

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

EYE SAFETY SYSTEMS, INC.,

Plaintiff,

v.

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

Defendants.

Case No. 19-cv-06005

COMPLAINT

Plaintiff Eye Safety Systems, Inc. (“ESS” 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. This Court has jurisdiction over the claims in this action that arise under the laws of the State of Illinois pursuant to 28 U.S.C. § 1367(a), because the state law claims are so related to the federal claims that they form part of the same case or controversy and derive from a common nucleus of operative facts.

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, commercial Internet stores operating under 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 Defendant Internet Stores through which Illinois residents can purchase products using infringing and counterfeit versions of ESS’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 using infringing and counterfeit versions of ESS’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 ESS substantial injury in the State of Illinois.

II. INTRODUCTION

3. This action has been filed by ESS to combat Internet Store operators who trade upon ESS’s reputation and goodwill by offering for sale and/or selling unauthorized and unlicensed products, including eyewear, using infringing and counterfeit versions of ESS’s federally registered trademarks (the “Counterfeit ESS Products”). The Defendants create the Defendant Internet Stores by the dozens and design them to appear to be selling genuine ESS products, while actually selling Counterfeit ESS Products to unknowing consumers. The Defendant Internet Stores share unique identifiers, such as design elements and similarities of the Counterfeit ESS Products offered for sale, establishing a logical relationship between them and suggesting that Defendants’ counterfeiting operation arises out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid liability by going to great lengths to conceal both their identities and the full scope and interworking of their counterfeiting operation. ESS is forced to file this action to combat Defendants’ counterfeiting

of its registered trademarks, as well as to protect unknowing consumers from purchasing Counterfeit ESS Products over the Internet. ESS 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. ESS is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business at One Icon, Foothill Ranch, California 92610.



5. ESS is one of the world's largest suppliers of military, law enforcement, and firefighting protective eyewear including those which prominently display the famous, internationally recognized, and federally registered ESS trademarks (collectively, the "ESS Products"). ESS Products have become enormously popular and even iconic, driven by ESS's arduous quality standards and innovative design. Among the purchasing public, genuine ESS Products are instantly recognizable as such. In the United States and around the world, the ESS brand has come to symbolize high quality, and ESS Products are among the most recognizable protective eyewear in the world.

6. ESS Products are distributed and sold to consumers through approved dealers throughout the United States, including through authorized dealers in Illinois, and the official esseyepro.com website.

7. ESS incorporates a variety of distinctive marks in the design of its various ESS Products. As a result of its long-standing use, ESS owns common law trademark rights in its ESS trademarks. ESS has also registered its trademarks with the United States Patent and Trademark Office. ESS Products typically include at least one of ESS's registered trademarks.

Often several ESS marks are displayed on a single ESS Product. ESS uses its trademarks in connection with the marketing of its ESS Products, including the following marks which are collectively referred to as the “ESS Trademarks.”

Registration Number	Trademark	Good and Services
4181665	ESS	For: Eyewear; Spectacles in class 009.
2449579	ESS	For: Heavy-duty protective eyewear, namely, goggles, and protective facemasks all for industrial use in class 009.
2994352	EYE SAFETY SYSTEMS	For: Heavy-duty protective eyewear, namely, goggles, spectacles, glasses, protective facemasks, all for industrial military, law enforcement and firefighting use in class 009.
4304852		For: protective eyewear and component parts thereof and accessories therefor, namely, eyeglasses, sunglasses, eyeshields, goggles, ophthalmic frames, cases, and prescription lens carriers and prescription lenses therefor; protective eye shields and face shields for use with protective helmets; protective face masks for non-medical purposes; throat protectors for use with goggles and protective helmets; protective work gloves in class 009.
4384991	TOUGH FOR LIFE	For: protective eyewear and component parts thereof and accessories therefor, namely, eyeglasses, sunglasses, eyeshields, goggles, ophthalmic frames, cases, and prescription lens carriers and prescription lenses therefor; protective eye shields and face shields for use with protective helmets; protective face masks for non-medical purposes; throat protectors for use with goggles and protective helmets; protective work gloves in class 009.
4384990	BUILT FOR BATTLE	For: protective eyewear and component parts thereof and accessories therefor, namely, eyeglasses, sunglasses, eyeshields, goggles, ophthalmic frames, cases, and prescription lens carriers and prescription lenses therefor;

		protective eye shields and face shields for use with protective helmets; protective face masks for non-medical purposes; throat protectors for use with goggles and protective helmets; protective work gloves in class 009.
4384989	BUILT FOR BATTLE. TOUGH FOR LIFE	For: protective eyewear and component parts thereof and accessories therefor, namely, eyeglasses, sunglasses, eyeshields, goggles, ophthalmic frames, cases, and prescription lens carriers and prescription lenses therefor; protective eye shields and face shields for use with protective helmets; protective face masks for non-medical purposes; throat protectors for use with goggles and protective helmets; protective work gloves in class 009.
4377127	CREDENCE	For: Eyewear; Sunglasses in class 009.
3130949	ADVANCER	For: Goggles having moveable lenses for sports and for protective uses in class 009.
5291145	CROSSBOW	For: Protective eyewear, namely, spectacles, eyeshields, goggles, eyeglasses and sunglasses in class 009.
5291146		For: Protective eyewear, namely, spectacles, eyeshields, goggles, eyeglasses and sunglasses in class 009.
4704192		For: Eyewear; safety goggles; goggles for sports in class 009.

8. The above U.S. registrations for the ESS Trademarks are valid, subsisting, in full force and effect, and some are incontestable pursuant to 15 U.S.C. § 1065. The registrations for the ESS Trademarks constitute *prima facie* evidence of their validity and of ESS's exclusive right to use the ESS Trademarks pursuant to 15 U.S.C. § 1057(b). The ESS Trademarks have been used exclusively and continuously by ESS, some since at least as early as 1998, and have

never been abandoned. True and correct copies of the United States Registration Certificates for the above-listed ESS Trademarks are attached hereto as **Exhibit 1**.

9. The ESS Trademarks are exclusive to ESS, and are displayed extensively on ESS Products and in ESS's marketing and promotional materials. Typically, at least one of the ESS Trademarks are included on ESS Products. ESS Products have long been among the most popular protective eyewear in the world and have been extensively promoted and advertised at great expense. In fact, ESS has expended significant resources annually in advertising, promoting and marketing featuring the ESS Trademarks. Because of these and other factors, the ESS name and the ESS Trademarks have become famous throughout the United States.

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

11. ESS operates a website where it promotes and sells genuine ESS Products at esseyepro.com. Sales of ESS Products via the esseyepro.com website represent a significant portion of ESS's business. The esseyepro.com website features proprietary content, images and designs exclusive to ESS.

12. ESS's innovative marketing and product designs have enabled ESS to achieve widespread recognition and fame and have made the ESS Trademarks some of the most well-known marks in the eyewear industry. The widespread fame, outstanding reputation, and

significant goodwill associated with the ESS brand have made the ESS Trademarks valuable assets of ESS.

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

The Defendants

14. Defendants are individuals and business entities who, upon information and belief, reside in the People's Republic of China or other foreign jurisdictions. Defendants conduct business throughout the United States, including within the State of Illinois and this Judicial District, through the operation of the fully interactive, commercial 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 ESS Products to consumers within the United States, including the State of Illinois.

15. 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 products using infringing and counterfeit versions of the ESS Trademarks in the same transaction, occurrence, or series of transactions or occurrences. Tactics used by Defendants to conceal their identities and the full scope of their counterfeiting operation make it virtually impossible for ESS to learn Defendants' true identities and the exact interworking of

their counterfeit network. In the event that Defendants provide additional credible information regarding their identities, ESS will take appropriate steps to amend the Complaint.

IV. DEFENDANTS' UNLAWFUL CONDUCT

16. The success of the ESS brand has resulted in its significant counterfeiting. Consequently, ESS has a worldwide anti-counterfeiting program and regularly investigates suspicious online marketplace listings identified in proactive Internet sweeps and reported by consumers. In recent years, ESS has identified many online marketplace listings on platforms such as iOffer, eBay, AliExpress, Alibaba, Amazon, Wish.com, and Dhgate, including the Defendant Internet Stores, which were offering for sale and selling Counterfeit ESS Products to consumers in this Judicial District and throughout the United States. Despite ESS's enforcement efforts, Defendants have persisted in creating the Defendant Internet Stores. E-commerce sales, including through Internet 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.

17. Defendants facilitate sales by designing the Defendant Internet Stores so that they appear to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers. Many of the Defendant Internet Stores look sophisticated and accept payment in U.S. dollars via credit cards, Alipay, Western Union, PayPal, and/or Amazon Pay. The Defendant Internet Stores

often include content and design elements that make it very difficult for consumers to distinguish such counterfeit sites from an authorized retailer. Many Defendants further perpetuate the illusion of legitimacy by offering customer service and using indicia of authenticity and security that consumers have come to associate with authorized retailers, including the Visa®, MasterCard®, and/or PayPal® logos. ESS has not licensed or authorized Defendants to use any of the ESS Trademarks, and none of the Defendants are authorized retailers of genuine ESS Products.

18. Many Defendants also deceive unknowing consumers by using the ESS Trademarks without authorization within the content, text, and/or meta tags of their online marketplace listings in order to attract consumers searching for genuine ESS Products. Additionally, upon information and belief, Defendants use other unauthorized search engine optimization (SEO) tactics and social media spamming so that the Defendant Internet Stores listings show up at or near the top of relevant search results and misdirect consumers searching for genuine ESS Products. Other Defendants only show the ESS Trademarks in product images, while using strategic item titles and descriptions that will trigger their listings when consumers are searching for genuine ESS Products.

19. Defendants go to great lengths to conceal their identities and often use multiple fictitious names and addresses to register and operate their network of Defendant Internet Stores. On information and belief, Defendants regularly create new online marketplace accounts on various platforms using the identities listed in Schedule A to the Complaint, as well as other unknown fictitious names and addresses. Such Defendant Internet Store 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.

20. Even though Defendants operate under multiple fictitious names, there are numerous similarities among the Defendant Internet Stores. For example, Counterfeit ESS Products for sale in the Defendant Internet Stores bear similar irregularities and indicia of being counterfeit to one another, suggesting that the Counterfeit ESS Products were manufactured by and come from a common source and that Defendants are interrelated. The Defendant Internet Stores also include other notable common features, including accepted payment methods, check-out methods, meta data, illegitimate SEO tactics, lack of contact information, identically or similarly priced items and volume sales discounts, the same incorrect grammar and misspellings, and the use of the same text and images.

21. 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 typically ship products in small quantities via international mail to minimize detection by U.S. Customs and Border Protection.

22. Further, counterfeiters such as Defendants typically operate multiple credit card merchant accounts and PayPal accounts behind layers of payment gateways so that they can continue operation in spite of ESS's enforcement efforts. On information and belief, Defendants maintain off-shore bank accounts and regularly move funds from their PayPal accounts or other financial accounts to off-shore bank accounts outside the jurisdiction of this Court. Indeed, analysis of PayPal transaction logs from previous similar cases indicates that off-shore counterfeiters regularly move funds from U.S.-based PayPal accounts to China-based bank accounts outside the jurisdiction of this Court.

23. Defendants, without any authorization or license from ESS, have knowingly and willfully used and continue to use the ESS Trademarks in connection with the advertisement, distribution, offering for sale, and sale of Counterfeit ESS Products into the United States and Illinois over the Internet. Each Defendant Internet Store offers shipping to the United States, including Illinois, and, on information and belief, each Defendant has sold Counterfeit ESS Products into the United States, including Illinois.

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

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

25. ESS hereby re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 24.

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

27. 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 ESS Trademarks without ESS's permission.

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

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

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

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

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

32. ESS hereby re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 31.

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

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

35. Defendants' false designation of origin and misrepresentation of fact as to the origin and/or sponsorship of the Counterfeit ESS 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.

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

COUNT III
VIOLATION OF ILLINOIS UNIFORM DECEPTIVE TRADE PRACTICES ACT
(815 ILCS § 510, *et seq.*)

37. ESS hereby re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 36.

38. Defendants have engaged in acts violating Illinois law including, but not limited to, passing off their Counterfeit ESS Products as those of ESS; causing a likelihood of confusion and/or misunderstanding as to the source of their goods; causing a likelihood of confusion and/or misunderstanding as to an affiliation, connection, or association with genuine ESS Products; representing that their Counterfeit ESS Products have ESS's approval when they do not; and engaging in other conduct which creates a likelihood of confusion or misunderstanding among the public.

39. The foregoing Defendants' acts constitute a willful violation of the Illinois Uniform Deceptive Trade Practices Act, 815 ILCS § 510, *et seq.*

40. ESS has no adequate remedy at law, and Defendants' conduct has caused ESS to suffer damage to its reputation and goodwill. Unless enjoined by the Court, ESS will suffer future irreparable harm as a direct result of Defendants' unlawful activities.

PRAYER FOR RELIEF

WHEREFORE, ESS 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 ESS 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 ESS Product or is not authorized by ESS to be sold in connection with the ESS Trademarks;
 - b. passing off, inducing, or enabling others to sell or pass off any product as a genuine ESS Product or any other product produced by ESS, that is not ESS's or not produced under the authorization, control, or supervision of ESS and approved by ESS for sale under the ESS Trademarks;
 - c. committing any acts calculated to cause consumers to believe that Defendants' Counterfeit ESS Products are those sold under the authorization, control or supervision of ESS, or are sponsored by, approved by, or otherwise connected with ESS;
 - d. further infringing the ESS Trademarks and damaging ESS'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 ESS, nor authorized by ESS to be sold or offered for sale, and which bear any of ESS's trademarks, including the ESS Trademarks, or any reproductions, counterfeit copies or colorable imitations thereof;

- 2) Entry of an Order that, upon ESS's request, those in privity with Defendants and those with notice of the injunction, including, without limitation, any online marketplace platforms such as iOffer, eBay, AliExpress, Alibaba, Amazon, Wish.com and Dhgate, sponsored search engine or ad-word providers, credit cards, banks, merchant account providers, third party processors and other payment processing service providers, and Internet search engines such as Google, Bing and Yahoo (collectively, the "Third Party Providers") shall:
 - a. disable and cease providing services being used by Defendants, currently or in the future, to engage in the sale of goods using the ESS Trademarks;
 - b. disable and cease displaying any advertisements used by or associated with Defendants in connection with the sale of counterfeit and infringing goods using the ESS Trademarks; and
 - c. take all steps necessary to prevent links to the Defendant Internet Stores identified on Schedule A from displaying in search results, including, but not limited to, removing links to the Defendant Internet Stores from any search index.
- 3) That Defendants account for and pay to ESS all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of damages for infringement of the ESS 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 ESS 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 ESS Trademarks;
- 5) That ESS 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 9th day of September 2019.

Respectfully submitted,

/s/ Justin R. Gaudio

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