

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JUSTIN ALEXANDER, INC.,)
)
 Plaintiff,) Case No. 1:15-cv-10089
)
 v.) **Judge Sharon Johnson Coleman**
)
 JACK CHAN, et al.,) **Magistrate Judge Michael T. Mason**
)
 Defendants.)
_____)

**MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFF’S *EX PARTE* MOTION
FOR ENTRY OF A TEMPORARY RESTRAINING ORDER, INCLUDING
(1) A TEMPORARY INJUNCTION; (2) AN ORDER TO TEMPORARILY TRANSFER
THE INFRINGING WEBSITES; (3) A TEMPORARY ASSET RESTRAINT;
(4) EXPEDITED DISCOVERY; AND (5) SERVICE OF PROCESS BY EMAIL AND
ELECTRONIC PUBLICATION**

Plaintiff, Justin Alexander, Inc. (“Plaintiff” or “Justin Alexander”), by and through its undersigned counsel, hereby submits this Memorandum of Law in support of its *Ex Parte* Motion seeking entry of a Temporary Restraining Order, including a temporary injunction, a temporary transfer of the Infringing Websites, a temporary asset restraint, expedited discovery, and service of process by email and electronic publication (the “*Ex Parte* Motion for TRO”).

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INTRODUCTION

Plaintiff brings this action against the Partnerships and Unincorporated Associations identified on Schedule “A” to the Amended Complaint (collectively, the “Defendants”) for federal trademark infringement and counterfeiting (Count I), false designation of origin (Count II), cyberpiracy (Count III), copyright infringement (Count IV), and deceptive trade practices (Count V). As alleged in the Amended Complaint, the Defendants are promoting, advertising, marketing, distributing, offering for sale and selling counterfeit bridal gowns and formalwear under Plaintiff’s trademarks (collectively, the “Counterfeit Products”), through fully interactive commercial Internet websites operating under the domains listed in Schedule “A” to the Amended Complaint (collectively, the “Infringing Websites”). Defendants run a sophisticated counterfeiting operation that involves hijacking Plaintiff’s brand, deceiving the public, and generating profits at Plaintiff’s expense by selling imitation knockoffs in violation of Plaintiff’s intellectual property rights.

The Defendants create the Infringing Websites and design them to appear to be selling authentic and genuine products; however, they actually offer for sale low-quality, cheap, unlicensed Counterfeit Products to mislead consumers. The Infringing Websites share unique identifiers, such as website design and similarities of the Counterfeit Products offered for sale, establishing a logical relationship between them and suggesting that Defendants’ counterfeiting operation arises out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid liability by concealing both their identities and the full scope and interworking of their counterfeiting operations. Plaintiff must file this action to combat Defendants’ counterfeiting of its registered trademarks and copyright, as well as to protect unknowing consumers from purchasing Counterfeit Products over the Internet.

SUMMARY OF ARGUMENT

This Court has personal jurisdiction over Defendants because each Defendant targets Illinois residents and has offered to sell Counterfeit Products to consumers within the State of Illinois and this Judicial District. Defendants directly target their unlawful business activities toward consumers in Illinois and have caused and will continue to cause irreparable harm to Plaintiff's business. Defendants intentionally deceive the public by trading upon Plaintiff's reputation and goodwill by operating the Infringing Websites to sell and/or offer for sale unlicensed Counterfeit Products in violation of Plaintiff's trademark and copyright rights.

Defendants should be prohibited from continuing their unlawful activities, and Plaintiff respectfully requests that this Court issue *ex parte*: (1) a temporary restraining order against Defendants temporarily enjoining the manufacture, importation, distribution, offer for sale and sale of Counterfeit Products; (2) an order temporarily disabling the Infringing Websites pending the issuance of a final judgment in this matter; (3) an order temporarily restricting transfer of Defendants' assets to preserve Plaintiff's right to an equitable accounting; (4) an order for expedited discovery allowing Plaintiff to inspect and copy Defendants' records relating to the manufacture, distribution, offer for sale and sale of Counterfeit Products and Defendants' financial accounts; and (5) an order allowing service by electronic mail and electronic publication at the Infringing Websites.

Under Fed. R. Civ. P. 65(b), the court may grant a temporary restraining order without notice to the adverse party where the moving party's affidavits demonstrate that it will suffer irreparable injury. In light of the covert nature of online counterfeiting activities that predominantly take place in foreign jurisdictions and the need to establish an economic

disincentive for trademark counterfeiting, courts regularly issue such *ex parte* orders. *See, e.g., The Counterfeit Website Cases* at Section III, *infra*.

Plaintiff's well-pleaded factual allegations, which must be accepted as true, along with incontrovertible evidence of Defendants' counterfeiting and copyright infringement verified through the supporting declarations of Plaintiff's CEO and expert witness, establishes that issuing a temporary restraining order against Defendants is necessary and proper. More specifically, Plaintiff can demonstrate a strong likelihood of success on the merits, as further explained herein. Plaintiff is the owner of various trademark registrations, and Defendants' use of Plaintiff's trademarks to sell Counterfeit Products is causing both point-of-sale and post-sale consumer confusion. Defendants compound their unlawful use of Plaintiff's trademarks by stealing Plaintiff's original images protected by a valid U.S. copyright registration, and illegally republish these photographs on the Infringing Websites as a way to advertise and promote the sale of Counterfeit Products. Furthermore, Defendants have irreparably harmed Plaintiff through diminished goodwill and damage to Plaintiff's reputation, and there is no adequate financial remedy that can compensate Plaintiff for these damages. Issuance of an injunction is also in the public interest because it will prevent confusion among the public and prevent unknowing consumers from being deceived into purchasing Counterfeit Products.

An order temporarily transferring the Infringing Websites to Plaintiff's control is warranted pursuant to 15 U.S.C. § 1116(a), which authorizes this Court "to grant injunctions . . . to prevent the violation of any right of the registrant of a mark . . .". Such relief will temporarily stop Defendants' unauthorized use of Plaintiff's trademarks and copyrighted images in order to sell Counterfeit Products through the Infringing Websites. Moreover, under Fed. R. Civ. P. 65(d)(2)(C), this Court has the power to bind any third parties, such as domain name registries,

hosting providers and financial institutions, who are in active concert with the Defendants or who aid and abet Defendants and are given actual notice of the order. Similarly, a temporary prejudgment asset freeze is also proper because Plaintiff seeks an equitable remedy in the accounting of Defendants' profits pursuant to 15 U.S.C. § 1117(a). Finally, an order authorizing service of process by email and electronic publication pursuant to Fed. R. Civ. P. 4 is warranted because Defendants go to great lengths to conceal their true identities and operate their businesses online through falsified and bogus registration records. In fact, serving Defendants by email as well as by electronic publication by redirecting traffic from each of the Infringing Websites to a domain owned and operated by Plaintiff that will publish all of the relevant court filings for this action is the best method for ensuring that Defendants receive actual notice of this action and providing them the opportunity to defend and present their objections.

STATEMENT OF FACTS

I. PLAINTIFF'S BUSINESS AND FEDERALLY REGISTERED TRADEMARKS AND COPYRIGHT

For nearly twenty years, Plaintiff has manufactured and sold high quality bridal gowns and formalwear ("JUSTIN ALEXANDER Products") throughout the world. *See* Declaration of Larry Warshaw ("Warshaw Declaration") at ¶ 4. Since the early 1990s, the company has grown to be one of the largest manufacturers and wholesalers of wedding dresses and formalwear in the United States. *Id.* Today, JUSTIN ALEXANDER Products are sold in approximately 500 retail stores throughout the United States and an additional 900 retail stores throughout the world. *Id.* Plaintiff, through its creative design team, has developed many unique and original wedding and social occasion dress patterns. *Id.*

Each year, Plaintiff invests thousands of dollars in advertising its original unique dress designs. *Id.* at ¶ 5. These dresses are not only commercially available for sale throughout the

country, but they are pictured in catalogs distributed throughout the country and overseas to retailers and others. *Id.* Plaintiff has several trademarks registered with the United States Patent and Trademark Office; moreover, these trademarks have become synonymous with luxurious and elegant formalwear. *Id.* at ¶ 6. Plaintiff's brand is now highly successful and well known throughout the United States. *Id.*

Because Plaintiff is a manufacturer of unique bridal gowns and formalwear, it employs its own team of dress designers, and invests significant sums of money in the development of designs that fit its own branding strategies. *Id.* at ¶ 7. Among Plaintiff's most important assets is the intellectual property associated with its brand. *Id.* Specifically, Plaintiff owns several U.S. trademark registrations for its brands, as well as other marks used to identify the JUSTIN ALEXANDER Products that it markets and sells. *Id.* at ¶ 9.

JUSTIN ALEXANDER Products have become enormously popular and even iconic, driven by Plaintiff's arduous quality standards and innovative design. *Id.* at ¶ 6. Among the purchasing public, genuine JUSTIN ALEXANDER Products are instantly recognizable as such. *Id.* In the United States and around the world, the Justin Alexander brand has come to symbolize high quality, and JUSTIN ALEXANDER Products are among the most recognizable formalwear dresses in the world. *Id.*

JUSTIN ALEXANDER Products are distributed and sold to consumers through boutiques owned and operated by Plaintiff, authorized retailers throughout the United States, and online at www.justinalexanderbridal.com. *Id.* at 8. Plaintiff incorporates a variety of distinctive marks in the design and marketing of its various JUSTIN ALEXANDER Products. *Id.* at ¶ 9. As a result of its longstanding use, Plaintiff owns common law trademark rights in its trademarks. *Id.* Plaintiff has also registered its trademarks with the United States Patent and

Trademark Office. *Id.* Plaintiff uses its trademarks in connection with the advertising and marketing of its JUSTIN ALEXANDER Products, which are collectively referred to as the “JUSTIN ALEXANDER Trademarks.” *Id.*

Genuine and authentic copies of the U.S. registration certificates for the JUSTIN ALEXANDER Trademarks are attached to the Warsaw Declaration as Exhibit 2. The JUSTIN ALEXANDER Trademarks are valid, subsisting, in full force and effect, and incontestable pursuant to 15 U.S.C. § 1065. *Id.* at ¶ 10. The JUSTIN ALEXANDER Trademarks have been used exclusively and continuously by Plaintiff, and have never been abandoned. *Id.* The JUSTIN ALEXANDER Trademarks are exclusive to Plaintiff, and are displayed extensively on JUSTIN ALEXANDER Products and in Plaintiff’s marketing and promotional materials. *Id.* at ¶ 11.

The JUSTIN ALEXANDER Trademarks have achieved tremendous fame and recognition which has only added to the inherent distinctiveness of the marks. *Id.* As such, the goodwill associated with the JUSTIN ALEXANDER Trademarks is of incalculable value to Plaintiff. *Id.* at ¶ 12. Plaintiff has received extensive editorial coverage and unsolicited press in various magazines and other publications throughout the world. *Id.* at ¶ 13. JUSTIN ALEXANDER Products have been featured in the numerous publications and magazines throughout the world. *Id.*

In addition to the JUSTIN ALEXANDER Trademarks, Plaintiff also owns federal copyright rights to hundreds of original photographs and images (“JUSTIN ALEXANDER Copyright”) that it uses to advertise genuine JUSTIN ALEXANDER Products. *Id.* at ¶ 14. A genuine and authentic copy of United States Copyright Registration No. VA 1-936-316 for the JUSTIN ALEXANDER Copyright is attached to the Warsaw Declaration as Exhibit 4. The

JUSTIN ALEXANDER Copyright is for original, copyrightable works of JUSTIN ALEXANDER. JUSTIN ALEXANDER has complied with all statutory formalities and requirements in obtaining the JUSTIN ALEXANDER Copyright. *Id.* at ¶ 15. JUSTIN ALEXANDER extensively uses photographs and images protected by the JUSTIN ALEXANDER Copyright in connection with the marketing of its JUSTIN ALEXANDER Products on its Website. *Id.*

Sales of JUSTIN ALEXANDER Products via the Website represent a significant portion of Plaintiff's business. *Id.* at ¶ 8. The Website features proprietary content, images and designs exclusive to Plaintiff. *Id.* Furthermore, genuine JUSTIN ALEXANDER Products are widely legitimately advertised, promoted, and offered for sale on the Website primarily with original images owned by JUSTIN ALEXANDER and protected by the JUSTIN ALEXANDER Copyrights. *Id.* at ¶ 16.

JUSTIN ALEXANDER spends significant sums of money on Internet marketing and consumer education regarding its products, including search engine optimization ("SEO") strategies that allow JUSTIN ALEXANDER and others to fairly and legitimately educate consumers about the value associated with the JUSTIN ALEXANDER brands and the goods sold thereunder and the problems associated with counterfeiting and the unauthorized use of the JUSTIN ALEXANDER Trademarks and Copyright. *Id.* at ¶ 17. Defendants, through their operation of the Infringing Websites, engage in so-called "black hat" SEO strategies that involve the unlawful use of JUSTIN ALEXANDER's name and trademarks within the content, anchor text, and/or meta tags of the Infringing Websites in order to attract the automated eye of various search engines crawling the Internet looking for websites relevant to consumer searches for genuine JUSTIN ALEXANDER Products. *Id.* at ¶ 18. Such illegal use results in unfair

competition for JUSTIN ALEXANDER when competing for visibility on the Internet and deceives consumers into falsely believing they are buying legitimate JUSTIN ALEXANDER Products from these sites. *Id.*

In recent years, the bridal dress and formalwear industry in the United States has been plagued by the onset of individuals and entities that unlawfully use the trademarks and goodwill built by Plaintiff and other manufacturers in this industry to sell cheap counterfeits of Plaintiff's dresses. *Id.* at ¶ 19. Due to the proliferation of websites selling counterfeit dresses, Plaintiff retained the services of [Counterfeit.Technology](#), a company that provides online policy enforcement technology focused on identifying websites selling Counterfeit Products. *Id.* [Counterfeit.Technology](#) uses a large web crawler coupled with sophisticated algorithms and detection models to identify counterfeit products offered for sale across the Internet. *Id.* at ¶ 20. [Counterfeit.Technology](#) collects content from websites and the software program's algorithms identify which of the websites are likely counterfeiters, using a combination of information supplied by the brand owners and inspecting characteristics on the Infringing Websites consistent with counterfeiting. *Id.*

II. DEFENDANT'S UNLAWFUL CONDUCT CENTERS AROUND HIJACKING PLAINTIFF'S BRAND TO DECEIVE CONSUMERS INTO PURCHASING IMITATION KNOCKOFFS FROM THE INFRINGING WEBSITES

The primary way in which Defendants advertise the sale of Counterfeit Products on the Infringing Websites is by displaying one or more of the JUSTIN ALEXANDER Trademarks and stealing Plaintiff's original images – many of which are protected by the JUSTIN ALEXANDER Copyright – that Plaintiff uses to market genuine JUSTIN ALEXANDER Products. *Id.* at ¶¶ 23-24. In many instances, the images that Defendants steal from Plaintiff's Website and display on the Infringing Websites are identical to those protected by the JUSTIN ALEXANDER

Copyrights. *Id.* at ¶ 24. After reviewing the Counterfeit Products advertised for sale on the Infringing Websites, Plaintiff confirmed that imitation knockoffs were being offered for sale to residents of the United States and the State of Illinois. *Id.* at ¶ 23. Plaintiff also concluded that the Infringing Websites are selling Counterfeit Product based on a visual inspection of the products as they appear on the Infringing Websites, the price at which the Counterfeit Products are being offered for sale, and because Defendants and the Infringing Websites do not conduct business with JUSTIN ALEXANDER and do not have the right or authority to use the JUSTIN ALEXANDER Trademarks or Copyrights for any reason. *Id.* Defendants facilitate sales of Counterfeit Products by designing the Infringing Websites so that they appear to unknowing consumers to be authorized online retailers, outlet stores or wholesalers selling genuine JUSTIN ALEXANDER Products and accept payment in U.S. Dollars. *Id.* at ¶ 24.

Due to nature of Defendants' illegal counterfeiting activities that involve stealing Plaintiff's original images of genuine JUSTIN ALEXANDER Products to advertise cheap knockoffs in violation of the JUSTIN ALEXANDER Trademarks and Copyright, monetary damages cannot adequately compensate Plaintiff for ongoing infringement because monetary damages fail to address the loss of control and damage to Plaintiff's reputation and goodwill. *Id.* at ¶ 25. Furthermore, monetary damages are difficult, if not impossible, to ascertain due to the inability to calculate measurable damage in dollars and cents caused to Plaintiff's reputation and goodwill by acts of infringement. *Id.* Plaintiff's goodwill and reputation are irreparably damaged when JUSTIN ALEXANDER Trademarks are used on goods not authorized, produced or manufactured by Plaintiff. *Id.* at ¶ 26. This leads to brand confidence being damaged, resulting in loss of future sales and market share. *Id.* The extent of harm to Plaintiff's reputation and goodwill and the possible diversion of customers due to loss in brand confidence are largely

unquantifiable. *Id.* Defendants' illegal use of the JUSTIN ALEXANDER Trademarks and Copyrights further irreparably harms Plaintiff because counterfeiters like the Defendants take away Plaintiff's ability to control the nature and quality of Counterfeit Products. *Id.* at ¶ 27. Loss of quality control over goods bearing the JUSTIN ALEXANDER Trademarks and, in turn, loss of control over Plaintiff's reputation, is neither calculable nor precisely compensable. *Id.*

In an effort to further deceive consumers into purchasing Counterfeit Products, the Infringing Websites accept payment via Western Union, credit card and/or PayPal and ship the Counterfeit Products in small quantities via international mail to minimize detection by U.S. Customs and Border Protection. *See* Declaration of Suren Ter Saakov (the "Ter Saakov Declaration") at ¶ 6. Defendants further perpetuate the illusion of legitimacy by offering "live 24/7" customer service and using indicia of authenticity and security that consumers have come to associate with authorized retailers, including the McAfee® Security, VeriSign®, Visa®, MasterCard®, and PayPal® logos. *Id.* Defendants also deceive unknowing consumers by using the JUSTIN ALEXANDER Trademarks without authorization within the content, text, and/or meta tags of their websites in order to attract various search engines crawling the Internet looking for websites relevant to consumer searches for JUSTIN ALEXANDER Products. *Id.* at ¶ 7. Additionally, upon information and belief, Defendants use other unauthorized search engine optimization (SEO) tactics to increase website rank and spend several thousand dollars each month on pay-per-click advertising and other SEO optimization methods. *Id.* As a result, links to Defendants' websites show up at or near the top of popular search results and misdirect consumers searching for genuine JUSTIN ALEXANDER Products. *Id.* The extent to which Defendants have engaged in these tactics and the resultant instances of trademark and copyright infringement to promote the sale of Counterfeit Products is substantial, as the total value of

Defendants' collective traffic to the Infringing Websites (both organic traffic and paid traffic through pay-per-click advertising) is approximately \$354,000.00, which generates approximately 506,000 visitors to the Infringing Websites and an estimated \$1,167,558.00 in sales per month. *Id.* at ¶ 8. Through their illegal operation of the Infringing Websites, Defendants have infringed upon the JUSTIN ALEXANDER Trademarks approximately **1,240,000 times** and infringed upon the JUSTIN ALEXANDER Copyright approximately **67,650 times**. *Id.*

Defendants go to great lengths to conceal their identities and often use multiple fictitious names and addresses to register and operate the Infringing Websites. *Id.* at ¶ 9. Many of Defendants' names and addresses used to register the Infringing Websites are incomplete, contain randomly typed letters, or fail to include cities or states. *Id.* Other Infringing Websites use privacy services that conceal the owners' identity and contact information. *Id.* On information and belief, Defendants constantly register new websites using the identities listed in Schedule "A" to the Amended Complaint, as well as other unknown fictitious names and addresses. *Id.* The registration patterns of these websites are one of many tactics used by the Defendants to conceal both their identities and the full scope and interworking of Defendants' massive counterfeiting operation. *Id.* Another tactic commonly used by Defendants to thwart enforcement efforts is to constantly change the location to which the Infringing Websites redirect. *Id.* As such, Plaintiff also seeks an *ex parte* order to temporarily disable the Infringing Websites owned by Defendants that are the means by which the Defendants could continue to sell Counterfeit Products.

Even though Defendants operate under multiple fictitious names, many similarities between the Infringing Websites indicate a coordinated effort to sell Counterfeit Products. *Id.* at ¶ 10. For example, many of the Infringing Websites have virtually identical layouts, even though

different aliases were used to register the respective domain names. *Id.* In addition, Counterfeit Products for sale in the Infringing Websites bear similar irregularities and indicia of being counterfeit to one another, suggesting that the Counterfeit Products were manufactured by and come from a common source and that Defendants are interrelated. *Id.*

Plaintiff's well-pleaded allegations in the Complaint and supporting declarations regarding patterns and similarities among the Infringing Websites establishes a logical relationship between the Defendants and that, on information and belief, Defendants are an interrelated group of counterfeiters. On information and belief, Defendants are working in active concert to knowingly and willfully manufacture, import, distribute, offer for sale, and sell Counterfeit Products in the same transaction, occurrence, or series of transactions or occurrences. As indicated above, tactics used by Defendants to conceal their identities and the full scope of their counterfeiting operation make it virtually impossible for Plaintiff to learn Defendants' true identities and the exact interworking of their massive counterfeit network. Based on previous cases of domains that unlawfully use a brand owner's trademarks and copyrighted images to sell counterfeit products, when any advance notice of a lawsuit or request for injunctive relief is given to the owner or registrant of a website involved in counterfeiting, the requested relief is rendered ineffective and meaningless, because counterfeiters operate as a proverbial "moving target," beyond the effective reach of copyright owners, seeking to enforce their rights. *See Ter Saakov Decl.* at ¶¶ 11–13.

ARGUMENT

I. DEFENDANTS ARE SUBJECT TO PERSONAL JURISDICTION OF THIS COURT BECAUSE THEY DIRECT THEIR BUSINESS ACTIVITIES TOWARDS RESIDENTS OF THE STATE OF ILLINOIS AND THIS JUDICIAL DISTRICT

“In federal question litigation, the statute upon which the action is based provides the rules for service of process on nonresident defendants.” *Berthold Types Ltd. v. European Mikrograf Corp.*, 102 F.Supp.2d 928, 930 (N.D. Ill. 2010). In cases involving claims for trademark infringement, “the Lanham Act does not authorize national service of process. Therefore, the Illinois long-arm statute must be applied to determine if defendants are amenable to service of process.” *Id.* Similarly, the Copyright Act does not authorize nationwide service. *Janmark, Inc. v. Reidy*, 132 F.3d 1200, 1201 (7th Cir. 1997), *abrogated on other grounds by Advanced Tactical Ordinance, LLC v. Real Action Paintball, Inc.*, 751 F.3d 796 (7th Cir. 2014). Illinois courts may properly assert jurisdiction over non-resident defendants when (1) jurisdiction is authorized under the Illinois long-arm statute; and (2) the minimum contacts required by due process are present. *Id.* (*citing FMC Corp. v. Varonos*, 892 F.2d 1308, 1310 (7th Cir.1990)). “The Illinois long-arm statute allows an Illinois court to exercise personal jurisdiction over nonresidents of Illinois on claims arising from, among other things, the ‘transaction of any business within [Illinois],’ and the ‘commission of a tortious act within [Illinois].” *Berthold Types*, 102 F.Supp.2d at 930 (*citing* 735 ILCS 5/2–209(a)(1)–(2)). The long-arm statute authorizes jurisdiction on any basis permitted by the Illinois Constitution and the Constitution of the United States. *Berthold Types* at 930; (*citing* 735 ILCS 5/2–209(c)). “Therefore, the statute authorizes the exercise of personal jurisdiction by the Illinois courts to the fullest constitutional limit, and the statutory analysis collapses into a two-prong analysis: one based on the Illinois Constitution, and one based on the federal Constitution.” *Aero Products Int’l., Inc. v.*

Intex Corp., No. 02 C 2590, 2002 WL 31109386, at *3 (N.D. Ill. Sept. 20, 2002) (citing *RAR, Inc. v. Turner Diesel, Ltd.*, 107 F.3d 1272, 1276 (7th Cir. 1997)).

In this case, Defendants target Illinois residents through their operation of the Infringing Websites offering the sale of various Counterfeit Products in clear violation of Plaintiff's intellectual property rights. See Amended Complaint at ¶¶ 3, 10, 28. "When determining whether a plaintiff has met his burden, jurisdictional allegations pleaded in the complaint are accepted as true unless proved otherwise by defendants' affidavits or exhibits." *Purdue Research Found. v. Sanofi-Sythelabo, S.A.*, 338 F.3d 773, 782 (7th Cir. 2003). Thus, this Court has personal jurisdiction over the Defendants because the requirements of the Illinois long-arm statute have been satisfied and exercising personal jurisdiction over Defendants is consistent with constitutional Due Process.

A. Defendants' Operation of the Infringing Websites to Sell Counterfeit Products to Residents of the United States and Illinois Satisfies the Jurisdictional Requirements of the Illinois Long-Arm Statute

As an initial matter, the Lanham Act prohibits the use "in commerce" of any reproduction or colorable imitation of a registered mark "in connection with the sale . . . distribution or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1114(1). In *Euromarket Designs, Inc. v. Crate & Barrel Ltd.*, 96 F.Supp.2d 824, 831 (N.D. Ill. 2000), the court noted that the United States Supreme Court has held that the "in commerce" requirement must be construed liberally because the Lanham Act "confers broad jurisdictional powers upon the courts of the United States." (quoting *Steele v. Bulova Watch Co.*, 344 U.S. 280, 283, 73 S.Ct. 252, 254, 97 L.Ed. 319 (1952)); see also *Planned Parenthood Fed'n of America, Inc. v. Bucci*, 42 U.S.P.Q.2d 1430, 1434 (S.D.N.Y. 1997), *aff'd*, 152 F.3d 920 (2d Cir. 1998), *cert. denied*, 525 U.S. 834, 119

S.Ct. 90, 142 L.Ed.2d 71 (1998) (“The nature of the Internet indicates that establishing a typical home page on the Internet, for access to all users, would satisfy the Lanham Act’s ‘in commerce’ requirement.”). “In considering whether defendant’s alleged contacts meet the constitutional minimum, the Court will consider whether defendant has done some act or consummated some transaction with the forum state, or performed some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protection of its laws.” *Watchworks, Inc. v. Total Time, Inc.*, No. 01 C 5711, 2002 WL 424631, at *6 (N.D. Ill. Mar. 29, 2002) (quoting *Euromarket*.)

Here, the record establishes that Defendants are not only unlawfully using the JUSTIN ALEXANDER Trademarks and stealing images protected by the JUSTIN ALEXANDER Copyright, but are doing so in an effort to deceive consumers into purchasing the Counterfeit Products advertised for sale on the Infringing Websites. Here, as in *Euromarket* and unlike in *Watchworks*, Defendant is intentionally stealing Plaintiff’s original, federally protected photographs from the Website to advertise the sale of imitation knockoffs bearing the JUSTIN ALEXANDER Trademarks. Plaintiff is the exclusive owner of the JUSTIN ALEXANDER Trademarks and JUSTIN ALEXANDER Copyright and has not authorized Defendants’ willfully unlawful conduct in any way. Thus, Defendants’ acts satisfy the general jurisdiction requirements of the Illinois long-arm statute.

B. Exercising Personal Jurisdiction Over Defendants is Consistent with Constitutional Due Process

In *Tamburo v. Dworkin*, 601 F.3d 693, 702 (7th Cir. 2010), the Court stated that “Specific personal jurisdiction is appropriate where (1) the defendant has purposefully directed his activities at the forum state or purposefully availed himself of the privilege of conducting business in that state, and (2) the alleged injury arises out of the defendant’s forum-related

activities.” (citing *Burger King v. Rudzewicz*, 471 U.S. 462, 472, 105 S.Ct. 2174, 85 L.Ed.2d 528 (1985)). The exercise of specific personal jurisdiction must also comport with traditional notions of fair play and substantial justice as required by the Fourteenth Amendment's Due Process Clause. *Id.* (citing *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945)). Illinois courts routinely exercise personal jurisdiction over websites unlawfully using registered trademarks in connection with the offering for sale and selling of counterfeit merchandise to Illinois residents over the Internet. 735 ILCS 5/2-209(a)(2). *See, e.g., Illinois v. Hemi Group, LLC*, 622 F.3d 754, 757–58 (7th Cir. 2010) (finding defendant's contacts with Illinois satisfied due process where it “maintained commercial websites through which customers could purchase cigarettes, calculate their shipping charges using their zip codes, and create accounts”; defendant “stood ready and willing to do business with Illinois residents”); *Monster Energy Company v. Chen Wensheng, et al.*, No. 15 C 4166, 2015 U.S. Dist. LEXIS 132283, at *11 (N.D. Ill. Sept. 29, 2015) (denying overseas counterfeiters' motion to dismiss because defendants' offer to sell counterfeit products through an Internet store establishes liability for trademark infringement, a tortious act, because “defendants did not need to complete a sale to imbue Illinois courts with personal jurisdiction.”); *Burberry Limited, et al. v. Weng Junpeng, et al.*, No. 15-cv-7994 (N.D. Ill. Oct. 2, 2015) (unpublished) (“[a] single tortious act committed in Illinois, no matter how minimal, brings the alleged tortfeasors within the scope of the long arm statute and thus demonstrates that personal jurisdiction is proper in Illinois”).

Here, exercising personal jurisdiction over Defendants is reasonable because Defendants have intentionally created and operated the Infringing Websites to offer Counterfeit Products for sale and allow online orders from Illinois residents. *See* Warshaw Decl. at ¶ 23. Defendants have purposefully availed themselves of the privilege of doing business in Illinois and target

their unlawful counterfeiting activities directly toward residents of this Judicial District. *Id.* Not only could Defendants have reasonably foreseen being sued here, but they have specifically attempted to avoid being haled into this Court by hiding their identities and their assets. *See Ter Saakov Decl.* at ¶ 9. The record establishes that Defendants are committing tortious acts in Illinois by offering the sale of Counterfeit Products and have caused Plaintiff substantial injury in the State of Illinois. Thus, exercising personal jurisdiction over the Defendants in this matter not only satisfies the requirements of the Illinois long-arm statute but also comports with constitutional Due Process.

II. PLAINTIFF IS ENTITLED TO AN *EX PARTE* TEMPORARY RESTRAINING ORDER TEMPORARILY DISABLING THE INFRINGING WEBSITES, TEMPORARILY RESTRAINING DEFENDANTS' ASSETS, EXPEDITING DISCOVERY AND ALLOWING SERVICE OF PROCESS BY EMAIL AND ELECTRONIC PUBLICATION

Plaintiff seeks an *ex parte* TRO pursuant to Fed. R. Civ. P. 65 and 15 U.S.C. § 1116, and this Court's inherent equitable authority to prevent the ongoing harm caused by Defendants' operation of the Infringing Websites to sell Counterfeit Products. The relief sought in the Temporary Restraining Order will maintain the *status quo* of this case, effectuate service of process upon all Defendants, and, most importantly, ensure that evidence of Defendants' misconduct is preserved and monetary profits gained therefrom temporarily restrained during the pendency of this action. Plaintiff's requested relief is warranted.

In Illinois, the standards for issuing temporary restraining orders are identical to the standards for preliminary injunctions. *Right Field Rooftops, LLC v. Chicago Baseball Holdings, LLC*, 87 F.Supp.3d 874, 877 (N.D. Ill. 2015) (citing *Long v. Board of Educ., Dist. 128*, 167 F.Supp.2d 988 (N.D. Ill. 2001)); *Bernina of America, Inc. v. Fashion Fabrics Int'l, Inc.*, No. 01 C 585, 2001 WL 128164, at *1 (N.D. Ill. Feb.9, 2001). Thus, the party seeking the TRO

bears the burden of showing: “(1) its case has some likelihood of success on the merits; (2) that no adequate remedy at law exists; and (3) it will suffer irreparable harm if the injunction is not granted.” *Long* at 988 (quoting *Ty, Inc. v. Jones Group, Inc.*, 237 F.3d 891, 895 (7th Cir.2001)). If the Court is satisfied that these three conditions have been met, then it must consider the harm that the nonmoving party will suffer if preliminary relief is granted, balancing such harm against the irreparable harm the moving party will suffer if relief is denied. *Id.* Finally, the Court must consider the potential effect on the public interest (non-parties) in denying or granting the injunction. *Id.* The Court then weighs all of these factors, “sitting as would a chancellor in equity,” when it decides whether to grant the injunction. *Id.* (quoting *Abbott Labs. v. Mead Johnson & Co.*, 971 F.2d 6, 11 (7th Cir. 1992)). This process involves engaging in what the Court has deemed “the sliding scale approach” – the more likely the plaintiff will succeed on the merits, the less the balance of harms need favor the plaintiff's position. *Girl Scouts of Manitou Council, Inc. v. Girl Scouts of U.S. of America, Inc.*, 549 F.3d 1079, 1086 (7th Cir. 2008) (citing *Abbott* at 11.) The sliding scale approach is not mathematical in nature, rather “it is more properly characterized as subjective and intuitive, one which permits district courts to weigh the competing considerations and mold appropriate relief.” *Abbott* at 895–896. The greater the movant's likelihood of succeeding on the merits, the less the balancing of harms need be in his favor. *See Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 461 (7th Cir. 2000).

In this case, there is a very high likelihood that Plaintiff will succeed on the merits. Defendants' operation of the Infringing Websites to deceive Illinois residents into purchasing Counterfeit Products in clear violation of Plaintiff's trademark rights under 15 U.S.C. § 1114 (trademark infringement) and 15 U.S.C. § 1125(a) (false designation of origin). Moreover, Defendants con unknowing consumers into thinking they are purchasing original JUSTIN

ALEXANDER Products by stealing and reprinting Plaintiff's copyrighted images on the Infringing Websites protected by the JUSTIN ALEXANDER Copyright in violation of 17 U.S.C. § 501 (copyright infringement), and deceptive acts in or affecting commerce in Illinois (uniform deceptive trade practices). In this case, there is indisputable evidence that Defendants have infringed upon the JUSTIN ALEXANDER Trademarks approximately 1,240,000 times and infringed upon the JUSTIN ALEXANDER Copyright approximately 67,650 times, resulting in monthly sales of roughly \$1,167,558.00 *See* Ter Saakov Decl. at ¶ 8. If the TRO is issued, no legitimate interest of Defendants will be harmed, and the effect on third parties such as the domain registrars and hosting providers from whom Defendants acquired the Infringing Websites will be negligible and short-lived. The public interest also weighs heavily in favor of relief because the same injury Defendants are inflicting upon the Plaintiff is also being inflicted upon the general public. Therefore, the relief Plaintiff is requesting is warranted.

A. Plaintiff is Likely to Succeed on the Merits of Its Claims for Trademark Infringement, False Designation of Origin, Cyberpiracy, Copyright Infringement and Uniform Deceptive Trade Practices

Plaintiff is likely to succeed on the merits of its claims, and, as such, its request for a TRO should be granted. Plaintiff's Complaint sets forth the following claims: (1) trademark infringement under the Lanham Act (15 U.S.C. § 1114); (2) false designation of origin under the Lanham Act (15 U.S.C. § 1125(a)); (3) copyright infringement under the Copyright Act (17 U.S.C. § 501); (4) cyberpiracy under the Anti-Cybersquatting Consumer Protection Act (15 U.S.C. § 1125(d)); and (5) uniform deceptive trade practices under 815 ILCS § 510, et seq. Defendants' unlawful acts are designed to intentionally deceive members of the general public, causing them confusion and causing them to mistakenly associate Plaintiff with this activity.

There is no dispute about Defendants' illegal conduct and the law governing Plaintiff's claims and the relief it seeks is clear.

1. Trademark Infringement and Counterfeiting

Section 1114(1) of the Lanham Act prohibits use of a reproduction, counterfeit, copy or "colorable imitation" of a registered mark in connection with the distribution of goods and services where such use is likely to cause confusion or mistake or to deceive. Furthermore, the Lanham Act also prohibits use of a trademark, any false designation of origin, false designation of fact or misleading representation of fact which:

[I]s likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.

15 U.S.C. § 1125(a); *see also* 15 U.S.C. §§ 1116(d) and 1127 (stating that a counterfeit mark as defined by the Lanham Act is a "spurious mark which is identical with, or substantially indistinguishable from, a registered mark" on the Principal Register of the United States Patent and Trademark Office, used by an unauthorized producer). To prove a prima facie case of infringement, Plaintiff must show (1) its marks are distinctive enough to be worthy of protection; (2) Defendants are not authorized to use the JUSTIN ALEXANDER Trademarks; and (3) Defendants' use of the JUSTIN ALEXANDER Trademarks causes a likelihood of confusion as to the origin or sponsorship of Defendants' products. *See Neopost Industrie B.V. v. PFE Int'l Inc.*, 403 F. Supp. 2d 669, 684 (N.D. Ill. 2005) (citations omitted). Plaintiff satisfies all three requirements of the Lanham Act to successfully bring a trademark infringement and counterfeiting claim.

In this case, Plaintiff has established that it is the owner of all right, title and interest in and to the JUSTIN ALEXANDER Trademarks in connection with imitation knockoffs being

counterfeited by Defendants on the Infringing Websites. See Warshaw Declaration at ¶¶ 9-12. These registrations are prima facie evidence of the validity of the JUSTIN ALEXANDER Trademarks, as well as Plaintiff's exclusive right to use its marks in commerce and in connection with the goods or services specified in the registrations. 15 U.S.C. § 1057(b).

Furthermore, Plaintiff plainly satisfies the likelihood of confusion test. The Seventh Circuit has held that where "one produces counterfeit goods in an apparent attempt to capitalize upon the popularity of, and demand for, another's product, there is a presumption of a likelihood of confusion." *Microsoft Corp. v. Rechanik*, 249 F. App'x 476, 479 (7th Cir. 2007); see also *Monster Energy Co. v. Jing*, No. 15 C 277, 2015 WL 4081288, at *3 (N.D. Ill. July 6, 2015) ("Evidence of actual confusion is not required to prove likelihood of confusion . . ."); *Polo Fashions, Inc. v. Craftex, Inc.*, 816 F.2d 145, 148 (4th Cir. 1987) ("Where, as here, one produces counterfeit goods in an apparent attempt to capitalize upon the popularity of, and demand for, another's product, there is a presumption of a likelihood of confusion."). The Seventh Circuit has enumerated seven factors to determine whether there is a likelihood of confusion, which include: (1) similarity between the marks in appearance and suggestion; (2) similarity of the products; (3) area and manner of concurrent use; (4) degree of care likely to be exercised by consumers; (5) strength of complainant's mark; (6) actual confusion; and (7) intent of the defendants to palm off their products as that of another. *Eli Lilly*, 233 F.3d at 461-462 (citation omitted). These factors are not a mechanical checklist, and "[t]he proper weight given to each of [the] factors will vary from case to case." *Black & Decker Corp. v. Positec USA Inc.*, No. 11-cv-5426, 2015 WL 1543262, at *29 (N.D. Ill. Mar. 31, 2015) (citing *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 381 (7th Cir. 1996)). At the same time, although no one factor is decisive, the similarity of the marks, the intent of the defendant, and evidence of actual confusion

are the most important considerations. *Eli Lilly* at 462 (citing *G. Heileman Brewing Co., Inc. v. Anheuser-Busch, Inc.*, 873 F.2d 985, 999 (7th Cir. 1989)); *Ty, Inc.*, 237 F.3d at 898.

Here, the Defendants are selling low-quality, counterfeit versions of products that, on their face, appear to be materially indistinguishable from genuine JUSTIN ALEXANDER Products and use counterfeit marks **identical** to the JUSTIN ALEXANDER Trademarks, establishing that the first and second factors weigh heavily in Plaintiff's favor. With respect to area and manner of concurrent use, court looks to whether the parties used the same channels of commerce, targeted the same general audience, and/or used similar marketing. *CAE, Inc. v. Clean Air Eng'g Inc.*, 267 F.3d 660, 681 (7th Cir. 2001). Online sales of genuine JUSTIN ALEXANDER Products constitute a significant portion of Plaintiff's business. *See* Warshaw Decl. at ¶ 8. Similarly, the Infringing Websites sell Counterfeit Products exclusively through the Internet. Regarding the degree of consumer care, Plaintiff sells genuine JUSTIN ALEXANDER Products in more than 1500 retail outlets throughout the world. *Id.* at ¶ 4. "[W]hen a buyer class is mixed, the standard of care to be exercised by the reasonably prudent purchaser will be equal to that of the least sophisticated consumer in the class." *Trans Union LLC v. Credit Research, Inc.*, 142 F.Supp.2d 1029, 1043 (N.D. Ill. 2001). Given this diverse group of global consumers who are likely to be confused by Defendants' counterfeiting activities, this factor clearly weighs in Plaintiff's favor. For the fifth factor, strength of the JUSTIN ALEXANDER Trademarks, these marks distinctive when applied to the JUSTIN ALEXANDER Products and signify to consumers that the products come from Plaintiff and are manufactured to Plaintiff's high standards. *See* Warshaw Decl. at ¶¶ 12, 29. As noted above, actual confusion is not required to prove likelihood of confusion. *Monster Energy Co. v. Jing*, 2015 WL 4081288, at *3. However, there should be no doubt that Defendants' Counterfeit Products bearing identical JUSTIN

ALEXANDER Trademarks displayed on the Infringing Websites with Plaintiff's original images protected by the JUSTIN ALEXANDER Copyright is confusing consumers. This sixth factor also weighs heavily in Plaintiff's favor. Similarly, Defendants' intent is clear: the evidence establishes that Defendants have infringed upon the JUSTIN ALEXANDER Trademarks a total of approximately 1,240,000. *See* Ter Saakov Decl. at ¶ 8; Warshaw Decl. at ¶ 21, Ex. 5. Defendants' are intentionally hijacking Plaintiff's brand to swindle consumers. The false registration data they provide in an attempt to shield themselves from liability validates their intent. As such, Plaintiff unequivocally satisfies the likelihood of confusion test. Thus, because Plaintiff is likely to succeed on the merits of its claims arising under the Lanham Act, its request for a Temporary Restraining Order is warranted.

2. False Designation of Origin

A plaintiff bringing a false designation of origin claim under 15 U.S.C. § 1125(a) must show that: (1) the plaintiff has a protectable trademark; and (2) a likelihood of confusion will exist as to the origin of plaintiff's products. *All Star Championship Racing, Inc. v. O'Reilly Auto. Stores, Inc.*, 940 F.Supp.2d 850, 865 (C.D. Ill. 2013) (citing *Johnny Blastoff, Inc. v. Los Angeles Rams Football Co.*, 188 F. 3d 427, 436 (7th Cir. 1999)). This is the same test that is used for determining whether trademark infringement has occurred under the Lanham Act. *See Neopost*, 403 F. Supp. 2d at 684–685. In order to satisfy the use-in-commerce requirement for a Lanham Act claim for false designation of origin, the infringing acts need not have actually taken place in commerce, but need only have an adverse effect on commerce; to that end, the use-in-commerce element is satisfied if a defendant uses a plaintiff's mark for the purpose of providing a service. *Slep-Tone Entertainment Corp. v. Sellis Enterprises, Inc.*, 87 F.Supp.3d 906 (N.D. Ill. 2015).

Because the JUSTIN ALEXANDER Trademarks are registered marks, and Plaintiff has established a likelihood of success on the merits of its trademark infringement and counterfeiting claim against Defendants as set forth in Section II.A.1, *supra*, Plaintiff has also established a likelihood of success on the merits of its claim for false designation of origin.

3. Cyberpiracy

Plaintiff is also likely to succeed on its claim for cyberpiracy against Defendant No. 32 identified in Schedule “A” to the Amended Complaint for its operation of the Infringing Website that includes Plaintiff’s trademark for “Justin Alexander” within the domain itself. Under the Anticybersquatting Consumer Protection Act of 1996 (ACPA), a party is liable in a civil action to the owner of a mark if it has a bad faith intent to profit from that mark and registers a domain name that is identical or confusingly similar to that mark. 15 U.S.C. § 1125(d)(1)(A)(i)–(ii). In such cases, in addition to other damages, “a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.” 15 U.S.C. § 1125(d)(1)(C). One focus of the ACPA is to address counterfeit sellers who “register well-known marks to prey on consumer confusion by misusing the domain name to divert customers from the mark owner’s site to the cybersquatter’s own site . . . [and] target distinctive marks to defraud consumers.” *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806, 809 (6th Cir. 2004).

In order to state a claim under the ACPA, a plaintiff must allege that (1) it had a distinctive or famous mark at the time the domain name was registered; (2) the defendant registered, trafficked in, or used a domain name that is identical or confusingly similar to plaintiff’s mark, and (3) the defendant had a bad faith intent to profit from that mark. *MasterCard Int’l Inc. v. Trehan*, 629 F.Supp.2d 824, 830 (N.D. Ill. 2009) (*citing Flentye v.*

Kathrein, 485 F.Supp.2d 903, 914 (N.D. Ill. 2007); *see also V'soske, Inc. v. V'soske.com*, No. 00 CIV 6099(DC), 2001 WL 546567, at *6 (S.D.N.Y. May 23, 2001)). In order for a domain name to be confusingly similar, the spelling does not have to be the same, but can be identical in translation, pronunciation, and meaning or indistinguishable in appearance of a mark. *MasterCard* at 830.

The JUSTIN ALEXANDER Trademarks are inherently distinctive and famous with consumers worldwide, particularly those consumers purchasing wedding dresses. *See* Warshaw Decl. at ¶ 12. In view of this and the fact that the JUSTIN ALEXANDER Trademarks are registered with the United States Patent and Trademark Office on the Principal Register, Plaintiff is likely to succeed in showing that the JUSTIN ALEXANDER Trademarks are distinctive and/or famous.

Courts have held that the registration of a domain name incorporating a trademark owner's mark and being used to sell counterfeit versions of the trademark owner's goods is a particularly egregious form of bad faith. *See, e.g., Louis Vuitton Malletier & Oakley, Inc. v. Veit*, 211 F. Supp. 2d 567, 584–85 (E.D. Pa. 2002). In the instant case, it is manifestly clear that the Defendant No. 32 has acted with bad faith intent to profit from Plaintiff's distinctive and famous JUSTIN ALEXANDER Trademarks. This particular defendant has incorporated the entire trademark for "Justin Alexander" in its entirety in its URL – indeed, the URL itself is materially indistinguishable from Plaintiff's Website with the exception of the addition of a single letter 's' to the domain. Furthermore, Defendant No. 32 uses the JUSTIN ALEXANDER Trademarks and images protected by the JUSTIN ALEXANDER Copyright without authorization to sell Counterfeit Products, a clear violation of the Lanham Act and Copyright Act.

When dealing with domain names, a court must evaluate an allegedly infringing domain name in conjunction with the content of the website identified by the domain name. *MasterCard* at 830. Here, there can be no question that the Infringing Website operated by Defendant No. 32 is identical or confusingly similar to the JUSTIN ALEXANDER Trademarks. As noted above, Defendants design their websites so that they look like authorized online retailers or outlet stores selling genuine JUSTIN ALEXANDER Products. *See Ter Saakov Decl.* at ¶¶ 6-7. Defendants use photographs protected by the JUSTIN ALEXANDER Copyrights with detailed product descriptions (often copied and pasted directly from Plaintiff’s Website). This particular Infringing Website adds a single letter to the domain as the sole distinguishing factor from Plaintiff’s Website. Thus, Plaintiff is likely to succeed on its claim for cyberpiracy.

4. Copyright Infringement

The evidence establishes that Plaintiff is likely to succeed on its claim for copyright infringement. Section 501(a) of Title 17 of the United States Code provides, in part, that “[a]nyone who violates . . . the exclusive rights of the copyright owner . . . is an infringer of the copyright.” Plaintiffs are generally entitled to various remedies for infringement, including injunctions, monetary damages, costs and attorney’s fees. 17 U.S.C. §§ 502, 504, 505. To establish a prima facie of copyright infringement, a plaintiff must prove two essential elements: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original. *Pickett v. Prince*, 52 F.Supp.2d 893, 900–01 (N.D. Ill. 1999) (*citing Feist Publications, Inc. v. Rural Tel. Serv.*, 499 U.S. 340, 361, 111 S.Ct. 1282 (1991); *see also Atari, Inc. v. North Am. Phillips Consumer Elecs. Corp.*, 672 F.2d 607, 614 (7th Cir. 1982). The registration of a copyright certificate creates a prima facie presumption of validity of a copyright. *See* 17 U.S.C. § 410(c). That presumption, however, is rebutted by evidence that disputes or rebuts the

plaintiff's prima facie case. *Runstadler Studios, Inc. v. MCM Ltd. Partnership*, 768 F.Supp. 1292 (N.D. Ill. 1991); *see also Mid America Title Co. v. Kirk*, 59 F.3d 719, 721 (7th Cir.1995). Similar to a claim for trademark infringement and counterfeiting, a moving party may obtain injunctive relief for copyright infringement upon demonstrating: (1) some likelihood of success on the merits; and (2) absence of an adequate remedy at law; and (3) that it will suffer irreparable harm absent injunctive relief. *JCW Investments, Inc. v. Novelty, Inc.*, 222 F.Supp.2d 1030, 1033 (N.D. Ill. 2002) (*citing Publications International, Ltd. v. Meredith Corp.*, 88 F.3d 473, 478 (7th Cir. 1996)). Furthermore, where copyright infringement has been established, there is a presumption that such infringement constitutes irreparable injury. *White v. Marshall*, 771 F.Supp.2d 952, 958 (E.D. Wis. 2011) (*citing Atari* at 607).

Here, Plaintiff has shown it is the exclusive owner of the original, copyrighted materials Defendants are infringing and has complied with all statutory formalities and requirements in obtaining the JUSTIN ALEXANDER Copyright. Amended Complaint at ¶ 23; Warshaw Decl. at ¶ 15. Plaintiff extensively uses the photographs protected by the JUSTIN ALEXANDER Copyright in connection with the marketing of its JUSTIN ALEXANDER Products on its Website; moreover, it has not authorized the Defendants to reproduce or otherwise display these images in any form whatsoever. *Id.* at ¶ 16. In this case, Defendants are liable to Plaintiff for copyright infringement as a result of Defendants stealing Plaintiff's original photographs protected by the JUSTIN ALEXANDER Copyright and republishing them on the Infringing Websites, resulting in a total of approximately 67,650 instances of copyright infringement. *See Ter Saakov Decl.* at ¶ 8; Warshaw Decl. at ¶ 22, Ex. 6. When comparing the original photographs protected by the JUSTIN ALEXANDER Copyright against the stolen images on Defendants' Infringing Websites, there is no doubt that Plaintiff has established a prima facie

case of copyright infringement against Defendants. Indeed, the overwhelming majority of the images are the **identical photographs** protected by the JU STIN ALEXANDER Copyright. *Id.* Thus, Plaintiff is likely to succeed on its claim for copyright infringement and has no adequate remedy at law and is entitled to injunctive relief.

5. Illinois Uniform Deceptive Trade Practices

The purpose of the Illinois Uniform Deceptive Trade Practice Act is to enjoin “trade practices which confuse or deceive the consumer.” *Popp v. Cash Station, Inc.*, 244 Ill.App.3d 87, 98, 613 N.E.2d 1150, 1156 (1st Dist.1992) (*quoting Greenberg v. United Airlines*, 206 Ill.App.3d 40, 46, 563 N.E.2d 1031, 1036 (1st Dist.1990)). Proof of a trademark infringement is sufficient to establish a violation of the Illinois Uniform Deceptive Trade Practices. *All Star Championship Racing, Inc. v. O’Reilly Auto. Stores, Inc.*, 940 F.Supp.2d 850, 871 (C.D. Ill. 2013). In Illinois, courts resolve unfair competition and deceptive trade practices claims “according to the principles set forth under the Lanham Act.” *Spex, Inc. v. Joy of Spex, Inc.*, 847 F. Supp. 567, 579 (N.D. Ill. 1994). Illinois courts look to federal case law and apply the same analysis to state infringement claims. *Id.* at 579 (citation omitted). The determination as to whether there is a likelihood of confusion is similar under both the Lanham Act and the Illinois Uniform Deceptive Trade Practices Act. *Am. Broad. Co. v. Maljack Prods., Inc.*, 34 F. Supp. 2d 665, 680–681 (N.D. Ill. 1998). Because Plaintiff has established a likelihood of success on the merits of its trademark infringement and copyright infringement claim against Defendants as set forth in Section II.A.1, *supra*, and the standard is the same under Illinois law, Plaintiff has established a likelihood of success on the merits for its Illinois Uniform Deceptive Trade Practices Act claim.

On its face, this case involves Defendants' false advertising of JUSTIN ALEXANDER Products on the Infringing Websites through their unlawful use of the JUSTIN ALEXANDER Trademarks and Copyright. However, Defendants' illegal scheme to hijack Plaintiff's brand and deceive unknowing consumers has many more layers than what is visible to those duped into purchasing Counterfeit Products. Defendants unfairly and deceitfully compete with Plaintiff through search engine optimization ("SEO") using counterfeits of the JUSTIN ALEXANDER Trademarks. *See* Warshaw Decl. at ¶ 18. In recent years, Plaintiff has spent significant amounts of money on its marketing strategy and consumer education efforts with the goal of increasing visibility on the Internet through search engines such as Google, Yahoo!, and Bing. *Id.* at ¶ 17. Plaintiff's SEO strategy attempts to fairly and legitimately educate consumers about the JUSTIN ALEXANDER brand so that consumers understand the value of JUSTIN ALEXANDER Products and highlight counterfeiting of the JUSTIN ALEXANDER Trademarks. *Id.* Defendants have not only hijacked Plaintiff's brand by stealing the JUSTIN ALEXANDER Trademarks and copyrighted images to sell Counterfeit Products, but they have compounded their illegal activities by engaging in "black hat" SEO strategies based upon their illegal use of the JUSTIN ALEXANDER Trademarks and by creating a counterfeit marketplace in parallel to Plaintiff's legitimate online marketplace. *Id.* at ¶ 18. Defendants use unauthorized knockoffs of the Justin Alexander name and its trademarks within the content, anchor text, and/or meta tags of the Infringing Websites in order to attract the automated eye of various search engines crawling the Internet looking for websites relevant to consumer searches for JUSTIN ALEXANDER Products. *Id.*; *see also* Ter Saakov Decl. at ¶ 7. Such illegal use results in unfair competition for JUSTIN ALEXANDER when competing for visibility on the Internet and deceives consumers into falsely believing they are buying legitimate JUSTIN ALEXANDER Products from these

sites. Warshaw Decl. at ¶ 18. Thus, the record establishes that Plaintiff is likely to succeed on its claim under the Illinois Uniform Deceptive Trade Practices Act.

B. Defendants' Sale of Counterfeit Products Irreparably Harms Plaintiff and there is No Adequate Remedy at Law

The Seventh Circuit has “clearly and repeatedly held that damage to a trademark holder's goodwill can constitute irreparable injury for which the trademark owner has no adequate legal remedy.” *Re/Max N. Cent., Inc. v. Cook*, 272 F.3d 424, 432 (7th Cir. 2001) (citing *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 469 (7th Cir. 2000); *Meridian Mut. Ins. Co. v. Meridian Ins. Group, Inc.*, 128 F.3d 1111, 1114 (7th Cir. 1997); *Wesley–Jessen Division of Schering Corp. v. Bausch & Lomb Inc.*, 698 F.2d 862, 867 (7th Cir. 1983). The law presumes that “injuries arising from trademark infringement are irreparable.” *Abbott Labs* at 16. Irreparable injury “almost inevitably follows” when there is a high probability of confusion because such injury “may not be fully compensable in damages.” *Helene Curtis Industries, Inc. v. Church & Dwight Co., Inc.*, 560 F.2d 1325, 1332 (7th Cir. 1977) (citation omitted). “It is virtually impossible to ascertain the precise economic consequences of intangible harms, such as damage to reputation and loss of goodwill, caused by such violations.” *Abbott Labs* at 16. “The most corrosive and irreparable harm attributable to trademark infringement is the inability of the victim to control the nature and quality of the defendants' goods.” *Int'l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d 1079, 1092 (7th Cir. 1988). As such, monetary damages are likely to be inadequate compensation for such harm. *Ideal Indus., Inc. v. Gardner Bender, Inc.*, 612 F.2d 1018, 1026 (7th Cir. 1979).

Here, Plaintiff has readily demonstrated it is suffering irreparable harm. It has demonstrated the substantial goodwill it has amassed in the JUSTIN ALEXANDER Trademarks as well as the irreparable injury it is suffering from Defendants' operation of the Infringing

Websites that illegally display Plaintiff's original images to pass off Counterfeit Products as genuine. *See* Warshaw Declaration at ¶¶ 23-27. Defendants have hijacked Plaintiff's goodwill and reputation in a concerted effort to deceive consumers into buying the Counterfeit Products. In this regard, remedies at law, such as money damages, are inadequate to compensate for Plaintiff's injuries that result from Defendants' illegal counterfeiting activities. Thus, Plaintiff is entitled to the requested relief in the form of a Temporary Restraining Order.

C. The Balance of Hardships Unequivocally Weighs in Plaintiff's Favor

Plaintiff has established the required likelihood of success respecting Defendants' liability for trademark counterfeiting and unfair competition. This Court must balance Plaintiff's clear harm from the denial of a Temporary Restraining Order against potential harm Defendants may suffer from granting an injunction that would not be cured by prevailing on the merits and recovering on the injunction bond that Plaintiff is required to post. As established by the evidence, the harm to Plaintiff is immeasurable and irreparable, whereas the potential harm to Defendants is virtually nonexistent.

As willful infringers, Defendants are entitled to little equitable consideration. "When considering the balance of hardships between the parties in infringement cases, courts generally favor the trademark owner." *Krause Int'l Inc. v. Reed Elsevier, Inc.*, 866 F. Supp. 585, 587-88 (D.D.C. 1994). This is because "[o]ne who adopts the mark of another for similar goods acts at his own peril since he has no claim to the profits or advantages thereby derived." *Burger King Corp. v. Majeed*, 805 F. Supp. 994, 1006 (S.D. Fla. 1992) (internal quotation marks omitted). Therefore, the balance of harms "cannot favor a defendant whose injury results from the knowing infringement of the plaintiff's trademark." *Malarkey-Taylor Assocs., Inc. v. Cellular Telecomms. Indus. Ass'n*, 929 F. Supp. 473, 478 (D.D.C. 1996). Balancing the harms "involves

a two-step process. First the court must assess the plaintiff's chance of success. Next it must balance the hardships in accordance with this determination." *Ty, Inc.* at 896; citing *Storck USA, L.P. v. Farley Cando Co.*, 14 F.3d 311, 314 (7th Cir. 1994).

Here, Defendants' continued unauthorized use by Defendants of the JUSTIN ALEXANDER Trademarks on the Infringing Websites to advertise and promote the sale of the Counterfeit Products further threatens Plaintiff's reputation through diminished goodwill and brand confidence, its ability to control the quality and appearance of products bearing the JUSTIN ALEXANDER Trademarks, loss of exclusivity, and loss of future sales. The potential harm to Defendants, on the other hand, is purely monetary. Defendants have no legitimate interest whatsoever in selling Counterfeit Products or otherwise using the JUSTIN ALEXANDER Trademarks and Plaintiff's original images protected by the JUSTIN ALEXANDER Copyright without its permission. Thus, the balance of hardships decidedly tips in Plaintiff's favor and warrants granting its request for equitable relief.

D. An Injunction is in the Public Interest

An injunction under the circumstances presented in this case is in the public interest because it will prevent consumer confusion and stop Defendants from violating federal trademark and copyright laws. Defendants knowingly deceive the public into thinking Defendants are operating the Infringing Websites with Plaintiff's approval and endorsement. An injunction serves the public interest in this case "because enforcement of the trademark laws prevents consumer confusion." *Lettuce Entertain You Enters., v. Leila Sophia AR, L.L.C.*, 703 F.Supp.2d 777, 791 (N.D. Ill. 2010); see also *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 459 (7th Cir. 2000). Federal courts have long held that "the trademark laws . . . are concerned not alone with the protection of a property right existing in an individual, but also with the protection of the public from fraud and deceit." *Stahly, Inc. v. M.H. Jacobs Co.*, 183

F.2d 914, 917 (7th Cir. 1950) (citations omitted); *see also Shashi, Inc. v. Ramada Worldwide, Inc.*, No. Civ.A. 7:05CV00016, 2005 WL 552593, at *4 (W.D. Va. Mar. 1, 2005) (“It is in the best interest of the public for the court to defend the integrity of the intellectual property system and to prevent consumer confusion”).

In this case, the injury to the public is significant, and the injunctive relief that Plaintiff seeks is specifically intended to remedy that injury by dispelling the public confusion created by Defendants’ actions. The public has the right not to be confused and defrauded as to the source of the goods and services offered by Defendants, or as to the identity of the owner of trademarks and service marks used in connection with those goods. Unless Defendants’ unauthorized use of the JUSTIN ALEXANDER Trademarks is enjoined, the public will continue to be confused and misled by Defendants’ conduct.

Therefore, Plaintiff respectfully submits that granting its Motion for TRO is in the public interest.

III. THE EQUITABLE RELIEF PLAINTIFF IS SEEKING IS APPROPRIATE

In addition to this Court’s inherent authority to issue injunctive relief, the Lanham Act authorizes courts to issue injunctive relief “according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark . . .”. 15 U.S.C. § 1116(a). Furthermore, Fed. R. Civ. P. 65(b) provides that a court may issue a temporary restraining order without notice where facts show that the movant will suffer immediate and irreparable injury, loss, or damage before the adverse party can be heard in opposition. Moreover, under Fed. R. Civ. P. 65(d)(2)(C), this Court has the power to bind any third parties, such as domain name registries and financial institutions, who are in active concert

with the Defendants or who aid and abet Defendants and are given actual notice of the order. The facts in this case warrant such relief.

A. Plaintiff's Request for a Temporary Restraining Order Immediately Enjoining Defendants' Unauthorized and Unlawful Use of Plaintiff's Trademarks and Copyright is Appropriate

Plaintiff requests an order requiring the Defendants to immediately cease all use of the JUSTIN ALEXANDER Trademarks and images protected by the JUSTIN ALEXANDER Copyrights on or in connection with all Infringing Websites. Such relief is necessary to stop the ongoing harm to the JUSTIN ALEXANDER Trademarks, JUSTIN ALEXANDER Copyright, Plaintiff's brand and associated goodwill, as well as harm to consumers, and to prevent the Defendants from continuing to benefit from their unauthorized use of Plaintiff's intellectual property. The need for *ex parte* relief is magnified in today's global economy where counterfeiters can operate over the Internet anonymously. Plaintiff is currently unaware of both the true identities and locations of the Defendants, as well as other websites operated by Defendants used to distribute Counterfeit Products.

Many courts have authorized immediate injunctive relief in similar cases involving the unauthorized use of trademarks and counterfeiting. Courts have authorized immediate injunctive relief after considering the public interest and Congressional intent behind the Lanham Act. *See, e.g., Deckers Outdoor Corp. v. Chen Bing, et al.*, No. 1:15-cv-09212 (N.D. Ill. Oct. 28, 2015) (unpublished) (granting *ex parte* temporary restraining order including a temporary injunction, a temporary transfer of the defendant domain names, a temporary asset restraint, expedited discovery, and service of process by email and electronic publication); *River Light V, LP, et al. v. Yu Wen Peng, et al.*, No. 1:15-cv-08967 (N.D. Ill. Oct. 20, 2015) (unpublished) (same); *Monster Energy Co. v. The Partnerships, et al.*, No. 1:15-cv-09142 (N.D. Ill. Oct. 15, 2015)

(unpublished) (same); *Richemont Int'l, et al. v. Jing Mi Ling, et al.*, No. 1:15-cv-07482 (N.D. Ill. Sept. 8, 2015) (unpublished) (same); *PhD Marketing, Inc., et al. v. Dongguan Betos Electronic Co., et al.*, No. 1:15-cv-07660 (N.D. Ill. Sept. 10, 2015) (unpublished) (same); *Lululemon Athletica Canada, Inc. v. Zai Dao Li, et al.*, No. 1:15-cv-07721 (N.D. Ill. Sept. 15, 2015) (unpublished) (same); *Performance Health Systems, LLC v. Yongkang Union Indus. Co., Ltd., et al.*, No. 1:15-cv-07932 (N.D. Ill. Sept. 25, 2015) (unpublished) (same); *Burberry Ltd., et al. v. Weng Jungpeng, et al.*, No. 1:15-cv-07994 (N.D. Ill. Oct. 15, 2015) (unpublished) (same); *Luxottica Group S.p.A. v. Zhang Yufeng, et al.*, No. 1:15-cv-08245 (N.D. Ill. Sept. 30, 2015) (unpublished) (same); *River Light V, L.P., et al. v. Zhangyali, et al.*, No. 1:15-cv-05918 (N.D. Ill. July 10, 2015) (unpublished) (same); *Oakley, Inc. v. Zhang Yiyi, et al.*, No. 1:15-cv-05963 (N.D. Ill. July 16, 2015) (unpublished) (same); *Richemont Int'l SA, et al. v. Chen Mei, et al.*, No. 1:15-cv-05991 (N.D. Ill. July 17, 2015) (unpublished) (same); *Luxottica Group S.p.A. v. Chen Xiaomin, et al.*, No. 1:15-cv-06197 (N.D. Ill. July 27, 2015) (unpublished) (same); *Guru Demin Inc. d/b/a True Religion Brand Jeans*, No. 1:15-cv-06220 (N.D. Ill. July 23, 2015) (unpublished) (same); *Christian Dior Couture, S.A. v. Lei Liu, et al.*, No. 1:15-cv-06234 (N.D. Ill. July 27, 2015) (unpublished) (same); *Am. Bridal & Prom Indus. Ass'n, et al. v. affordablebridaldress.com, et al.*, No. 3-14-cv-2311-AET-LHG (D.N.J. Sept. 24, 2014) (unpublished) (same); *Sherri Hill, et al. v. John Doe 1 a/k/a Wang Qinghe*, No. 1:12-cv-3014 (S.D.N.Y. Apr. 18, 2012) (unpublished) (same); *Chanel, Inc. v. The Partnerships, et al.*, No. 2:11-cv-01508-APG-PAL (D. Nev. Sept. 26, 2011) (unpublished) (same); *Tiffany (NJ), LLC v. Liu Zheng, et al.*, No. 0-11-cv-60171-CMA (S.D. Fla. Feb. 2, 2011) (hereinafter, collectively referred to as the *The Counterfeit Website Cases*²); see also *Kraft Food Holdings, Inc. v. Helm*,

² Genuine and authentic copies of the unpublished decisions from *The Counterfeit Website Cases* are attached to the Declaration of Richard J. Holmes as Exhibit 6.

205 F. Supp. 2d 942, 956 (N.D. Ill. 2002) (granting preliminary injunction requiring defendant to “immediately” remove all references to version of plaintiff’s mark, including removing all references “from metatags, metanames or any other keywords on his websites”); *U.S. v. Puerto Rico Sewer Authority*, No. 06-1624(PG), 2009 WL 1935851, at *2 (D.P.R. June 26, 2009) (“[t]he ex parte temporary restraining order is indispensable to the commencement of an action when it is the sole method of preserving a state of affairs in which the court can provide effective final relief.”) (quoting 11 Charles A. Wright and Arthur R. Miller, *Federal Practice and Procedure* § 2951 at 500–501 (1973)).

In this case, Defendants’ primary method of driving consumer traffic to the Infringing Websites and maximizing sales of the Counterfeit Products is through the unlawful use of the JUSTIN ALEXANDER Trademarks and displaying stolen images protected by the JUSTIN ALEXANDER Copyright. Through their unlawful actions, Defendants have infringed upon the JUSTIN ALEXANDER Trademarks approximately 1,240,000 times and infringed upon the JUSTIN ALEXANDER Copyright approximately 67,650 times, generating estimated monthly sales of \$1,167,558.00. *See* Ter Saakov Decl. at ¶ 8. Moreover, Defendants will not be harmed if they are enjoined from using Plaintiff’s trademarks because minimal effort and cost would be involved in transferring the domain name to Plaintiff’s control, as discussed in Subsection B, *infra*. If immediate injunctive relief is granted, any inconvenience or confusion experienced by users trying to locate Plaintiff’s website will be minimized, a primary goal of the Lanham Act. In balancing the harms to the parties, any likelihood of harm to Defendants is significantly outweighed by the likelihood of harm to Plaintiffs if immediate injunctive relief is not issued. Thus, an order enjoining Defendants from using any of the JUSTIN ALEXANDER Trademarks

and images protected by the JUSTIN ALEXANDER Copyrights to promote their counterfeiting scheme is warranted.

B. An Order Temporarily Transferring Infringing Websites to Plaintiff's Control is Appropriate

Plaintiff also seeks an order temporarily disabling the Infringing Websites and electronically publishing notice of this case to Defendants. Defendants involved in domain name litigation easily can and often will immediately set up a redirect for their website which essentially informs a search engine that the website being crawled has permanently moved to another domain and instructs the search engine to divert traffic to the other website. *See* Ter Saakov Declaration at ¶ 11. Accordingly, to preserve the status quo and ensure the possibility of eventual effective relief, courts in trademark cases involving domain names regularly grant the relief requested herein. *See, e.g., The Counterfeit Website Cases, supra; see also Deckers Outdoor Corp. v. P'sips and Unincorporated Assoc., No. 13 C 2167, 2013 WL 1337616, at *9 (N.D. Ill. Mar. 27, 2013)* (“Absent a transfer of domain names to the Plaintiff, the Defendants in this case may be able to evade the Court’s restraining order by changing ownership of the domain name and continuing to operate their online marketplaces while this case is pending.”).

In this case, it is highly likely if not altogether certain that Defendants will quickly and easily transfer ownership of the Infringing Websites upon receiving notice of this action unless they are enjoined from doing so. Indeed, Plaintiff has submitted evidence of common tactics used by online counterfeiters like the Defendants to evade detection and accountability for their illegal acts. *See* Ter Saakov Decl. at ¶¶ 11–13. Thus, Plaintiff respectfully requests that an order requiring the relevant registries and/or registrars for the Infringing Websites to temporarily transfer ownership of the Infringing Websites to the Plaintiff’s control and place the Infringing Websites on registry lock and hold status be granted.

C. An Order Preventing the Fraudulent Transfer of Assets is Appropriate

Under the Lanham Act, a successful plaintiff is entitled, “subject to the principles of equity, to recover (1) defendant’s profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action.” 15 U.S.C. § 1117(a). Pursuant to this provision, Plaintiff’s Complaint includes a request for an accounting of defendants’ profits. *See* Amended Complaint at ¶ 11, p.20³. As the Supreme Court has explained in the trademark context, “[t]he infringer is required *in equity* to account for and yield up his gains to the true owner . . . [P]rofits are then allowed as an equitable measure of compensation.” *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251, 259, 36 S.Ct. 269, 60 L.Ed. 629 (1916); *see also Levi Strauss & Co. v. Sunrise Int’l Trading Inc.*, 51 F.3d 982, 987 (11th Cir. 1995) (“A request for equitable relief [under the Lanham Act] invokes the district court’s inherent equitable powers to order preliminary relief, including an asset freeze, in order to assure the availability of permanent relief.”). Because “it is essential that the trial courts carefully fashion remedies which will take all the economic incentive out of trademark infringement, . . . courts must implement fully the requirement of § 1117(a)(1) [allowing plaintiff] to recover (1) defendant’s profits . . .” *Playboy Enter., Inc. v. Baccarat Clothing Co.*, 692 F.2d 1272, 1275 (9th Cir. 1982); *see also Monster Energy Co. v. The Partnerships, et al.*, No. 1:15-cv-09142, at p.5 (N.D. Ill. Oct. 22, 2015) (unpublished) (granting plaintiff’s request for a prejudgment asset freeze in an action arising under the Lanham Act and stating “[t]o the extent that the restraint might be too broad, the defendants may file challenges to the scope of the TRO by submitting evidence that some or all of the money has other sources.”).

³ Under the liberal notice pleading rule, Plaintiff is not required to state whether it seeks only an equitable accounting of profits or delineate in detail the contours of its claims. Preliminary injunctive relief is appropriate where, as here, the plaintiff has “the option of seeking either statutory damages, actual damages, or an accounting and profits remedy” and seeks an accounting “in the alternative in its initial complaint.” *CSC Holdings, Inc. v. Redisi*, 309 F.3d 988, 996 (7th Cir. 2002).

Here, the record establishes that Defendants' sole purpose in operating the Infringing Websites is to hijack Plaintiff's brand and goodwill in order to sell imitation knockoffs to unknowing consumers. Through their illegal operations, Defendants have infringed upon the JUSTIN ALEXANDER Trademarks approximately 1,240,000 times and infringed upon the JUSTIN ALEXANDER Copyright approximately 67,650 times. *See Ter Saakov Decl.* at ¶ 8. Based on the collective traffic that the Infringing Websites generate, the combined monthly sales is estimated to be \$1,167,558.00. *Id.* Defendants have clearly profited from their illegal activities and Plaintiff is therefore entitled to equitable relief restraining any funds from Defendants' ill-gotten counterfeiting operations. Thus, in order to fully implement to goal and requirements set forth in § 1117(a)(1), Plaintiff is entitled to a prejudgment asset freeze in order to recover Defendants' profits as a form of equitable relief.

D. Plaintiff is Entitled to Expedited Discovery

The United States Supreme Court has held that "federal courts have the power to order, at their discretion, the discovery of facts necessary to ascertain their competency to entertain the merits." *Vance v. Rumsfeld*, No. 06 C 6964, 2007 WL 4557812, at *6 (N.D. Ill. Dec. 21, 2007) (*quoting Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 351, 98 S.Ct. 2380, 57 L.Ed.2d 253 (1978)). District courts have broad power to require early document production and to permit expedited discovery. Fed. R. Civ. P. 30(b); Fed. R. Civ. P. 34(b). Expedited discovery is frequently available when preliminary relief is sought. *Ellsworth Associates v. United States*, 917 F.Supp. 841, 844 (D.D.C. 1996). In cases where courts provide for expedited discovery, plaintiff should be required to demonstrate (1) irreparable injury; (2) some probability of success on the merits; (3) some connection between the expedited discovery and the avoidance of the irreparable injury; and (4) some evidence that the injury that will result without expedited

discovery looms greater than the injury that the defendant will suffer if the expedited relief is granted. *Crown Crafts, Inc. v. Aldrich*, 148 F.R.D. 151, 152 (E.D.N.C. 1993) (citing *Notaro v. Koch*, 95 F.R.D. 403, 405 (S.D.N.Y. 1982)). In *Deckers Outdoor*, the Court used a “good cause” standard, in which the court may order discovery of any matter relevant to the subject matter involved in the action. *Deckers Outdoor* at *10. Because the defendants in *Deckers Outdoor* had gone to great lengths to conceal their identities and avoid detection, expedited discovery was appropriate to discover the defendants’ bank accounts and to serve the financial institutions maintaining those bank accounts. *Id.*

In this case, Plaintiff is being irreparably harmed by the manufacture, importation, offering for sale, distribution and sale of Counterfeit Products by Defendants driven largely by Defendants’ illegal use of the JUSTIN ALEXANDER Trademarks and stolen images protected by the JUSTIN ALEXANDER Copyright, thus satisfying the “good cause” standard warranting expedited discovery. Although Plaintiff has learned some aspects of Defendants’ counterfeiting activities, Plaintiff does not yet know the following information with any certainty: the true identities of Defendants, the scope of Defendants’ counterfeiting activities, the source and location of the Counterfeit Products, or where the proceeds from Defendants’ counterfeiting activities have gone. Plaintiff, therefore, needs to ascertain this critical information from third parties who are assisting Defendants’ illegal operations without delay. The discovery Plaintiff requests on an expedited basis in the Proposed Sealed Order has been precisely defined and carefully limited to include only what is essential to prevent further irreparable harm to Plaintiff, namely information relating to Defendants’ true identities and identification of various websites, third party registrars and hosting providers, and financial accounts used in conjunction with the sale of Counterfeit Products through the Infringing Websites. As described above, Defendants

are using third-party payment processors such as Visa®, MasterCard®, and PayPal®, which helps to increase their anonymity by interposing a third party between the consumer and Defendants. *See* Ter Saakov Decl. at ¶ 6. Without being able to discover Defendants' bank and payment system accounts, any asset restraint would be of limited value because Plaintiff would not know the entities upon whom to serve the order. Discovery of these financial accounts, coupled with Defendants' identities and information relating to Defendants' Infringing Websites and other illegal operations, will ensure that Plaintiff obtains the appropriate relief to terminate these illegal activities and obtain an accounting of Defendants' profits pursuant to 15 U.S.C. § 1117(a). Plaintiff is unaware of any reason that Defendants or third parties that are indirectly supporting these activities cannot comply with these expedited discovery requests without undue burden. Thus, Plaintiff respectfully requests an order for expedited discovery in this matter.

E. Service of Process by E-mail and Electronic Publication Is Warranted and Necessary in this Case because Defendants have Purposefully Concealed Their True Identities in Registering the Infringing Websites and Rely Primarily on Electronic Communications to Communicate with Registrars and Customers

Fed. R. Civ. P. 4 provides flexibility governing the procedures for giving defendants notice of commencement of an action in order to eliminate unnecessary technicalities in the service of process. *See* C. Wright & A. Miller, *Federal Practice and Procedure* § 1061, at 261 (2d ed. 1987). Service via e-mail and electronic publication is appropriate when a defendant provides a false name and physical address information in their domain name in order to conceal their location and avoid liability for their unlawful conduct, when defendants rely primarily on electronic communications to communicate with their registrars and customers, demonstrating that electronic service would be a reliable means of apprising the defendants, and when the plaintiff is unable to determine the exact physical whereabouts or identities of the registrants of

the domain names being used to operate defendant's online marketplaces. *Decker Outdoor* at *9. This is exactly the situation presented in the case at bar.

Here, just like the defendants in *Deckers Outdoor* and *The Infringing Website Cases*, the Defendants provide bogus information regarding their actual names and physical address in connection with registering the Infringing Websites. *See* Holmes Decl. at ¶ 8; Ter Saakov Decl. at ¶ 9. Indeed, such deceitful conduct perpetuates Defendants' unlawful scheme in operating the Infringing Websites to sell Counterfeit Products. Thus, service by email and electronic publication is warranted under these circumstances.

Pursuant to Fed. R. Civ. P. 4(f)(3), Plaintiff requests an order allowing service of process by electronically publishing a link to the Complaint, Plaintiff's Motion for TRO, and all other relevant documents Plaintiff filed upon commencing this action on a website to which the Infringing Websites that are transferred to Plaintiff's control will redirect, and by sending an e-mail to the e-mail addresses identified in Schedule "A" to Plaintiff's Amended Complaint that includes a link to said website. Plaintiff respectfully submits that the combination of providing notice via electronic publication and e-mail, along with any notice that Defendants receive from domain name registrars and payment processors, is reasonably calculated under all circumstances to apprise Defendants of the pendency of the action and afford them the opportunity to appear and present their objections to this action; moreover, an order allowing service of process solely via e-mail and electronic publication in this case will benefit all parties and the Court by ensuring that Defendants receive prompt notice of this action. Absent the ability to serve the Defendants in this manner, Plaintiff will almost certainly be left without the ability to pursue a final judgment.

Under Section 3.7.7.1 of the Registrar Accreditation Agreement established by the Internet Corporation for Assigned Names and Numbers (“ICANN”), an individual or entity that registers a domain name is required to provide “accurate and reliable contact details and promptly correct and update them during the term of the . . . registration, including . . . postal address.” *See* Holmes Declaration at ¶ 4. An investigation of the WHOIS information for each of the Infringing Websites for which registration information is available reveals that Defendants have ignored the applicable ICANN regulations and provided false physical address information to the domain name registrars in order to avoid full liability. *Id.* at ¶ 5. For example, many of Defendants’ names and addresses used to register the Infringing Websites are incomplete, contain randomly typed letters, fail to include cities or states, or use a privacy service that conceals this information. *Id.* Identical contact information among multiple domain names also suggests that many of the aliases used to register the Infringing Websites are used by the same individual or entity. *Id.* Despite providing false physical addresses, the registrants of the Infringing Websites must generally provide an accurate e-mail address so that their registrars may communicate with them regarding issues related to the purchase, transfer, and maintenance of the various accounts. Moreover, it is necessary for merchants, such as the registrants of the Infringing Websites, who operate entirely online, to visit their online marketplace to ensure it is functioning and to communicate with customers electronically. As such, it is far more likely that Defendants can be served electronically than through traditional service of process methods.

Although Plaintiff is unable to determine the exact physical whereabouts or identities of the registrants of the Infringing Websites because Defendants provided false registration data for the Infringing Websites, Plaintiff has good cause to suspect the registrants of the Infringing Websites are all residents of China. The United States and the People’s Republic of China are

both signatories to the Hague Convention on the Service Abroad of Judicial and Extra-Judicial Documents in Civil and Commercial Matters (the “Convention”). *Id.* at ¶ 6. The Hague Convention does not preclude service by email, and the declarations to the Hague Convention filed by China do not appear to expressly prohibit email service. *Id.* Additionally, according to Article 1 of the Hague Convention, the “convention shall not apply where the address of the person to be served with the document is not known.” *Id.* As such, United States District Courts, including in this District, routinely permit alternative service of process notwithstanding the applicability of the Hague Convention. *See Title Trading Services USA, Inc. v. Kundu, et al.*, No. 3:14-cv-225-RJC-DCK, 2014 WL 4053571, at *2 (W.D.N.C. Aug. 15, 2014) (“Courts have interpreted Rule 4(f)(3) to allow for any means of service that provides reasonable assurance that the defendant will be provided notice of the lawsuit, and is not prohibited by an international agreement.”); *see also In re LDK Solar Secs. Litig.*, No. C 07-05182 WHA, 2008 WL 2415186, at *2 (N.D. Cal. Jun. 12, 2008) (authorizing alternative means of service on Chinese defendants without first attempting “potentially fruitless” service through the Hague Convention’s Chinese Central Authority); *Nanya Tech. Corp. v. Fujitsu Ltd.*, No. CIV 06-00025, 2007 WL 269087, at *6 (D. Guam Jan. 26, 2007) (noting that the Hague Convention, to which Japan is a signatory, did not prohibit e-mail service upon Japanese defendant); *Popular Enters., LLC v. Webcom Media Group, Inc.*, 225 F.R.D. 560, 562 (E.D. Tenn. 2004) (recognizing that, while “communication via e-mail and over the internet is comparatively new, such communication has been zealously embraced within the business community”). *See generally* Jeremy A. Colby, *You’ve Got Mail: The Modern Trend Towards Universal Electronic Service of Process*, 51 *Buff. L. Rev.* 337, 353 (2003) (“[I]n many instances, court must examine the Hague Convention to ascertain whether to permit electronic service of process. The advisory

committee's notes for F.R.C.P. 4(f)(3) confirm as much by stating that 'the court may direct a special method of service not explicitly authorized by international agreement if not prohibited by the agreement.'). As such, Plaintiff respectfully requests this Court's permission to serve Defendants via email and electronic publication.

Federal Rule of Civil Procedure 4(f)(3) allows this Court to authorize service of process by any means not prohibited by international agreement as the Court directs. *Rio Props., Inc. v. Rio Int'l Interlink*, 284 F.3d 1007, 1014 (9th Cir. 2002). In *Rio Properties*, the court held, "without hesitation," that e-mail service of an online business defendant "was constitutionally acceptable." *Id.* at 1017. The court reached this conclusion, in part, because the defendant conducted its business over the Internet, used e-mail regularly in its business, and encouraged parties to contact it via e-mail. *Id.* Similarly, other courts, including the Northern District of Illinois, have held that alternate forms of service pursuant to Rule 4(f)(3), including e-mail service, are appropriate and may be the only means of effecting service of process "when faced with an international ebusiness scofflaw." *Id.* at 1018; e.g., *The Counterfeit Website Cases*, *supra*; see also *MacLean-Fogg Co. v. Ningbo Fastlink Equip. Co., Ltd.*, No. 08 CV 2593, 2008 WL 5100414, at *2 (N.D. Ill. Dec. 1, 2008) (finding e-mail and facsimile service appropriate); *Popular Enters., LLC v. Webcom Media Group, Inc.*, 225 F.R.D. 560, 563 (E.D. Tenn. 2004) (quoting *Rio*, 284 F.3d at 1018) (allowing e-mail service); *New Eng. Merchants Nat'l Bank v. Iran Power Generation & Transmission Co.*, 495 F. Supp. 73, 81 (S.D.N.Y. 1980) ("[Iran's] conduct can only be interpreted as an intentional avoidance . . . of service of process in an effort to frustrate the instant suits. Justice demands that a substitute form of service be formulated one calculated to provide defendants with adequate notice of the pendency and nature of the instant suits." (citing *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 291 (1980))); *Popular*

Enters., LLC v. Webcom Media Group, Inc., 225 F.R.D. 560, 563 (E.D. Tenn. 2004) (quoting *Rio*, 284 F.3d at 1018) (allowing e-mail service). Plaintiff submits that allowing service solely by e-mail and electronic publication in the present case is appropriate and comports with constitutional notions of due process, particularly given the decision by the registrants of the Infringing Websites to deceitfully conduct their Internet-based activities anonymously.

Furthermore, Rule 4 does not require that a party attempt service of process by other methods enumerated in Rule 4(f) before petitioning the court for alternative relief under Rule 4(f)(3). *Rio Props. v. Rio Intern. Interlink*, 284 F.3d 1007, 1014-15 (9th Cir. 2002). As the *Rio Properties* Court explained, Rule 4(f) does not create a hierarchy of preferred methods of service of process. *Id.* at 1014. To the contrary, the plain language of the Rule requires only that service be directed by the court and not be prohibited by international agreement. There are no other limitations or requirements. *Id.* Alternative service under Rule 4(f)(3) is neither a “last resort” nor “extraordinary relief,” but is rather one means among several by which an international defendant may be served. *Id.* Email service is also the most reliable way of putting Defendants on notice of this action. Service by email would serve the interests of justice, not to mention the principles of fairness. Accordingly, the Court should grant Plaintiff’s leave to serve the Defendants with the Summons and Amended Complaint, as well as this Court’s Order and supporting documents, via the email addresses listed in the Proposed Sealed Order.

IV. A BOND SHOULD SECURE THE RELIEF PLAINTIFF IS SEEKING

The posting of security upon issuance of a temporary restraining order or preliminary injunction is vested in the Court’s sound discretion. *Rathmann Grp. v. Tanenbaum*, 889 F.2d 787, 789 (8th Cir. 1989); Fed. R. Civ. P. 65(c). Because of the strong and unequivocal nature of Plaintiff’s evidence of counterfeiting, copyright infringement, and unfair competition, Plaintiff

respectfully requests that this Court require Plaintiff to post a bond of no more than Ten Thousand Dollars (U.S.) and No Cents (\$10,000.00). *See, e.g., The Counterfeit Website Cases, supra* (requiring plaintiffs to post a \$10,000.00 bond); *see also Arkansas Best Corp. v. Carolina Freight Corp.*, 60 F.Supp.2d 517, 521 (W.D.N.C. 1999) (“[T]he district court is vested with wide discretion in determining the amount of an injunction bond and should be guided by the purpose underlying Rule 65(c), which is to provide a mechanism for reimbursing an enjoined party for harm it suffers as a result of an improvidently issued injunction or restraining order.”)

Here, Plaintiff has submitted unequivocal evidence of Defendants’ unlawful activities involving counterfeiting, copyright infringement, cyberpiracy and unfair competition that will immediately and irreparably harm Plaintiff and the general public if such illegal conduct is not temporarily enjoined. *See* Warshaw Decl. at ¶¶ 25–30; Exhibits 5–6. It bears repeating that in this case, Defendants have collectively infringed upon the JUSTIN ALEXANDER Trademarks 1,240,000 times and the JUSTIN ALEXANDER Copyright 67,650 times. *Id.*; *see also* Ter Saakvo Decl. at ¶ 8. Thus, Plaintiff respectfully requests that this Court require Plaintiff to post a bond of no more than ten thousand dollars (U.S.) and no cents (\$10,000.00) to secure the injunctive relief that Plaintiff is seeking.

CONCLUSION

Defendants’ counterfeiting operations are irreparably harming Plaintiff’s business, its brand and the general public. Without entry of the requested relief, Defendants’ operation of the Infringing Websites will continue to lead prospective purchasers and others to believe that Defendants’ Counterfeit Products have been manufactured by or emanate from Plaintiff, when in fact, they have not. Therefore, entry of an *ex parte* order is necessary to protect Plaintiff’s trademark and copyright rights, to prevent further harm to Plaintiff and the general public, and to

preserve the status quo. In view of the foregoing and consistent with precedent of this Judicial District, Plaintiff respectfully requests that this Honorable Court issue: (i) a Temporary Restraining Order against Defendants enjoining the manufacture, importation, distribution, offer for sale, and sale of the Counterfeit Products at issue on this application; (ii) an Order temporarily disabling the Infringing Websites including those located at Defendants' domain names containing Plaintiff's trademarks, (iii) an Order temporarily restricting transfer of Defendants' assets to preserve Plaintiffs' right to an equitable accounting; (iv) an Order for expedited discovery allowing Plaintiffs to access, inspect, and copy Defendants' records relating to the manufacture, distribution, offer of sale, and sale of the counterfeit products and Defendants' financial accounts; and (v) an Order allowing service on Defendants by electronic mail and electronic publication. In view of the foregoing and consistent with established precedent from previous similar cases, Plaintiff respectfully requests that this Court enter a Temporary Restraining Order in the form submitted herewith.

Dated this 9th day of November, 2015.

Respectfully submitted,

s/ R. Mark Halligan

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