.

20. AC Hero admits that it has used the marks "THE AC Hero," "HERO HOTLINE" and "855-5AC-HERO" to advertise its services. AC Hero is without information and belief sufficient to form an opinion as to the remaining allegations of Paragraph 20 of the Complaint, and on that basis denies the remaining allegations.

21. AC Hero is without information and belief sufficient to form an opinion as to the allegations of Paragraph 21 of the Complaint, and on that basis denies the allegations.

22. AC Hero admits that has used its name and related branding to advertise its services and that it continues to use its name to advertise its services. AC Hero is without information and belief sufficient to form an opinion as to the remaining allegations of Paragraph 22 of the Complaint, and on that basis denies the remaining allegations

COUNT I:

23. To the extent that Paragraph 23 incorporates or sets forth any allegations not addressed in Paragraphs 1-22, such allegations are denied.

24. AC Hero admits that it does not have any express authorization or approval of Plaintiff to advertise its services. AC Hero is without information and belief sufficient to form an opinion as to the remaining allegations of Paragraph 24 of the Complaint, and on that basis denies the remaining allegations.

25. AC Hero is without information and belief sufficient to form an opinion as to the allegations of Paragraph 25 of the Complaint, and on that basis denies the allegations.

26. AC Hero denies the allegations of Paragraph 26 of the Complaint.

27. AC Hero denies the allegations of Paragraph 27 of the Complaint.

28. AC Hero denies the allegations of Paragraph 28 of the Complaint.

29. AC Hero denies the allegations of Paragraph 29 of the Complaint.

COUNT II:

30. To the extent that Paragraph 30 incorporates or sets forth any allegations not addressed in Paragraphs 1-29, such allegations are denied.

31. AC Hero is without information and belief sufficient to form an opinion as to the allegations of Paragraph 31 of the Complaint, and on that basis denies the allegations.

32. AC Hero denies the allegations of Paragraph 32 of the Complaint.

33. AC Hero denies the allegations of Paragraph 33 of the Complaint.

34. AC Hero denies the allegations of Paragraph 34 of the Complaint.

35. AC Hero denies the allegations of Paragraph 35 of the Complaint.

COUNT III:

36. To the extent that Paragraph 36 incorporates or sets forth any allegations not addressed in Paragraphs 1-35, such allegations are denied.

37. AC Hero denies the allegations of Paragraph 37 of the Complaint.

38. AC Hero denies the allegations of Paragraph 38 of the Complaint.

39. AC Hero denies the allegations of Paragraph 39 of the Complaint.

40. AC Hero denies the allegations of Paragraph 40 of the Complaint.

41. AC Hero denies the allegations of Paragraph 41 of the Complaint.

COUNT IV:

42. To the extent that Paragraph 42 incorporates or sets forth any allegations not addressed in Paragraphs 1-41, such allegations are denied.

43. AC Hero denies the allegations of Paragraph 43 of the Complaint.

44. AC Hero denies the allegations of Paragraph 44 of the Complaint.

45. AC Hero denies the allegations of Paragraph 45 of the Complaint.

46. AC Hero denies the allegations of Paragraph 46 of the Complaint.

COUNT V:

47. To the extent that Paragraph 47 incorporates or sets forth any allegations not addressed in Paragraphs 1-46, such allegations are denied.

48. AC Hero denies the allegations of Paragraph 46 of the Complaint.

DEMAND FOR JURY TRIAL

49. AC Hero admits that Reliant demands a trial by jury for all claims so triable.

PLAINTIFF'S PRAYER FOR RELIEF

AC Hero denies the allegations set forth in Plaintiff's Prayer for Relief, and further denies that Plaintiff is entitled to any relief whatsoever, including any of the relief sought in paragraphs A-I of its prayer for relief. Plaintiff's prayer should be denied in its entirety and with prejudice, and Plaintiff should take nothing.

COUNTERCLAIMS

Defendant AC Hero hereby counterclaims against Plaintiff and in support of same alleges as follows:

Nature of the Counterclaims and Jurisdiction

1. AC Hero brings counterclaims for a declaratory judgment pursuant to 28 U.S.C. § 2201 to declare that it does not violate any of Plaintiff's rights under federal or Texas law. AC Hero further counterclaims to cancel or restrict Plaintiff's Trademark Registration pursuant to 15 U.S.C. § 1119.

2. This Court has subject matter over the federal counterclaims pursuant to 28 U.S.C. §§ 1331 and 1338(a) and over the state-law counterclaims pursuant to 28 U.S.C. §§ 1367 and 1338(b).

The Parties

3. Counterclaim Plaintiff The AC Hero, LLC is a limited liability company organized and existing under the laws of the State of Texas and maintains its principal place of business at 7305 Boulevard 26, North Richland Hills, TX 76180.

4. On information and belief, Counterclaim Defendant Reliant Heating and Air Conditioning is a corporation organized and existing under the laws of the State of Texas and maintains its principal place of business at 3250 Story Road West, Suite 106 Irving, TX 75038.

COUNTERCLAIM COUNT I
Declaratory Judgment of Non-Infringement and Non-Dilution

5. AC Hero repeats and reincorporate the foregoing paragraphs as though set forth fully herein.

6. As set forth more fully in Plaintiff Reliant's Complaint, there is an actual and ongoing controversy between Plaintiff and AC Hero as to whether the use by AC Hero of the word "HERO" in its advertising infringes upon Plaintiff's rights under federal and state law.

7. Plaintiff's claims for infringement under 15 U.S.C. §§ 1114(1) and 1125(a), for alleged common law trademark infringement and alleged unfair competition all require a showing of, *inter alia*, valid and protectable trademark rights.

8. Plaintiff's claims for alleged trade dress infringement require a showing of, *inter alia*, secondary meaning.

9. Plaintiff's claim under Tex. Bus. & Com. Code § 16.104 for alleged dilution requires a showing of, *inter alia*, famous and distinctive trademark rights.

10. Plaintiff's alleged trademark rights are neither famous nor distinctive.

11. Plaintiff's alleged trade dress has not achieved secondary meaning.

12. AC Hero is not using "877-YOUR-HERO" or any confusingly-similar mark or designation in its advertising.

13. AC Hero has not used in commerce any alleged trade dress that is likely to cause confusion with any alleged trade dress of Plaintiff.

14. Plaintiff does not enjoy valid and protectible trademark rights in the word "HERO" by itself and thus is not entitled to exclusive use of the word "HERO" in the relevant markets.

15. At least for the reasons stated herein, Defendants' use of the term "HERO" does not violate any of Plaintiff's rights under federal or state law, and AC Hero is entitled to a declaratory judgment to that effect.

COUNTERCLAIM COUNT II
Cancellation or Restriction of Registration

16. AC Hero repeats and reincorporates the foregoing paragraphs as though set forth fully herein.

17. On information and belief, Plaintiff is the registrant of U.S. Trademark Registration No. 5,715,063 (the '063 Registration) for "877-YOUR-HERO" in connection with "Installation, maintenance, and repair services for heating, air conditioning, and ventilation equipment and systems," which is being asserted in this action.

18. This is an action involving a registered mark, i.e., the mark set forth in the '063 Registration. Accordingly, this Court is granted jurisdiction to "determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action." 15 U.S.C. § 1119.

19. The alleged mark that is the subject of the '063 Registration is not eligible for registration because it is not distinctive and is merely descriptive of Plaintiff's services.

20. Under the Trademark Laws of the United States, "laudatory" terms, which attribute quality or excellence to goods or services, are considered "merely descriptive" under §2(e)(1) of the Trademark Act, 15 U.S.C § 1052(e)(1) and therefore unregistrable.

21. The use of, and attempt to monopolize, the word "HERO" by Plaintiff represents an improper assertion of a descriptive, laudatory term as a trademark.

22. Accordingly, the '063 Registration is laudatory and merely descriptive. The '063 Registration is therefore invalid, and should be cancelled.

23. In the alternative, the portion of the '063 Registration comprising the word "HERO" is a descriptive, laudatory term that should properly be disclaimed from the '063 Registration.

PRAYER FOR RELIEF

WHEREFORE AC Hero prays for relief as follows:

A. Dismissal of all of Plaintiff's claims with prejudice.

B. Entry of a declaratory judgment that AC Hero's use of the word "HERO" in its branding and advertising does not violate any of Plaintiff's rights in any mark, including pursuant to 15 U.S.C. §§ 1114(1) and 1125(a), common law trademark infringement and unfair competition, 15 U.S.C. § 1125(c), or any other rights under federal or state law.

C. An order of cancellation of the '063 Registration, or an order requiring that the registration to be amended to include a disclaimer of the term "HERO" as merely descriptive in the standard language used by the Patent and Trademark Office, i.e., "[n]o claim is made to the exclusive right to use HERO apart from the mark as shown."

D. Award of attorney's fees and costs to AC Hero under 15 U.S.C. § 1117(a) as an exceptional case.

E. Such other relief that the Court may deem just and equitable.

Dated: January 11, 2021

Respectfully submitted,

By: /s/ Kenneth T. Emanuelson
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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically on the date set forth above. As such, this document was electronically served on all counsel who are deemed to have consented to electronic service.

/Kenneth T. Emanuelson/
Kenneth T. Emanuelson