

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

ELENCO ELECTRONICS, INC.,

Plaintiff,

v.

THE PARTNERSHIPS and
UNINCORPORATED ASSOCIATIONS
IDENTIFIED ON SCHEDULE “A”,

Defendants.

Case No. 20-cv-04933

COMPLAINT

Plaintiff Elenco Electronics, Inc. (“Elenco” or “Plaintiff”) hereby brings the present action against the Partnerships and Unincorporated Associations identified on Schedule A attached hereto (collectively, “Defendants”) and alleges as follows:

I. JURISDICTION AND VENUE

1. This Court has original subject matter jurisdiction over the claims in this action pursuant to the provisions of the Lanham Act, 15 U.S.C. § 1051, *et seq.*, 28 U.S.C. § 1338(a)–(b) and 28 U.S.C. § 1331.

2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over Defendants since each of the Defendants directly targets business activities toward consumers in the United States, including Illinois, through at least the fully interactive e-commerce stores¹ operating under the seller aliases identified in Schedule A attached hereto (the “Seller Aliases”). Specifically, Defendants have targeted sales to

¹ The e-commerce store urls are listed on Schedule A hereto under the Online Marketplaces.

Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more Seller Aliases, offer shipping to the United States, including Illinois, accept payment in U.S. dollars and, on information and belief, have sold products using infringing and counterfeit versions of Elenco's federally registered trademarks to residents of Illinois. Each of the Defendants is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Elenco substantial injury in the State of Illinois.

II. INTRODUCTION

3. This action has been filed by Elenco to combat e-commerce store operators who trade upon Elenco's reputation and goodwill by offering for sale and/or selling unauthorized and unlicensed products, including educational kits, using infringing and counterfeit versions of Elenco's federally registered trademarks (the "Counterfeit Products"). Defendants create e-commerce stores operating under one or more Seller Aliases advertising, offering for sale and selling Counterfeit Products to unknowing consumers. E-commerce stores operating under the Seller Aliases share unique identifiers establishing a logical relationship between them and that Defendants' counterfeiting operation arises out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid and mitigate liability by operating under one or more Seller Aliases to conceal both their identities and the full scope and interworking of their counterfeiting operation. Elenco is forced to file this action to combat Defendants' counterfeiting of the registered Elenco trademarks, as well as to protect unknowing consumers from purchasing potentially dangerous Counterfeit Products over the Internet, many of which are targeted at and intended for use by children. Elenco has been and continues to be irreparably damaged through consumer confusion, dilution, and tarnishment of its valuable trademarks as a result of Defendants' actions and seeks injunctive and monetary relief.

III. THE PARTIES

Plaintiff

4. Plaintiff is a corporation organized and existing under the laws of Illinois with its principal place of business in Wheeling, Illinois.

5. Since 1972, Elenco has been engaged in the design, distribution, and sale of high-quality educational kits and products that teach the basics of electronics and engineering, including convergence generators, electronic instruments and test equipment, and educational kits. (collectively, the “Snap Circuits Products”).

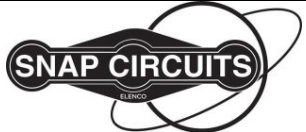


6. Elenco has been a family owned and operated business since 1972, emerging as a leader in the educational toy industry from its humble roots as a basement operation with one product. For nearly 50 years, Elenco has been supplying educators and individuals with educational kits and products that teach the basics of electronics and engineering. Elenco’s pride is the award-winning Snap Circuits product line, which teaches kids to have fun learning about electronics, engineering, science, and technology.

7. Snap Circuits Products have become enormously popular, driven by Elenco’s arduous quality standards and innovative design. Among the purchasing public, genuine Snap Circuits Products are instantly recognizable as such. The Snap Circuits brand has come to symbolize high quality, and Snap Circuits Products are renowned for their quality, performance, and reliability.

8. Over the years, the Snap Circuits Products have won numerous awards, including the American Specialty Toy Retailing Association’s (“ASTRA”) Best Toys for Kids Award in 2010 and every year from 2012 through 2018, the Seriously STEM! Award for Best Engineering

Toy in 2018 and 2019, and the Toy Industry Association’s Specialty Toy of the Year award in 2008.

9. Elenco incorporates a variety of distinctive marks in its various Snap Circuits Products. Elenco has registered its trademarks with the United States Patent and Trademark Office. Snap Circuits Products typically include at least one of Elenco’s registered trademarks. Elenco uses its trademarks in connection with the marketing of its Snap Circuits Products, including the following marks which are collectively referred to as the “SNAP CIRCUITS Trademarks.”

Registration No.	Trademark	Goods and Services
5,994,573		For: Electronic education kits comprising downloadable educational instructional manuals for developing cognitive skills in the area of computer programming, science, technology, engineering and math; children's educational electronics construction kits for teaching electronics comprising wires, contacts, transistors, diodes, capacitors, inductors, resistors, power supplies, strobe lights, sirens, electronic sound emitters, electronic burglar alarms, microphones, audio amplifiers, radio frequency oscillators, electronic lie detectors, am radios, fm radios, motors, propellers, radios, alarms, transformers, speakers, voltmeters, metal detectors, rain detectors, timers, sensors, photo resistors and relays, integrated circuits, battery holders, clips, connectors, pc boards, and instructional materials in class 009.
5,988,418		For: Children's multiple activity toys; toy construction sets; children's educational toys for developing cognitive skills in the area of computer programming, science, technology, engineering and math in class 028.
6,029,314		For: electronic educational kits comprising downloadable educational instructional manuals for developing cognitive skills in the area of computer programming, science, technology, engineering and

		<p>math; children's educational electronics construction kits for teaching electronics comprising wires, contacts, transistors, diodes, capacitors, inductors, resistors, power supplies, strobe lights, sirens, electronic sound emitters, electronic burglar alarms, microphones, audio amplifiers, radio frequency oscillators, electronic lie detectors, am radios, fm radios, motors, propellers, radios, alarms, transformers, speakers, voltmeters, metal detectors, rain detectors, timers, sensors, photo resistors and relays, integrated circuits, battery holders, clips, connectors, pc boards, and instructional materials in class 009.</p> <p>For: Children's multiple activity toys; toy construction sets; children's educational toys for developing cognitive skills in the area of computer programming, science, technology, engineering and math in class 028.</p>
3,940,898	SNAP CIRCUITS	For: Electronic toy building kits comprising circuit boards, wires, transistors, diodes, capacitors, inductors, and/or resistors and power supplies, lights, sirens, electronic sound emitters in class 028.
3,274,250	SNAP ROVER	For: Toys, namely radio controlled space explorer vehicles, robots, and robotic arms for toy robots, and launch platforms for toy rockets in class 028.
3,473,170	SNAPTRICITY	For: Electronic toy building kits comprising circuit boards, wires, transistors, diodes, capacitors, inductors, and/or resistors and power supplies, lights, sirens, electronic sound emitters; toy kits for teaching children electronics composed of electrical components, namely, plastic color coded wires, transistors, diodes, capacitors, inductors, and/or resistors and power supplies; toy plastic propellers used in toy learning kits in class 028.

3,382,347	SNAP KIT	For: Toy kits for teaching children electronics composed of electrical components, namely, plastic color coded wires, transistors, diodes, capacitors, inductors, and/or resistors and power supplies; toy solar energy kits composed of plastic color coded modules for electronic plastic color coded circuits, with DC motors, photovoltaic solar cell modules for circuit toys; toy plastic propellers used in toy learning kits; toys, namely, controlled race cars, digital roulette games, toy noisemakers, electronic coin toss games, solar toy race cars, toy space explorer solar vehicles, boats, touch tone controlled toy vehicles, toy helicopters, solar power toy vehicles; electronic toys, namely, toy radio controlled race cars, toy racing cars, toy space explorer solar vehicles, solar energy powered toy cars, toy robots, toy rocket robots, toy turbo robots cars, toy solar powered turbo car robots, toy amphibious solar vehicle robots, toy solar panel robots, toy robotic arms, toy two wheeled vehicle, toy boats, toy racing vehicles, toy rockets, launch platforms for toy rockets, electronic powered toy dinosaurs, toy trains, toy telephones, talking toy clocks, toy radios, toy musical organs, toy electronic musical keyboards, and digital electronic roulette games in class 028.
5,285,798	SNAPINO	For: Electronic toy building kits comprising circuit boards, wires, transistors, diodes, capacitors, inductors, and/or resistors and power supplies, lights, sirens, electronic sound emitters in class 028.
3,052,026	ELENCO	For: Hand tools and hand tool kits, namely, hand electronic tools kits with soldering irons, pliers, wire strippers, screwdrivers, safety goggles; computer service tool kits with soldering irons, pliers, wire strippers, tweezers; electronic technician service tool kits with soldering irons, pliers, wire strippers, screwdrivers; wrench sets, solder tool kits with soldering irons, de-soldering pumps and solder; hand tool kits and hand tools for use in electronics, namely, diagonal cutters, long nose pliers, wire strippers, slip joint pliers, screwdrivers, integrated circuit (IC) pullers, pliers; tweezers, electrician knives, wrenches, rulers, nut drivers, blow brushes, punch down tools, cable strippers, cable cutters, ceramic cutters, crimping pliers, cable slitting tools,

		<p>cable tie guns, fiber optic strippers, and splicers in class 008.</p> <p>For: Educational kits for teaching electronics with electrical components, namely, wires, transistors, diodes, capacitors, inductors, and/or resistors and providing power supplies, strobe lights, sirens, electronic sound emitters, electronic robots, electronic burglar alarms, microphones, audio amplifiers, RF oscillators, electronic locks, telephone bugs, electronic lie detectors, electronic metal detectors, wireless microphones, tester kits for testing diodes and transistors, AM radios, AM/FM radios, FM radios, short wave radios, crystal radios, telephones, fiber optics electrical displays, solar energy kits with DC motors, solar cell modules, buzzers, computer interfaces, namely, microphone input for computers, talking clocks, headphones, radio, alarms, transformers, photo transistors, speakers, earphones, magnetic bridges, voltmeters, telegraphs, alarms, computer keyboards, transistor radios, metal detectors, timer buzzers, photo-level arms, first-aid sirens, electronic temperature indicators, calculators for determining values of resistors, capacitors and inductors; pulse width modulation sound level meters, four-level photometers, ohmmeters, voltage drop alarms, rain detectors, voltage controlled amplifiers, timers, liquid crystal displays, bells, solar panels, digital/analog trainers for electronic experiments, computer interface trainers to write in RAM for electronic experiments, computer trainers to write into random access memory (RAM), read only memory (ROM) and operate microprocessors; kits for teaching analog electronic and digital electronics comprised of resistors, capacitors, integrated circuits, transistors, diodes, conductors, inductors, electronic power supplies, battery holders; soldering techniques training videos and compact discs for teaching electronics; electronic soldering stations, desoldering stations for electrical repair involving removal, repair and replacement of solder; test equipment, namely, oscilloscopes, analog oscilloscopes, storage oscilloscopes, digital multi meters, digital capacitance meters, digital LCR meters, analog multi meters for voltage, current and resistance,</p>
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		<p>temperature meters, thermometers, automotive meters providing a digital engine analyzer for automotive diagnostics, AC current meters, video head testers, LED digital panel meters, scope probes, test leads, test alligator clips, cable testers, telephone line analyzers, diode testers, transistor testers, capacitor testers, ohm meters, AC receptacle testers, data line testers, circuit testers, solar energy testers, pulse width modulation testers, sound level meters, four-level photometers, ohmmeters, voltmeters, voltage drop alarms, and rain detectors; radio frequency (RF) generators, RF generators with counters, audio generators, audio generators with counters, sweep function generators, function generators for viewing sine, square and saw tooth wave forms from electrical circuits; variable voltage supplies, variable AC power supplies, power supplies, fixed voltage supplies, spectrum tube power supplies, voltage controlled amplifiers, breadboards, and PC boards; soldering kits with light emitting diodes (LED) and PC boards for teaching soldering; network service tool kits with cable testers, receptacle testers, telephone line testers, cable strippers, crimping tools, screwdrivers, cable cutters in class 009.</p> <p>For: Toys, namely, controlled race cars; digital roulette games; noisemakers, electronic coin toss games, solar toy race cars, space explorer solar vehicles, jet balloon toy racing vehicles, air propelled toy racing vehicles, toy boats, toy racing vehicles, egg drop toy vehicles, mousetrap vehicles, frog vehicles, toy hover crafts, toy helicopters, solar power toy vehicles, electronic toys, namely, toy racing cars, space explorer solar vehicles, solar energy powered toy cars, robots, rocket robots, soccer robots, sumo robots, moon walker robots, cyclone robots, spider robots, hyper line tracker robots, turbo robots cars, solar powered turbo car robots, amphibious solar vehicle robots, solar panel robots, robotic arms, toy two wheeled vehicle toy, jet balloon toy racing vehicles, air propelled toy racing vehicles, toy boats, toy racing vehicles, egg drop toy vehicles, mousetrap vehicles, frog vehicles, toys hover crafts, toy helicopters, solar power toy vehicles, solar energy power toy cars, wrist rocket</p>
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		toys, toy rockets, launch platforms for toy rockets, hexapod monster toy robots, electronic powered toy dinosaurs, toy trains, toy telephones, toy staplers, talking clocks, toy radios, toy cameras, toy cassette players, toy musical organs, toy electronic musical keyboards, and digital electronic roulette games and toy radios in class 028.
5,951,594	TEACH TECH	For: Electronic action toys; Mechanical action toys; Kits for building battery powered toys; Kits for building solar powered toys; Kits for building salt water fuel cell powered toys; kits for building coding toys; kits for building robotic toys; Kits for building magnet propulsion powered toys; kits for building hydro-mechanical powered toys; Kits for building compressed air powered toys in class 028.
6,019,279	WE MAKE TOOLS FOR MAKERS	<p>For: Solder wire in class 006.</p> <p>For: Kit comprised primarily of a soldering iron, and also comprised of a magnifying glass with clips, and a light, for use in soldering; electric soldering irons; stands for soldering iron; electric soldering apparatus; kits comprising soldering apparatus, solder and instructions intended to educate the user about the components; electric soldering irons for use in assembling electronic and scientific equipment; soldering irons used for testing, calibrating and assembling electronic and scientific equipment; soldering kits comprised primarily of soldering irons, wires, pc boards; solder practice kit comprised primarily of a soldering iron, wire cutters and a speaker; kits for making electrical generators comprised primarily of integrated circuits, pc boards, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches in class 007.</p> <p>For: Pliers; wire cutters in class 008.</p> <p>For: Kits for making radios comprised primarily of electronics components, namely, integrated circuits, pc boards, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches; kits for making electrical circuits comprised primarily of electronics</p>

		<p>components, namely, integrated circuits, pc boards, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches, gearboxes, motors; kits for making analog and digital multimeters comprised primarily of integrated circuits, pc boards, LCD displays, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches; kits for making power supplies comprised primarily of integrated circuits, pc boards, transistors, wires, resistors, capacitors, diodes, heat sinks, binding posts, and also mechanical components, namely, gears, wheels, springs, switches; kits for making electrical sirens, and personal or hobby robots comprised primarily of integrated circuits, transistors, wires, resistors, capacitors, diodes, gears, motors, and wheels; test kits for testing logical circuits comprised primarily of integrated circuits, pc boards, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches; safety goggles; magnifying glass featuring a stand and clips in class 009.</p> <p>For: Kits for building toy model cars, toy robots, toy sirens and toy radios; kits comprised primarily of electronics components, namely, integrated circuits, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches, gearboxes, motors for making toy robot vehicles in class 028.</p>
5,891,754	WE MAKE	<p>For: Soldering irons used for testing, calibrating and assembling electronic and scientific equipment; soldering kits comprised primarily of soldering irons, wires, pc boards; solder practice kit comprised primarily of a soldering iron, wire cutters and a speaker; kits for making electrical generators comprised primarily of integrated circuits, pc boards, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches in class 007.</p> <p>For: Pliers; wire cutters in class 008.</p> <p>For: Kits for making radios comprised primarily of electronics components, namely, integrated circuits,</p>

		<p>pc boards, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches; kits for making electrical circuits comprised primarily of electronics components, namely, integrated circuits, pc boards, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches, gearboxes, motors; kits for making analog and digital multimeters comprised primarily of integrated circuits, pc boards, LCD displays, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches; kits for making power supplies comprised primarily of integrated circuits, pc boards, transistors, wires, resistors, capacitors, diodes, heat sinks, binding posts, and also mechanical components, namely, gears, wheels, springs, switches; kits for making electrical sirens, and personal or hobby robots comprised primarily of integrated circuits, transistors, wires, resistors, capacitors, diodes, gears, motors, and wheels; test kits for testing logical circuits comprised primarily of integrated circuits, pc boards, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches; safety goggles; magnifying glass featuring a stand and clips in class 009.</p> <p>For: Kits for building toy model cars, toy robots, toy sirens and toy radios; kits comprised primarily of electronics components, namely, integrated circuits, transistors, wires, resistors, capacitors, diodes and also mechanical components, namely, gears, wheels, springs, switches, gearboxes, motors for making toy robot vehicles in class 028.</p>
5,814,688	ELECTRONICS EXPLORATION KIT	For: Electronic learning toy building kits consisting primarily of circuit boards, wires, diodes, switches, power supplies, lights in class 028.
5,717,587	CIRCUITSAFE	For: Fuses specially adapted for toys sold as a component of the toys in class 009.

<p>5,477,091</p>	<p>LEARN BY DOING</p>	<p>For: Electronic toy building kits for educational play purposes comprising circuit boards, wires, transistors, diodes, capacitors, inductors, and/or resistors and power supplies, lights, sirens, electronic sound emitters; construction toys; educational toys for the purpose of the demonstration of alternative energy sources; electronic games for the teaching of children; electronic learning toys; toy building blocks; toy building blocks capable of interconnection; toy construction blocks; toy construction sets; kits for making toy animals; kits for making toy vehicles; kits for making toy robots; kits for making toy mechanical buildings; kits for making electronic toy robots; toy chemistry sets, toy science kits for educational play purposes for teaching about chemistry, weather, forensic science, criminal science, nature, physics, hydroponics, body senses, color and light, solar power, crystals, worm and insect habitats; toy water clocks; toy crystal radios; remote control toy robots and kits for making remote control toy robots kits; toy human anatomy teaching kits for educational play purposes comprised primarily of toy anatomical parts; toy rock tumblers, toy metal detectors, toy horseshoe magnets; toy periscopes, toy water filtration science kits for educational play purposes comprised primarily of toy tubes and filters, toy compasses, toy star projectors; toy viewers for bugs and/or aquatic life; toy binoculars; toy frog dissection kits for educational play purposes comprised primarily of toy frogs and toy laboratory tools; toy insect exploration and nature exploration kits for educational play purposes comprised primarily of toy nets, toy bug containers, toy viewers, and toy collection tools; toy bug collector kits for educational play purposes comprised primarily of toy nets, toy bug containers, and toy collection tools; toy bug houses; toy remote control spiders; toy microscopes; toy telescopes; toy prepared microscope slides; toy microscope slide making kits; cases specially adapted for carrying toy microscopes; carrying cases specially adapted for toy science kits; toy dinosaur skeleton kits for educational play purposes comprised primarily of toy dinosaur bones, toy picks; toy robots; kits for making toy wind-controlled animals (Strandbeest); kits for making toy wind propelled animals; kits for making</p>
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		<p>self-propelled toy animals; kits for making wind propelled toy robots; kits for making self-propelled toy robots; kits for making toy rhinoceros; kits for making electronic toy UFOs; kits for making toy electric guitars; electronic toy sound experiment kits for educational play purposes comprised primarily of toy speakers, toy buzzers; toy snap-together invention kits for educational play purposes comprised primarily of solderless plastic or metal parts with electronic or mechanical components; electronic toy solar energy kits for educational play purposes comprised primarily of toy solar collectors; kits for making electronic toy solar powered vehicles; kits for making electronic toy solar can motor robots; kits for making electronic toy solar bottle motorboats; kits for making electronic toy photon solar racer spaceships; magnetic toy levitation trains; kits for making electronic toy bugs; kits for making electronic toy animals; kits for making toy air power racer planes; kits for making toy solar power vehicles; kits for making toy solar power transforming vehicles; kits for making toy solar power space vehicles; kits for making toy solar power robots; kits for making toy solar power crabs; kits for making toy solar powered solar system models; toy solar racing vehicles; kits for making toy solar power frogs; kits for making toy solar power racer spaceships; kits for making toy solar power grasshoppers; kits for making toy solar power penguins; kits for making toy salt water fuel cell vehicles; kits for making toy salt water fuel cell spiders; kits for making toy hydraulic arm edges; kits for making toy robotic arm edges; toy all-terrain robots; kits for making toy motorized robots for educational play purposes; kits for making toy dragon robots; kits for making aluminum toy mechanical animals, spiders, insects, and dinosaurs; kits for making toy robots; kits for making toy tanks; kits for making toy sound reversing cars; kits for making toy tracking mice; kits for making toy gearboxes in class 028.</p>
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2,010,505	LEARN BY DOING	For: electronic educational kits to be assembled by the user comprising the common components of resistors, capacitors, semiconductors, solder, a printed circuit board and an instruction manual for building a motion detector including a motion sensor, a lens, a switch and a speaker; a strobe light including a flash tube and reflector, transformers and a neon light; a telephone including a key pad, a microphone, a speaker, a ceramic beeper and switches; a microphone including a microphone; a solder practice kit including a soldering iron, wire cutters and a speaker; a stereo tape player including a mounting case, a motor, pulleys and belts, switches and earphones; an electronic robot blinker; and an electronic temperature measuring kit including a front panel, a case and a dome switch in class 009.
5,286,187	MAKING CODING A SNAP	For: Electronic toy building kits comprising circuit boards, wires, transistors, diodes, capacitors, inductors, and/or resistors and power supplies, lights, sirens, electronic sound emitters in class 028.
2,024,276	AMERIKIT	For: electronic educational kits to be assembled by the user comprising the common components of resistors, capacitors, semiconductors, solder, a printed circuit board and an instruction manual for building a motion detector including a motion sensor, a lens, a switch and a speaker; a strobe light including a flash tube and reflector, transformers and a neon light; a telephone including a key pad, a microphone, a speaker, a ceramic beeper and switches; a microphone including a microphone; a solder practice kit including a soldering iron, wire cutters and a speaker; a stereo tape player including a mounting case, a motor, pulleys and belts, switches and earphones; an electronic robot blinker; and an electronic temperature measuring kit including a front panel, a case and a dome switch in class 009.

2,238,031	DISCOVERY PLANET	<p>For: scientific, nautical, surveying and electrical apparatus, namely, telescopes, microscopes, lighted microscopes, magnifying scopes, periscopes, videoscopes, magnifying glasses, and signal mirrors with additional sun dial features, and binoculars in class 009.</p> <p>For: toys and playthings, namely, toy telescopes, toy microscopes, toy lighted microscopes, toy magnifying scopes, toy periscopes, toy videoscopes, toy magnifying glasses, and toy signal mirrors in combination with toy sun dials and toy binoculars in class 028.</p>
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10. The above U.S. registrations for the SNAP CIRCUITS Trademarks are valid, subsisting, in full force and effect, and many are incontestable pursuant to 15 U.S.C. § 1065. The registrations for the SNAP CIRCUITS Trademarks constitute *prima facie* evidence of their validity and of Elenco’s exclusive right to use the SNAP CIRCUITS Trademarks pursuant to 15 U.S.C. § 1057(b). The SNAP CIRCUITS Trademarks have been used exclusively and continuously by Elenco for many years and have never been abandoned. True and correct copies of the United States Registration Certificates for the above-listed SNAP CIRCUITS Trademarks are attached hereto as **Exhibit 1**.

11. The SNAP CIRCUITS Trademarks are exclusive to Elenco, and are displayed extensively on or in close connection with Snap Circuits Products and in Elenco’s marketing and promotional materials. Snap Circuits Products have become quite popular and have been extensively promoted and advertised at great expense. Snap Circuits Products have also been the subject of extensive unsolicited publicity resulting from their high-quality, innovative designs and renown as the industry leader in educational kits. Because of these and other factors, the Elenco name and the SNAP CIRCUITS Trademarks have become famous throughout the United States.

12. The SNAP CIRCUITS Trademarks are distinctive when applied to the Snap Circuits Products and packaging, signifying to the purchaser that the products come from Elenco and are manufactured to Elenco's quality standards. Whether Elenco manufactures the products itself or contracts with others to do so, Elenco has ensured that products bearing or sold within packaging bearing the SNAP CIRCUITS Trademarks are manufactured to the highest quality standards. The SNAP CIRCUITS Trademarks have achieved tremendous fame and recognition, which has only added to the distinctiveness of the marks. As such, the goodwill associated with the SNAP CIRCUITS Trademarks is of incalculable and inestimable value to Elenco.

13. Elenco is the exclusive holder of several U.S. patents for its Snap Circuits Products. For example, Elenco owns U.S. Patent No. 7,144,255, titled "ELECTRONIC TOY AND TEACHING AID SAFETY DEVICES," and U.S. Patent No. 7,273,377, titled "BREADBOARD TO STACKABLE PLUG CONVERTOR." These patents are identified on the packaging of the Snap Circuits Products and cover various components thereof, including the patented "CIRCUITSAFE" brand safety device which makes these products safe for children to use, unlike other similar products and counterfeit versions. These patents and the components that they cover are intrinsically linked to the goodwill of the SNAP CIRCUITS Trademarks and the Snap Circuits brand, because of the quality and care Elenco has imbued in both the design and manufacture of the Snap Circuits Products.

14. Elenco has expended substantial time, money, and other resources in developing, advertising and otherwise promoting and protecting the SNAP CIRCUITS Trademarks. As a result, products bearing the SNAP CIRCUITS Trademarks are widely recognized and exclusively associated by consumers, the public, and the trade as being high-quality products sourced from

Elenco. The widespread fame, outstanding reputation, and significant goodwill associated with the Snap Circuits brand have made the SNAP CIRCUITS Trademarks invaluable assets of Elenco.

The Defendants

15. Defendants are individuals and business entities of unknown makeup who own and/or operate one or more of the e-commerce stores under at least the Seller Aliases identified on Schedule A and/or other seller aliases not yet known to Elenco. Upon information and belief, Defendants reside and/or operate in the People's Republic of China or other foreign jurisdictions with lax trademark enforcement systems, or redistribute products from the same or similar sources in those locations. Defendants have the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b).

16. On information and belief, Defendants either individually or jointly own and/or operate one or more e-commerce stores under the Seller Aliases listed in Schedule A attached hereto. Tactics used by Defendants to conceal their identities and the full scope of their counterfeiting operation make it virtually impossible for Elenco to learn Defendants' true identities and the exact interworking of their counterfeit network. If Defendants provide additional credible information regarding their identities, Elenco will take appropriate steps to amend the Complaint.

IV. DEFENDANTS' UNLAWFUL CONDUCT

17. The success of the Snap Circuits brand has resulted in its significant counterfeiting. Consequently, Elenco has a worldwide anti-counterfeiting program and regularly investigates suspicious e-commerce stores identified in proactive Internet sweeps and reported by consumers. In recent years, Elenco has identified numerous fully interactive e-commerce stores, including those operating under the Seller Aliases, which were offering for sale and/or selling Counterfeit

Products² to consumers in this Judicial District and throughout the United States. E-commerce sales, including through e-commerce stores like those of Defendants, have resulted in a sharp increase in the shipment of unauthorized products into the United States. **Exhibit 2**, Excerpts from Fiscal Year 2018 U.S. Customs and Border Protection (“CBP”) Intellectual Property Seizure Statistics Report. Over 90% of all CBP intellectual property seizures were smaller international mail and express shipments (as opposed to large shipping containers). *Id.* Over 85% of CBP seizures originated from mainland China and Hong Kong. *Id.* Counterfeit and pirated products account for billions in economic losses, resulting in tens of thousands of lost jobs for legitimate businesses and broader economic losses, including lost tax revenue.

18. Counterfeits pose significant health and safety risks to consumers, especially for children’s toys and electronics. *See* report on “Combating Trafficking in Counterfeit and Pirated Goods” prepared by the U.S. Department of Homeland Security’s Office of Strategy, Policy, and Plans (Jan. 24, 2020), attached as **Exhibit 3**, at 17–18 (discussing an investigation by the Government Accountability Office which found a 99 percent failure rate in testing counterfeit adapters for safety, fire, and shock hazards, with some of the adapters posing a risk of lethal electrocution to the user). These health and safety risks are exacerbated with products marketed for children, such as the Counterfeit Products. *See id.* at 18 (discussing a CBP seizure of 1,378 hover boards with counterfeit batteries, which can cause fires resulting in injury or death).

19. Third party service providers like those used by Defendants do not adequately subject new sellers to verification and confirmation of their identities, allowing counterfeiters to “routinely use false or inaccurate names and addresses when registering with these e-commerce

² Though Elenco is only asserting violations of its trademark rights in this action, it should be noted that Defendants’ Counterfeit Products also infringe various U.S. patents owned by Elenco, which further causes confusion, mistake, and deception by and among consumers and is irreparably harming Elenco’s Snap Circuits brand.

platforms.” **Exhibit 4**, Daniel C.K. Chow, *Alibaba, Amazon, and Counterfeiting in the Age of the Internet*, 40 NW. J. INT’L L. & BUS. 157, 186 (2020); *see also* **Exhibit 3** (finding that on “at least some e-commerce platforms, little identifying information is necessary for a counterfeiter to begin selling” and recommending that “[s]ignificantly enhanced vetting of third-party sellers” is necessary). Counterfeiters hedge against the risk of being caught and having their websites taken down from an e-commerce platform by preemptively establishing multiple virtual store-fronts. **Exhibit 3** at p. 22. Since platforms generally do not require a seller on a third-party marketplace to identify the underlying business entity, counterfeiters can have many different profiles that can appear unrelated even though they are commonly owned and operated. **Exhibit 3** at p. 39. Further, “E-commerce platforms create bureaucratic or technical hurdles in helping brand owners to locate or identify sources of counterfeits and counterfeiters.” **Exhibit 4** at 186-187.

20. Defendants have targeted sales to Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more Seller Aliases, offer shipping to the United States, including Illinois, accept payment in U.S. dollars and, on information and belief, have sold Counterfeit Products to residents of Illinois.

21. Defendants concurrently employ and benefit from substantially similar advertising and marketing strategies. For example, Defendants facilitate sales by designing the e-commerce stores operating under the Seller Aliases so that they appear to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers. E-commerce stores operating under the Seller Aliases appear sophisticated and accept payment in U.S. dollars via credit cards, Alipay, Amazon Pay, Western Union and/or PayPal. E-commerce stores operating under the Seller Aliases often include content and images that make it very difficult for consumers to distinguish such stores from an authorized retailer. Elenco has not licensed or authorized Defendants to use any of

its SNAP CIRCUITS Trademarks, and none of the Defendants are authorized retailers of genuine Snap Circuits Products.

22. Many Defendants also deceive unknowing consumers by using the SNAP CIRCUITS Trademarks without authorization within the content, text, and/or meta tags of their e-commerce stores in order to attract various search engines crawling the Internet looking for websites relevant to consumer searches for Snap Circuits Products. Other e-commerce stores operating under Seller Aliases omit using the SNAP CIRCUITS Trademarks in the item title to evade enforcement efforts while using strategic item titles and descriptions that will trigger their listings when consumers are searching for Snap Circuits Products.

23. On information and belief, Defendants have engaged in fraudulent conduct when registering the Seller Aliases by providing false, misleading and/or incomplete information to Internet based e-commerce platforms. On information and belief, certain Defendants have anonymously registered and maintained Seller Aliases to prevent discovery of their true identities and the scope of their e-commerce operation.

24. On information and belief, Defendants regularly register or acquire new seller aliases for the purpose of offering for sale and selling Counterfeit Products. Such seller alias registration patterns are one of many common tactics used by the Defendants to conceal their identities, the full scope and interworking of their counterfeiting operation, and to avoid being shut down.

25. Even though Defendants operate under multiple fictitious aliases, the e-commerce stores operating under the Seller Aliases often share unique identifiers, such as templates with common design elements that intentionally omit any contact information or other information for identifying Defendants or other Seller Aliases they operate or use. E-commerce stores operating

under the Seller Aliases include other notable common features, such as use of the same registration patterns, accepted payment methods, check-out methods, keywords, illegitimate search engine optimization (SEO), advertising tactics, similarities in price and quantities, the same incorrect grammar and misspellings, and/or the use of the same text and images. Additionally, Counterfeit Products for sale by the Seller Aliases 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.

26. On information and belief, Defendants are in constant communication with each other and regularly participate in QQ.com chat rooms and through websites such as sellerdefense.cn, kaidianyo.com and kuajingvs.com regarding tactics for operating multiple accounts, evading detection, pending litigation, and potential new lawsuits.

27. Counterfeiters such as Defendants typically operate under multiple seller aliases and payment accounts so that they can continue operation in spite of Elenco's enforcement efforts. On information and belief, Defendants maintain off-shore bank accounts and regularly move funds from their financial accounts to off-shore bank accounts outside the jurisdiction of this Court to avoid payment of any monetary judgment awarded to Elenco. Indeed, analysis of financial account transaction logs from previous similar cases indicates that off-shore counterfeiters regularly move funds from their financial accounts to off-shore bank accounts outside the jurisdiction of this Court.

28. On information and belief, Defendants are an interrelated group of counterfeiters 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. Defendants, without any authorization or license from Elenco, have jointly and severally, knowingly and willfully used and continue to use the SNAP CIRCUITS Trademarks in

connection with the advertisement, distribution, offering for sale, and sale of Counterfeit Products into the United States and Illinois over the Internet.

29. Defendants' unauthorized use of the SNAP CIRCUITS Trademarks in connection with the advertising, distribution, offering for sale, and sale of Counterfeit Products, including the sale of Counterfeit Products into the United States, including Illinois, is likely to cause and has caused confusion, mistake, and deception by and among consumers and is irreparably harming Elenco.

COUNT I
TRADEMARK INFRINGEMENT AND COUNTERFEITING (15 U.S.C. § 1114)

30. Elenco hereby re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs.

31. This is a trademark infringement action against Defendants based on their unauthorized use in commerce of counterfeit imitations of the federally registered SNAP CIRCUITS Trademarks in connection with the sale, offering for sale, distribution, and/or advertising of infringing goods. The SNAP CIRCUITS Trademarks are highly distinctive marks. Consumers have come to expect the highest quality from the Snap Circuits Products offered, sold or marketed under the SNAP CIRCUITS Trademarks.

32. Defendants have sold, offered to sell, marketed, distributed, and advertised, and are still selling, offering to sell, marketing, distributing, and advertising products using counterfeit reproductions of the SNAP CIRCUITS Trademarks without Elenco's permission.

33. Elenco is the exclusive owner of the SNAP CIRCUITS Trademarks. The United States Registrations for the SNAP CIRCUITS Trademarks (Exhibit 1) are in full force and effect. Upon information and belief, Defendants have knowledge of Elenco's rights in the SNAP CIRCUITS Trademarks, and are willfully infringing and intentionally using counterfeits of the

SNAP CIRCUITS Trademarks. Defendants' willful, intentional and unauthorized use of the SNAP CIRCUITS Trademarks is likely to cause and is causing confusion, mistake, and deception as to the origin and quality of the Counterfeit Products among the general public.

34. Defendants' activities constitute willful trademark infringement and counterfeiting under Section 32 of the Lanham Act, 15 U.S.C. § 1114.

35. Elenco has no adequate remedy at law, and if Defendants' actions are not enjoined, Elenco will continue to suffer irreparable harm to its reputation and the goodwill of its well-known SNAP CIRCUITS Trademarks.

36. The injuries and damages sustained by Elenco have been directly and proximately caused by Defendants' wrongful reproduction, use, advertisement, promotion, offering to sell, and sale of Counterfeit Products.

COUNT II
FALSE DESIGNATION OF ORIGIN (15 U.S.C. § 1125(a))

37. Elenco hereby re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs.

38. Defendants' promotion, marketing, offering for sale, and sale of Counterfeit Products has created and is creating a likelihood of confusion, mistake, and deception among the general public as to the affiliation, connection, or association with Elenco or the origin, sponsorship, or approval of Defendants' Counterfeit Products by Elenco.

39. By using the SNAP CIRCUITS Trademarks in connection with the Counterfeit Products, Defendants create a false designation of origin and a misleading representation of fact as to the origin and sponsorship of the Counterfeit Products.

40. Defendants' false designation of origin and misrepresentation of fact as to the origin and/or sponsorship of the Counterfeit Products to the general public involves the use of counterfeit marks and is a willful violation of Section 43 of the Lanham Act, 15 U.S.C. § 1125.

41. Elenco has no adequate remedy at law and, if Defendants' actions are not enjoined, Elenco will continue to suffer irreparable harm to its reputation and the goodwill of the Snap Circuits brand.

PRAYER FOR RELIEF

WHEREFORE, Elenco prays for judgment against Defendants as follows:

- 1) That Defendants, their affiliates, officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, under, or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:
 - a. using the SNAP CIRCUITS Trademarks or any reproductions, counterfeit copies, or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine Snap Circuits Product or is not authorized by Elenco to be sold in connection with the SNAP CIRCUITS Trademarks;
 - b. passing off, inducing, or enabling others to sell or pass off any product as a genuine Snap Circuits Product or any other product produced by Elenco that is not Elenco's or not produced under the authorization, control, or supervision of Elenco and approved by Elenco for sale under the SNAP CIRCUITS Trademarks;
 - c. committing any acts calculated to cause consumers to believe that Defendants' Counterfeit Products are those sold under the authorization, control, or supervision of Elenco, or are sponsored by, approved by, or otherwise connected with Elenco;

- d. further infringing the SNAP CIRCUITS Trademarks and damaging Elenco's goodwill;
and
 - e. manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Elenco, nor authorized by Elenco to be sold or offered for sale, and which bear any of Elenco's trademarks, including the SNAP CIRCUITS Trademarks, or any reproductions, counterfeit copies, or colorable imitations thereof;
- 2) Entry of an Order that, upon Elenco's request, those with notice of the injunction, including, without limitation, any online marketplace platforms such as eBay, AliExpress, Alibaba, Amazon, Wish.com, and Dhgate (collectively, the "Third Party Providers") shall disable and cease displaying any advertisements used by or associated with Defendants in connection with the sale of counterfeit and infringing goods using the SNAP CIRCUITS Trademarks;
 - 3) That Defendants account for and pay to Elenco all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of damages for infringement of the SNAP CIRCUITS Trademarks be increased by a sum not exceeding three times the amount thereof as provided by 15 U.S.C. § 1117;
 - 4) In the alternative, that Elenco be awarded statutory damages for willful trademark counterfeiting pursuant to 15 U.S.C. § 1117(c)(2) of \$2,000,000 for each and every use of the SNAP CIRCUITS Trademarks;
 - 5) That Elenco be awarded its reasonable attorneys' fees and costs; and
 - 6) Award any and all other relief that this Court deems just and proper.

Dated this 21st day of August 2020.

Respectfully submitted,

/s/ Justin R. Gaudio

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