

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

CELINE SA,

Plaintiff,

Civil Action No.: 1:24-cv-01842

v.

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

Defendants.

COMPLAINT

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

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 stores operating under the Defendant aliases and/or the online marketplace accounts identified in Schedule A attached hereto (collectively, the “Defendant Internet Stores”). Specifically, Defendants are reaching out to do business with Illinois residents by operating one or more commercial, interactive internet stores through which Illinois residents

can purchase products bearing counterfeit versions of Plaintiff's trademarks. Each of the Defendants has targeted sales from Illinois residents by operating online stores that offer shipping to the United States, including Illinois, accept payment in U.S. dollars and, on information and belief, has sold products bearing counterfeit versions of Plaintiff'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 Plaintiff substantial injury in the State of Illinois.

INTRODUCTION

3. This action has been filed by Celine to combat online counterfeiters who trade upon Celine's reputation and goodwill by offering for sale and/or selling products in connection with Celine's federally registered trademarks (the "Counterfeit Celine Products"). Defendants create e-commerce stores operating under one or more Defendant Internet Stores that are advertising, offering for sale and selling Counterfeit Celine Products to unknowing consumers. E-commerce stores operating under the Defendant Internet Stores 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 Defendant Internet Stores to conceal both their identities and the full scope and interworking of their counterfeiting operation. Celine is forced to file this action to combat Defendants' counterfeiting of its registered trademarks, as well as to protect unknowing consumers from purchasing Counterfeit Celine Products over the internet. Celine has been and continues to be irreparably damaged through consumer confusion, dilution, loss of control over its reputation and goodwill as well as the quality of goods bearing the Celine Trademarks as a result of Defendants' actions and seeks injunctive and monetary relief.

THE PLAINTIFF


4. Celine is organized and existing under the laws of France with its principal place of business in France.



5. Celine was founded in 1945. Celine is a world-famous luxury brand engaged in the business of styling and selling a diverse portfolio of ready-to-wear men's and women's apparel, fashion accessories, and leather goods sold throughout the United States (collectively, the "Celine Products"). In 1996, Celine became part of the Louis Vuitton Moet Hennessy (LVMH) group.

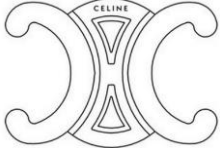
6. Celine Products have become enormously popular and even iconic, driven by Celine's arduous quality standards and innovative designs. Among the purchasing public, genuine Celine Products are instantly recognizable as such. In the United States and around the world, the Celine brand has come to symbolize high quality, and Celine Products are among the most recognizable of their kind in the world.

7. Celine Products are distributed and sold to customers through retailers throughout the United States, including in company-operated boutiques, via its e-commerce website located at www.Celine.com, and through a selective network of high-quality department stores in Illinois.

8. Celine incorporates a variety of distinctive marks in the design of its various Celine Products. As a result of its long-standing use, Celine has common law trademark rights in its trademarks. Celine has also registered its trademarks with the United States Patent and Trademark Office. Celine Products typically include at least one of Celine's registered trademarks. Often several Celine marks are displayed on a single product. Celine uses its trademarks in connection with the marketing of its Celine Products, including the following marks which are collectively referred to as the "Celine Trademarks."

REGISTRATION NUMBER	REGISTERED TRADEMARK	REGISTRATION DATE	INTERNATIONAL CLASSES
982,010	CELINE	Apr. 9, 1974	For: underwear, pullover type sweaters, shirts, blouses, lingerie, hosiery, boots, shoes, and slippers, in class 39 (int. cl. 25).
1,000,156	CÉLINE	Dec. 24, 1974	For: leather goods-namely, purses, pouches, money bags and money belts, cardholders, wallets, ticketholders, key cases, document cases, brief cases, portfolios, attaché and vanity toilet cases, passport and travel document cases, portable secretaries, pen trays, handbags, trunks, travelling bags, whips, harness and saddlery, in class 3 (int. cl. 18).
1,744,898	CELINE	Jan. 5, 1993	For: retail clothing and accessories boutique services, in class 43 (U.S. CL. 101).
1,772,927	CELINE	May 25, 1993	For: clothing; namely, sweaters, blouses, t-shirts, shorts, sweatshirts, lingerie, men's and ladies' suits, trousers, dresses, jackets, skirts, scarves, neckties, belts, boots, shoes, and parkas, in class 25 (U.S. CLS. 22 and 39).
2,475,129	CELINE	Aug. 7, 2001	For: spectacles, spectacles glasses, spectacles frames, spectacles cases, eyeglasses, eyeglasses frames, eyeglasses cases, and sunglasses, in Class 9 (U.S. CLS. 21, 23, 26, 36, and 38).
3,919,067		Feb. 15, 2011	For: spectacles, sunglasses, and spectacle cases, in class 9 (U.S. CLS. 21, 23, 26, 36, and 38). For: leather and imitation leather goods, namely, traveling bags, traveling luggage sets, trunks and suitcases, unfitted vanity cases, backpacks, handbags, briefcases, clutch bags, wallets, key cases, business card cases, credit card cases,

REGISTRATION NUMBER	REGISTERED TRADEMARK	REGISTRATION DATE	INTERNATIONAL CLASSES
			<p>all of the foregoing made of leather or imitation leather; umbrellas, in class 18 (U.S. CLS. 1, 2, 3, 22, and 41).</p> <p>For: clothing and underwear, namely, shirts, t-shirts, lingerie, belts for clothing, scarves, neckties, shawls, vests, skirts, raincoats, overcoats, trousers, denim trousers, pullovers, dresses, jackets, sashes for wear, gloves, tights, socks, bathing suits, bath robes, pajamas, nightgowns, shorts; shoes, boots, slippers; headwear, in class 25 (U.S. CLS. 22 and 39).</p>
4,879,264		Jan. 5, 2016	For: handbags, in class 18 (U.S. CLS. 1, 2, 3, 22, and 41).
5,959,186		Jan. 14, 2020	<p>For: leather and imitations of leather, travel bags, leather luggage travelling sets, travelling trunks and travelling bags, unfitted vanity cases, rucksacks, shoulder bags, handbags, attaché cases, document cases and briefcases of leather, pouches of leather, pouches of textile, pouches for holding keys, wallets, key cases, business card cases, calling card cases, and credit card cases; umbrellas, in class 18.</p> <p>For: clothing and underwear, namely, shirt, t-shirts, lingerie, belts, headscarves, neckties, shawls, waistcoats, skirts, waterproof clothing in the nature of waterproof jackets and raincoats, overcoats, trousers, jeans, pullovers, dresses, jackets, scarves, gloves, tights, socks,</p>

REGISTRATION NUMBER	REGISTERED TRADEMARK	REGISTRATION DATE	INTERNATIONAL CLASSES
			swimsuits, bathrobes, pajamas, nightgowns, shorts, pocket handkerchiefs in the name of pocket squares; shoes, boots, slippers; headwear, in class 25.
6,187,133		Nov. 3, 2020	<p>For: non-medicated soaps; perfumery, toilet water, eau de Cologne; perfumes; extracts of flowers being perfumes; plant extracts sold as components of cosmetics; incense; aftershave preparations; essential oils; oils for cosmetic use; cosmetics; cosmetic products, namely, foundations, lipsticks, lip gloss, eye shadows, mascaras, eyebrow pencils, eye shadows; hair, face, and body powders; creams, sprays and lotions for cosmetic use; cleansing milk for toilet purposes; make-up removing preparations; deodorants for personal use; lip and body balms other than for medical use; bath and shower gels and bath and shower cosmetic preparations; beauty masks; hair shampoos and conditioners; non-medicated toiletry preparations; make-up; products for nail care and embellishment, namely, nail polish; massage candles for cosmetic use, in class 3.</p> <p>For: combustible wax for candles; fuels and lighting fuel; candles and wicks for lighting; wicks for candles; candles for nightlights; perfumed candles; oils and fats for preservation of leather, in class 4.</p> <p>For: common metals and their alloys; ring shaped fittings of metal; chains of metal; rivets of metal; ironmongery and small items of</p>

REGISTRATION NUMBER	REGISTERED TRADEMARK	REGISTRATION DATE	INTERNATIONAL CLASSES
			<p>metal hardware, namely, bag hangers of metal, metal rings, namely, ring shaped fittings of metal, boxes of common metal, bolts of metal, padlocks, chains of metal, stays of metal, namely, metal fence stays, pegs of metal, keys of metal, namely, metal keys for locks, nails, cramps of metal, hooks, nuts of metal, signboards of metal, labels of metal, box fasteners of metal, locks of metal for bags, house numbers and letters of common metal, except type, bindings of metal, namely, metal binding bands, latches of metal, handcuffs, clips of metal for sealing bags, nameplates of common metal, springs, rivets of metal, locks of metal, wire cloth, and screws of metal; buckles of common metal; metallic bag hooks; knobs of metal; boxes of common metal; chests of metal; metal industrial packaging containers; monuments of non-precious metal; works of art of common metal; statues and figurines made from common metal, in class 6.</p> <p>For: smart watches, connected bracelets, namely, wearable activity trackers; smart photographic apparatus, video cameras, tablet computers, computers, laptops, portable phones, smart phones; digital photograph frame; blank USB flash drives; electronic publications downloadable online or from the internet in the nature of magazines in the fields of fashion, fashion show, jewelry, clothes, bags, shoes, and perfumes; wrist straps, neck straps and fitted plastic films known as skins for covering and providing a scratch proof barrier or protection for</p>

REGISTRATION NUMBER	REGISTERED TRADEMARK	REGISTRATION DATE	INTERNATIONAL CLASSES
			<p>portable phones; telecommunications apparatus in the nature of wireless receivers in the form of jewelry; optical goods, namely spectacles, sunglasses, goggles for sports; smart glasses; spectacle frames; spectacle lenses, contact lenses; spectacle cords and chains; cases for spectacles or for contact lenses; binoculars; decorative magnets; ring holders, namely, holders specially adapted for holding smart rings, in class 9.</p> <p>For: jewelry; rings being jewelry; medals; clocks; wristwatches; watches; watch cases; watch bands; watch chains; cases for watches; clasps for jewelry; key rings; wristwatch buckles and earrings; cuff links, bracelets, jewelry charms, charms for key rings, brooches, necklaces, chains being jewelry, tie pins, ornaments of precious metal in the nature of jewelry, lockets; jewelry boxes and jewelry cases made from precious metals, their alloys or coated therewith; badges of precious metal; unwrought or semi-wrought precious metals; works of art of precious metal; precious stones, in class 14.</p> <p>For: leather and imitations of leather; unworked or semi-worked leather; imitation leather; furs being animal skins; fur-skins, namely, semi worked fur; traveling bags, leather traveling bag sets, trunks being luggage, traveling trunks and suitcases, garment bags for travel purposes, boxes intended for toiletry articles, namely, unfitted vanity cases, leather or leather board boxes; bags, namely, rucksacks, shoulder bags, handbags, sports bags, briefcases, document cases, briefcases and business cases</p>

REGISTRATION NUMBER	REGISTERED TRADEMARK	REGISTRATION DATE	INTERNATIONAL CLASSES
			<p>made from leather; luggage tags for luggage, whips, animal leashes, saddlery; walking sticks; leather pouches, wallets, business card cases; credit card holders, namely, wallets; purses, key cases, credit card cases; umbrellas; parasols; beach umbrellas, in class 18.</p> <p>For: clothing, namely, underwear, shirts, sweaters, t-shirts, lingerie, belts, scarves, neckties, shawls, vests, jerseys, skirts, raincoats, coats, overcoats, suspenders, trousers, denim trousers, pullovers, dresses, jackets, sashes, gloves, tights, socks, bathing suits, bath robes, pajamas, nightgowns, shorts, pocket squares; shoes, fitted metal heel protectors for shoes; boots, half-boots; soles for footwear; slippers; headwear; cuffs; clothing and footwear for sports and skiing, namely, trousers, knitwear, namely, knitted shirts and sweaters, and hosiery, underwear, skirts, trousers, jackets, coats, shirts, gloves, waterproof clothing, namely, waterproof jackets and pants, anoraks, snow suits, hats, caps, socks, panty hose, footwear, boots, sports shoes, and ski boots, in class 25.</p> <p>For: retail stores and online retail stores in the fields of perfumery and cosmetics, clothing, footwear, headgear, leather goods, optical goods, jewelry, watches, and luggage; providing television home shopping services in the fields of perfumery and cosmetics, clothing footwear, headgear, optical goods, leather goods, jewelry, watches, and</p>

REGISTRATION NUMBER	REGISTERED TRADEMARK	REGISTRATION DATE	INTERNATIONAL CLASSES
			luggage; gift registry services, in class 35.
6,337,314		May 4, 2021	<p>For: surveying instruments, photographic cameras, cinematographic cameras, weighing apparatus and instruments, distance measuring apparatus, signaling buoys, directional compasses; apparatus for recording, transmission, reproduction of sound or images; helmets for virtual reality, smartwatches, connected bracelets being wearable computer peripherals for users to connect wirelessly to computers; smart rings; blank magnetic data carriers, blank audio disks; stands for smartphones, computer bags, blank magnet data carriers, smartphone covers, cases for photographic apparatus, video cameras, tablet computers, computers, laptops, portable phones, smart phones; blank compact disks, DVDs and other digital storage media; electronic book reader; data processing equipment, computers and computer peripheral equipment, mouse pads; headphone; loudspeakers; digital photo frames; blank USB flash drives; electronic agendas; downloadable electronic game software; telephones; mobile telephones; computers; portable computers; tablet computers; personal digital assistants (PDA); MP3 players; batteries; battery chargers; earphones; telecommunication apparatus in the nature of wireless receivers in the form of jewelry; optical goods, namely, spectacles, sunglasses, goggles for sports; smart glasses; spectacle frames; spectacle lenses,</p>

REGISTRATION NUMBER	REGISTERED TRADEMARK	REGISTRATION DATE	INTERNATIONAL CLASSES
			<p>contact lenses; spectacle cords and chains; cases for spectacles or for contact lenses; binoculars; decorative magnets; ring holders for mobile phones, in class 9.</p> <p>For: leather and imitations of leather; unworked or semi-worked leather; imitation leather; fur pelts; fur being animal skins; traveling bags, leather traveling bag sets, travel chests for being luggage, trunks being luggage and suitcases, garment bags for travel, boxes of leather or leather board; leather bags, rucksacks, shoulder bags, handbags, sports bags, carrying cases, attaché cases, document cases and business cases of leather; luggage tags for luggage, whips, animal leashes, saddlery; walking sticks; clutch bags, wallets, business card cases; credit card holders; purses, key cases, credit card cases; umbrellas; parasols; beach umbrellas, in class 18.</p>

9. The Celine Trademarks have been used exclusively and continuously in the United States by Celine and have never been abandoned. The above U.S. registrations for the Celine Trademarks are valid, subsisting, in full force and effect, and many are incontestable pursuant to 15 U.S.C. § 1065. Attached hereto as **Exhibit 1** are true and correct copies of the U.S. Registration Certificates for the Celine Trademarks included in the above table. The registrations for the Celine Trademarks constitute *prima facie* evidence of their validity and of Celine's exclusive rights to use the Celine Trademarks pursuant to 15 U.S.C. § 1057(b).

10. The Celine Trademarks are exclusive to Celine and are displayed extensively on

Celine Products and in Celine's marketing and promotional materials. Celine Products have long been among the most famous and popular of their kind in the world and have been extensively promoted and advertised at great expense. In fact, Celine has expended millions of dollars annually in advertising, promoting, and marketing goods featuring the Celine Trademarks. Because of these and other factors, the Celine name and the Celine Trademarks have become famous throughout the United States.

11. The Celine Trademarks are distinctive when applied to the Celine Products, signifying to the purchaser that the products come from Celine and are manufactured to Celine's quality standards. Whether Celine manufactures the products itself or licenses others to do so, Celine has ensured that products bearing its trademarks are manufactured to the highest quality standards. Celine Trademarks have achieved tremendous fame and recognition, which has only added to the distinctiveness of the marks. As such, the goodwill associated with Celine Trademarks is of incalculable and inestimable value to Celine.

12. Celine operates an e-commerce website where it promotes Celine Products at Celine.com. Celine Products are featured and described on the website and are available for purchase. The Celine.com website features proprietary content, images, and designs exclusive to Celine.

13. Celine has expended substantial time, money, and other resources in developing, advertising, and otherwise promoting the Celine Trademarks. As a result, products bearing the Celine Trademarks are widely recognized and exclusively associated by consumers, the public, and the trade as being high-quality products from Celine. Celine is a multi-million-dollar operation, and Celine Products have become among the most popular of their kind in the world. Products bearing the Celine Trademarks are widely recognized and exclusively associated by

consumers, the public, and the trade as being sourced from Plaintiff.

THE DEFENDANTS

14. Defendants are individuals and business entities who, upon information and belief reside and/or operate in the People's Republic of China or other foreign jurisdictions. Defendants conduct business throughout the United States, including within Illinois and in this judicial district, through the operation of the fully interactive commercial websites and online marketplaces operating under the Defendant Internet Stores. Each Defendant targets the United States, including Illinois, and has offered to sell and, on information and belief, has sold and continues to sell counterfeit Celine Products to consumers within the United States, including Illinois and in this judicial district.

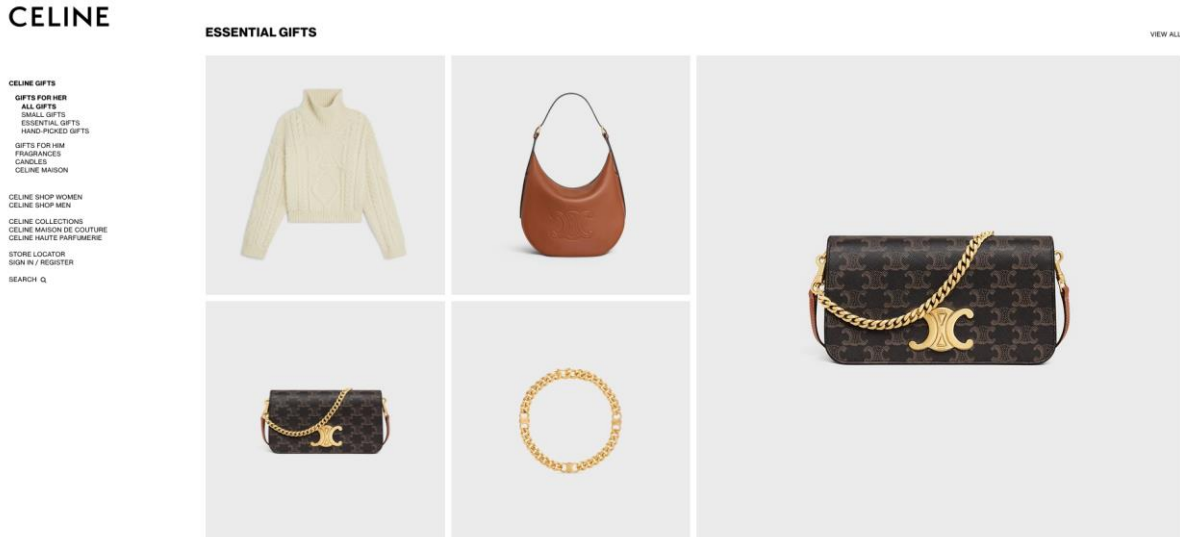
DEFENDANTS' UNLAWFUL CONDUCT

15. The success of the Celine brand has resulted in its significant counterfeiting. Consequently, Celine 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, Celine has identified numerous fully interactive e-commerce stores, including those operating under the Defendant Internet Stores, which were targeting and/or offering for sale Counterfeit Celine Products to consumers in this judicial district and throughout the United States.

16. In the past, Celine was able to police its marks against identifiable infringers and counterfeiters. The rise of online retailing, coupled with the ability of e-commerce sites to hide their identities, has made it nearly impossible for policing actions to be undertaken. The company has availed itself of takedown procedures to remove infringing products, but these efforts have proved to be an unavailing game of whack-a-mole against the mass counterfeiting that is occurring over the internet. The aggregated effect of the mass counterfeiting that is taking place has

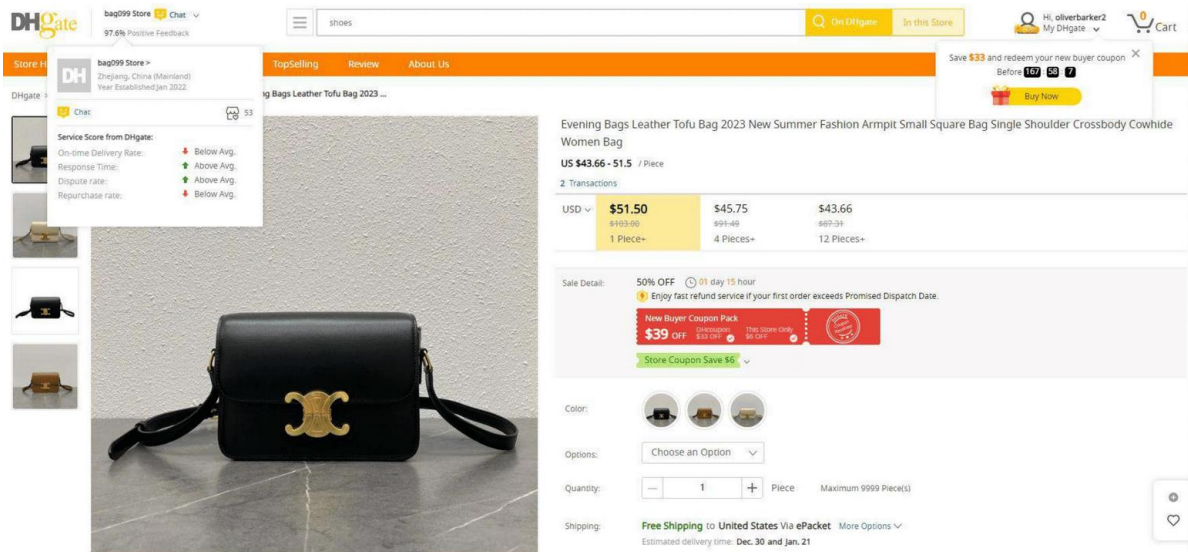
overwhelmed Plaintiff and its ability to police its rights against the hundreds of anonymous defendants which are selling illegal counterfeits at prices substantially below an original:

ORIGINAL



<https://www.Celine.com/en-us/cm/Celine-gifts-for-her?nav=VG0001>

COUNTERFEIT



17. The above example evidences a cooperative counterfeiting network using fake eCommerce storefronts designed to appear to be selling authorized products. To be able to offer the

counterfeit products at a price substantially below the cost of the original, while still being able to turn a profit after absorbing the costs of manufacturing, advertising, and shipping, requires an economy of scale only achievable through a cooperative effort throughout the supply chain. As Homeland Security's recent report confirms, counterfeiters act in concert through coordinated supply chains and distribution networks to unfairly compete with legitimate brand owners while generating huge profits for the illegal counterfeiting network:

Historically, many counterfeits were distributed through swap meets and individual sellers located on street corners. **Today, counterfeits are being trafficked through vast e-commerce supply chains in concert with marketing, sales, and distribution networks.** The ability of e-commerce platforms to aggregate information and reduce transportation and search costs for consumers provides a big advantage over brick-and-mortar retailers. Because of this, sellers on digital platforms have consumer visibility well beyond the seller's natural geographical sales area.

...

The impact of counterfeit and pirated goods is broader than just unfair competition. Law enforcement officials have uncovered intricate links between the sale of counterfeit goods and transnational organized crime. **A study by the Better Business Bureau notes that the financial operations supporting counterfeit goods typically require central coordination,** making these activities attractive for organized crime, with groups such as the Mafia and the Japanese Yakuza heavily involved. Criminal organizations use coerced and child labor to manufacture and sell counterfeit goods. In some cases, the proceeds from counterfeit sales may be supporting terrorism and dictatorships throughout the world.

...

Selling counterfeit and pirated goods through e-commerce is a highly profitable activity: production costs are low, millions of potential customers are available online, transactions are convenient, and listing on well-branded e-commerce platforms provides an air of legitimacy.

See Department of Homeland Security, *Combating Trafficking in Counterfeit and Pirated Goods*, Jan. 24, 2020, (<https://www.dhs.gov/publication/combating-trafficking-counterfeit-and-pirated-goods>), at 10, 19 (emphasis added) attached hereto as **Exhibit 2**.

18. The Defendant Internet Stores share unique identifiers, such as design elements and similarities of the unauthorized products offered for sale, establishing a logical relationship between them, and suggesting that Defendants' illegal operations arise out of the same transaction, occurrence, or series of transactions or occurrences. Defendants also use templates with common

design elements that omit information identifying Defendants. Defendants attempt to avoid liability by going to great lengths to conceal both their identities as well as the full scope and interworking of their illegal network. Despite deterrents such as takedowns and other measures, the use of aliases enables counterfeiters to stymie authorities:

The scale of counterfeit activity online is evidenced as well by the significant efforts e-commerce platforms themselves have had to undertake. A major e-commerce platform reports that its proactive efforts prevented over 1 million suspected bad actors from publishing a single product for sale through its platform and blocked over 3 billion suspected counterfeit listings from being published to their marketplace. Despite efforts such as these, private sector actions have not been sufficient to prevent the importation and sale of a wide variety and large volume of counterfeit and pirated goods to the American public.

...

A counterfeiter seeking to distribute fake products will typically set up one or more accounts on online third-party marketplaces. The ability to rapidly proliferate third-party online marketplaces greatly complicates enforcement efforts, especially for intellectual property rights holders. Rapid proliferation also allows counterfeiters to hop from one profile to the next even if the original site is taken down or blocked. On these sites, online counterfeiters can misrepresent products by posting pictures of authentic goods while simultaneously selling and shipping counterfeit versions.

...

Not only can counterfeiters set up their virtual storefronts quickly and easily, but they can also set up new virtual storefronts when their existing storefronts are shut down by either law enforcement or through voluntary initiatives set up by other stakeholders such as market platforms, advertisers, or payment processors.

Id. at 5, 11, 12.

19. eCommerce giant Alibaba has also made public its efforts to control counterfeiting on its platform. It formed a special task force that worked in conjunction with Chinese authorities for a boots-on-the-ground effort in China to stamp out counterfeiters. In describing the counterfeiting networks it uncovered, Alibaba expressed its frustration in dealing with “vendors, affiliated dealers and factories” that rely upon fictitious identities that enable counterfeiting rings to play whack-a-mole with authorities:

Fighting China's counterfeits in the online era

Xinhua | Updated: 2017-09-19 14:20



BEIJING - A secret team in Chinese e-commerce giant Alibaba has the task of pretending to be online consumers who test-buy purchases from the billion-plus products on its platforms.

Alibaba's Anti-Counterfeiting Special Task Force, formed last year, actively works with local law enforcement agencies, said Qin Seng.

"After we clean up online shops selling counterfeits, the counterfeiters usually change their identities and places of dispatch, using more covert means to continue selling online," Qin said.

The team uses big data to identify counterfeits and the vendors, affiliated dealers and factories suspected of producing or selling counterfeit items. They pass evidence to the public security, administration of commerce and industry, quality inspection, food and drug supervision and other law enforcement agencies. At the same time, they investigate the evidence in the field.

The team faces many risks in their offline probes.

"Most counterfeiting dens are hidden and well-organized. For example, we encountered a village producing counterfeits. The villagers installed cameras everywhere and when they saw outsiders entering, they became vigilant and even threatened us," Qin said.

See Xinhua, *Fighting China's Counterfeits in the Online Era*, China Daily (Sept. 19, 2017), available at www.chinadaily.com.cn/business/2017-09/19/content_32200290.htm (**Exhibit 3**).

20. Plaintiff has been and continues to be irreparably damaged through consumer confusion, dilution, loss of control over its reputation and goodwill as well as the quality of goods bearing the Celine Trademarks. The rise of eCommerce as a method of supplying goods to the public exposes brand holders and creators that make significant investments in their products to significant harm from counterfeiters:

Counterfeiting is no longer confined to street-corners and flea markets. The problem has intensified to staggering levels, as shown by a recent Organisation for Economic Cooperation and Development (OECD) report, which details a 154 percent increase

in counterfeits traded internationally — from \$200 billion in 2005 to \$509 billion in 2016. Similar information collected by the U.S. Department of Homeland Security (DHS) between 2000 and 2018 shows that seizures of infringing goods at U.S. borders have increased 10-fold, from 3,244 seizures per year to 33,810.

...

The rise in consumer use of third-party marketplaces significantly increases the risks and uncertainty for U.S. producers when creating new products. It is no longer enough for a small business to develop a product with significant local consumer demand and then use that revenue to grow the business regionally, nationally, and internationally with the brand protection efforts expanding in step. Instead, with the international scope of e-commerce platforms, once a small business exposes itself to the benefits of placing products online — which creates a geographic scope far greater than its more limited brand protection efforts can handle — it begins to face increased foreign infringement threat.

...

Moreover, as costs to enter the online market have come down, such market entry is happening earlier and earlier in the product cycle, further enhancing risk. If a new product is a success, counterfeiters will attempt, often immediately, to outcompete the original seller with lower-cost counterfeit and pirated versions while avoiding the initial investment into research and design.

...

Counterfeiters have taken full advantage of the aura of authenticity and trust that online platforms provide. While e-commerce has supported the launch of thousands of legitimate businesses, their models have also enabled counterfeiters to easily establish attractive “storefronts” to compete with legitimate businesses.

See Combating Trafficking in Counterfeit and Pirated Goods, Jan. 24, 2020, (**Exhibit 2**) at 4, 8, 11.

21. Not only are the creators and brand holders harmed, but the public is also harmed:

The rapid growth of e-commerce has revolutionized the way goods are bought and sold, allowing for counterfeit and pirated goods to flood our borders and penetrate our communities and homes. Illicit goods trafficked to American consumers by e-commerce platforms and online third-party marketplaces threaten public health and safety, as well as national security. This illicit activity impacts American innovation and erodes the competitiveness of U.S. manufacturers and workers.

The President’s historic memorandum provides a much warranted and long overdue call to action in the U.S. Government’s fight against a massive form of illicit trade that is inflicting significant harm on American consumers and businesses. This illicit trade must be stopped in its tracks.

Id. at 3, 4. (Underlining in original).

22. Plaintiff's investigation shows that the telltale signs of an illegal counterfeiting ring are present in the instant action. For example, Schedule A shows the use of store names by the Defendant Internet Stores that employ no normal business nomenclature and, instead, have the appearance of being made up, or if a company that appears to be legitimate is used, online research shows that there is no known address for the company. Thus, the Defendant Internet Stores are using fake online storefronts designed to appear to be selling genuine Plaintiff products, while selling inferior imitations of Plaintiff's products. The Defendant Internet Stores also share unique identifiers, such as design elements and similarities of the counterfeit products offered for sale, establishing a logical relationship between them, and suggesting that Defendants' illegal operations arise out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid liability by going to great lengths to conceal both their identities and the full scope and interworking of their illegal counterfeiting operation. Plaintiff is forced to file this action to combat Defendants' counterfeiting of Plaintiff's registered trademarks, as well as to protect unknowing consumers from purchasing unauthorized Celine products over the internet.

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

24. 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 Defendant Internet Stores so that they appear to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers. E-commerce stores operating under

the Defendant Internet Stores appear sophisticated and accept payment in U.S. dollars via credit cards, Alipay, Amazon Pay, and/or PayPal. E-commerce stores operating under the Defendant Internet Stores often include content and images that make it very difficult for consumers to distinguish such stores from an authorized retailer. Celine has not licensed or authorized Defendants to use any of the Celine Trademarks, and none of the Defendants are authorized retailers of genuine Celine Products.

25. Many Defendants also deceive unknowing consumers by using the Celine 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 Celine Products. Other e-commerce stores operating under Defendant Internet Stores omit using the Celine 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 Celine Products.

26. On information and belief, Defendants have engaged in fraudulent conduct when registering the Defendant Internet Stores by providing false, misleading, and/or incomplete information to e-commerce platforms to prevent discovery of their true identities and the scope of their e-commerce operation.

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

28. Even though Defendants operate under multiple fictitious aliases, the e-commerce

stores operating under the Defendant Internet Stores 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 aliases they operate or use. E-commerce stores operating under the Defendant Internet Stores include other notable common features such as use of the same registration patterns, accepted payment methods, check-out methods, keywords, 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 Celine Products for sale by the Defendant Internet Stores bear similar irregularities and indicia of being counterfeit to one another, suggesting that the Counterfeit Celine Products were manufactured by and come from a common source and that Defendants are interrelated.

29. In addition to operating under multiple fictitious names, Defendants in this case and defendants in other similar cases against online counterfeiters use a variety of other common tactics to evade enforcement efforts. For example, counterfeiters like Defendants will often register new online marketplace accounts under new aliases once they receive notice of a lawsuit. Counterfeiters also often move website hosting to rogue servers located outside the United States once notice of a lawsuit is received. Rogue servers are notorious for ignoring takedown demands sent by brand owners. Counterfeiters also typically ship products in small quantities via international mail to minimize detection by U.S. Customs and Border Protection. A 2021 U.S. Customs and Border Protection report on seizure statistics indicated that e-commerce sales have contributed to large volumes of low-value packages imported into the United States. U.S. Customs and Border Protection, *Intellectual Property Right Seizure Statistics*, FY 2021 (<https://www.cbp.gov/sites/default/files/assets/documents/2022-Sep/202994%20-%20FY%202021%20IPR%20Seizure%20Statistics%20BOOK.5%20->

%20FINAL%20%28508%29.pdf), attached hereto as **Exhibit** 4. In FY 2021, there were 213 million express mail shipments and 94 million international mail shipments. A substantial amount of intellectual property seizures occur in the international mail and express environments. *Id.* CBP made over 27,000 seizures with an estimated MSRP of over \$3.3 billion, 152% increase over the previous Fiscal Year. *Id.*

30. Counterfeiters such as Defendants typically operate under multiple online internet stores and payment accounts so that they can continue operation in spite of Celine's enforcement efforts. On information and belief, Defendants maintain off-shore bank accounts and regularly move funds from their financial accounts to off-shore accounts outside the jurisdiction of this Court.

31. 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 Celine Products in the same transaction, occurrence, or series of transactions or occurrences. Defendants, without any authorization or license from Plaintiff, have jointly and severally, knowingly, and willfully used and continue to use the Celine Trademarks in connection with the advertisement, distribution, offering for sale, and sale of Counterfeit Celine Products into the United States and Illinois over the internet.

32. Defendants' unauthorized use of the Celine Trademarks in connection with the advertising, distribution, offering for sale, and sale of Counterfeit Celine Products, including the sale of Counterfeit Celine 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 Celine.

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

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

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

35. 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 Celine Trademarks without Celine's permission.

36. Celine is the exclusive owner of the Celine Trademarks. Celine's United States Registrations for the Celine Trademarks (Exhibit 1) are in full force and effect. Regarding information and belief, Defendants have knowledge of Celine's rights in the Celine Trademarks and are willfully infringing and intentionally using counterfeits of the Celine Trademarks. Defendants' willful, intentional, and unauthorized use of the Celine Trademarks is likely to cause and is causing confusion, mistake, and deception as to the origin and quality of the Counterfeit Celine Products among the general public.

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

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

Celine Trademarks.

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

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

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

41. Defendants' promotion, marketing, offering for sale, and sale of Counterfeit Celine 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 Celine or the origin, sponsorship, or approval of Defendants' Counterfeit Celine Products by Celine.

42. By using the Celine Trademarks on the Counterfeit Celine Products, Defendants create a false designation of origin and a misleading representation of fact as to the origin and sponsorship of the Counterfeit Celine Products.

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

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

PRAYER FOR RELIEF

WHEREFORE, Celine 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 Celine 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 Celine Product or is not authorized by Celine to be sold in connection with the Celine Trademarks;
- b. passing off, inducing, or enabling others to sell or pass off any product as a genuine Celine Product or any other product produced by Celine, that is not Celine's or not produced under the authorization, control, or supervision of Celine and approved by Celine for sale under the Celine Trademarks;
- c. committing any acts calculated to cause consumers to believe that Defendants' Counterfeit Celine Products are those sold under the authorization, control, or supervision of Celine, or are sponsored by, approved by, or otherwise connected with Celine;
- d. further infringing the Celine Trademarks and damaging Celine's goodwill;
- e. otherwise competing unfairly with Plaintiff in any matter;
- f. 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 Celine, nor authorized by Celine to be sold or offered for sale, and which bear any of Celine's trademarks, including the Celine Trademarks, or any reproductions, counterfeit copies or colorable imitations thereof;
- g. using, linking to, transferring, selling, exercising control over, or otherwise owning the online marketplace accounts, Defendant Internet Stores, or any other online

marketplace account that is being used to sell or is the means by which Defendants could continue to sell counterfeit Celine Products; and

- h. operating and/or hosting websites at the Defendant Internet Stores and any online marketplace accounts registered or operated by Defendants that are involved with the distribution, marketing, advertising, offering for sale, or sale of any product bearing the Celine Trademarks or any reproduction, counterfeit copy, or colorable imitation thereof that is not a genuine Celine Product or not authorized by Plaintiff to be sold in connection with the Celine Trademarks.
- 2) Entry of an Order that, upon Celine's request, those with notice of the injunction, including, without limitation, any online marketplace platforms (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 Celine Trademarks;
- 3) That Defendants account for and pay to Celine all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of damages for infringement of the Celine 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 Celine 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 Celine Trademarks;
- 5) That Celine be awarded its reasonable attorneys' fees and costs; and
- 6) Award any and all other relief that this Court deems just and proper.

DATED: March 5, 2024

Respectfully submitted,

/s/ Keith A. Vogt

Keith A. Vogt (Bar No. 6207971)

Keith Vogt, Ltd.

33 West Jackson Boulevard, #2W

Chicago, Illinois 60604

Telephone: 312-971-6752

E-mail: keith@vogtip.com

ATTORNEY FOR PLAINTIFF