

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

COSTA DEL MAR, INC.,

Plaintiff,

v.

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

Defendants.

Case No. 20-cv-05446

COMPLAINT

Plaintiff Costa Del Mar, Inc. (“Costa” 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 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.

II. INTRODUCTION

3. This action has been filed by Plaintiff to combat e-commerce store operators who trade upon Plaintiff's reputation and goodwill by offering for sale and/or selling unauthorized and unlicensed products, including eyewear, apparel and other merchandise, using infringing and counterfeit versions of Plaintiff's federally registered trademarks (the "Counterfeit Products"). Defendants create e-commerce stores operating under one or more Seller Aliases that are 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. Plaintiff is forced to file this action to combat Defendants' counterfeiting of its registered trademarks, as well as to protect unknowing consumers from purchasing Counterfeit Products over the Internet. Plaintiff 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. Costa Del Mar, Inc. is a corporation duly organized under the laws of Florida with its principal place of business in Daytona Beach, Florida and an office located at 2361 Mason Avenue, Suite 100, Daytona Beach, Florida, 32117-5166.







5. The Costa brand was born in Daytona Beach, Florida in 1983. Costa has continuously sold Costa branded products, including eyewear, apparel and other merchandise, which prominently display the well-known and federally registered Costa trademarks (collectively, the “Costa Products”).

6. Costa Products have become enormously popular, driven by the brand’s arduous quality standards and innovative design. Among the purchasing public, genuine Costa Products are instantly recognizable as such. Costa Products are distributed and sold to consumers through retailers throughout the United States and through the official costadelmar.com website.


7. Costa incorporates a variety of distinctive marks in the design of its various Costa Products. As a result of its long-standing use, Costa owns common law trademark rights in its Costa trademarks. Costa has also registered several of its trademarks with the United States Patent and Trademark Office. The Costa Products often include at least one of Costa’s registered trademarks. Costa uses its trademarks in connection with the marketing of the Costa Products, including the following marks which are collectively referred to as the “Costa Trademarks.”





REGISTRATION NUMBER	REGISTERED TRADEMARK	INTERNATIONAL CLASSES
3857379	COSTA	Class 009: sunglasses and sunglass frames.
5653368	COSTA	Class 009: eyeglasses and related accessories, namely,

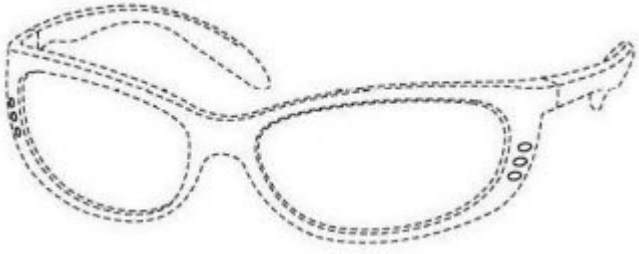

		eyeglass lenses, eyeglass cases.
4163647	COSTA	Class 035: On-line retail store services featuring sunglasses and related accessories, namely, sunglass lenses, retention cords, and clothing, namely shirts and hats.
3773612	COSTAS	Class 009: sunglasses and sunglass frames.
1723449	COSTA DEL MAR	Class 009: sunglasses.
3002972	COSTA DEL MAR	Class 025: clothing, namely, hats, shirts.
5729388	DEL MAR	Class 009: eyewear, namely, sunglasses, sunglass frames, and sunglass lenses.
5944853		<p>Class 003: eyewear cleaning solution.</p> <p>Class 009: eyeglass lanyards; waterproof dry cases for cell phones.</p> <p>Class 016: stickers, decals, bumper stickers, decorative decals for vehicle windows.</p> <p>Class 021: bottle openers; drinking glasses, namely, tumblers, insulated containers for beverages, heat-insulated containers for beverages, containers for hot beverages, containers for cold beverages, coffee and tea mugs; microfiber cloths for cleaning.</p>

		<p>Class 022: lanyards for holding keys.</p> <p>Class 025: neck gaiters; knit face masks; bandanas.</p>
4520088		Class 025: Clothing, namely, shirts and hats.
5646820		Class 009: eyeglasses and related accessories, namely, eyeglass lenses, eyeglass cases.
3273228		Class 009: sunglasses, sunglass frames, sunglass lenses.
5465884		Class: 018: backpacks, beach bags, tote bags, duffle bags.
5653366		Class 009: eyeglasses and related accessories, namely, eyeglass lenses, eyeglass cases.
3273229		Class 009: sunglasses, sunglass frames, sunglass lenses.

3420371	C-MATES	Class 009: combination sunglasses and reading glasses.
4599722	C-WALL	Class 009: sunglass lenses; sunglass lens coatings sold as an integral component of sunglasses.
3711018	COSTA 580	Class 009: sunglasses and sunglass frames, sunglass lenses.
4891374	580	Class 009: sunglass lenses.
4771385	BEYOND POLARIZED	Class 009: sunglasses, sunglass lenses.
4767077	BORN ON THE WATER	Class 009: sunglasses, sunglass frames, sunglass lenses.
4767076	PROTECT OUT THERE	Class 009: sunglasses, sunglass frames, sunglass lenses.
3274581	SEE WHAT'S OUT THERE	Class 009: sunglasses, sunglass frames, sunglass lenses.
5446112	KICK PLASTIC	Class 025: clothing made from recycled materials, namely, t-shirts. Class 040: providing a website featuring information about recycling. Class 042: providing a website featuring information about environmental conservation.
4768671	HIGHLINE	Class 009: eyewear, namely, sunglasses, sunglass frames, and sunglass lenses.

3274582	FATHOM	Class 009: sunglasses, sunglass frames, sunglass lenses.
2899507	LIGHTWAVE	Class 009: optical and sunglass lenses.
3153673	SILENCER	Class 009: Sunglasses.
3729798	ZANE	Class 009: sunglasses and sunglass frames.
4342211	BLACKFIN	Class 009: sunglasses, sunglass frames, and sunglass lenses.
3270766	HAMMERHEAD	Class 009: sunglasses, sunglass frames, sunglass lenses.
3270765	HARPOON	Class 009: sunglasses, sunglass frames, sunglass lenses.
3067284	HARDTOP	Class 009: sunglasses and frames.
2312428	RHYNO-TUFF	Class 009: sunglasses.
2306527	ANTI-OCULAR INTRUSION SYSTEM	Class 009: sunglasses.
3837688	N	Class 009: Sunglasses and related accessories, namely, sunglasses cases, retention cords, replacement parts, and temple-bar release devices; sports goggles for snow sports and motorsports.
3837682		Class 009: Sunglasses and related accessories, namely, sunglasses cases, retention cords, replacement parts, and temple-bar release devices; sports goggles for snow

		sports and motorsports.
3581846	NATIVE	Class 009: eyewear, namely, sports goggles for snow sports and motorsports.
5956148		<p>Class 009: Sunglasses and related accessories, namely, sunglass lenses, sunglass cases and sunglass retention cords; sports goggles for snow sports.</p> <p>Class 035: Online retail store services, featuring sunglasses and related accessories, namely, sunglass lenses, frames, nose pads, temple boots, and cases.</p>
5875336		Class 025: hats and shirts.
5201379		Class 009: Goggles for ski sports; ski goggles; snow goggles.
4114951		Class 009: sports eyewear and sunglasses.

3431239		Class 009: Eyewear, namely, sports eyewear and sunglasses.
3245770		Class 009: Sports eyewear and sunglasses.

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

9. The Costa Trademarks are exclusive to Plaintiff and are displayed extensively on Costa Products and in Plaintiff's marketing and promotional materials. The Costa Trademarks have been extensively promoted and advertised at great expense. In fact, over the years, Plaintiff has expended millions of dollars in advertising, promoting and marketing featuring the Costa Trademarks.

10. The Costa Trademarks are distinctive when applied to the Costa Products, signifying to the purchaser that the products come from Plaintiff and are manufactured to Plaintiff's quality standards. The Costa Trademarks have achieved fame and recognition, which

has only added to the distinctiveness of the marks. As such, the goodwill associated with the Costa Trademarks is of incalculable and inestimable value to Plaintiff.

11. For many years, Plaintiff has operated an e-commerce website where it promotes and sells genuine Costa Products at costadelmar.com. The costadelmar.com website features proprietary content, images and designs exclusive to Plaintiff.

12. Plaintiff has expended substantial time, money, and other resources in developing, advertising and otherwise promoting the Costa Trademarks. As a result, products bearing the Costa Trademarks are widely recognized and exclusively associated by consumers, the public, and the trade as being high-quality products sourced from Plaintiff. The widespread fame, outstanding reputation, and significant goodwill associated with the Costa Products have made the Costa Trademarks invaluable assets of Plaintiff.

The Defendants

13. 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 Plaintiff. On 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).

14. On information and belief, Defendants, either individually or jointly, 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 operation make it virtually impossible for Plaintiff to learn Defendants' true identities and the exact interworking of their

counterfeit network. If Defendants provide additional credible information regarding their identities, Plaintiff will take appropriate steps to amend the Complaint.

IV. DEFENDANTS' UNLAWFUL CONDUCT

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

16. 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 platforms.” **Exhibit 3**, 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* 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 4**, and 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 4** 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 4** 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 3** at 186-187.

17. 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.

18. 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 look 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. Plaintiff has not licensed or authorized Defendants to use

any of the Costa Trademarks, and none of the Defendants are authorized retailers of genuine Costa Products.

19. Many Defendants also deceive unknowing consumers by using the Costa 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 Costa Products. Other e-commerce stores operating under the Seller Aliases omit using the Costa 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 Costa Products.

20. 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.

21. 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 and the full scope and interworking of their counterfeiting operation, and to avoid being shut down.

22. 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.

23. 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.

24. Counterfeiters such as Defendants typically operate under multiple seller aliases and payment accounts so that they can continue operation in spite of Plaintiff'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 Plaintiff. Indeed, analysis of financial account transaction logs from previous similar cases indicates that off-shore counterfeiters regularly move funds from U.S.-based financial accounts to off-shore accounts outside the jurisdiction of this Court.

25. 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 Plaintiff, have jointly and

severally, knowingly and willfully used and continue to use the Costa Trademarks in connection with the advertisement, distribution, offering for sale, and sale of Counterfeit Products into the United States and Illinois over the Internet.

26. Defendants' unauthorized use of the Costa 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 Plaintiff.

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

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

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

29. 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 Costa Trademarks without Plaintiff's permission.

30. Plaintiff is the exclusive owner of the Costa Trademarks. Plaintiff's United States Registrations for the Costa Trademarks (Exhibit 1) are in full force and effect. On information and belief, Defendants have knowledge of Plaintiff's rights in the Costa Trademarks, and are willfully infringing and intentionally using counterfeits of the Costa Trademarks. Defendants' willful, intentional and unauthorized use of the Costa 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.

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

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

33. The injuries and damages sustained by Plaintiff 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))

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

35. 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 Plaintiff or the origin, sponsorship, or approval of Defendants' Counterfeit Products by Plaintiff.

36. By using the Costa Trademarks in connection with the sale of 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.

37. 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.

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

PRAYER FOR RELIEF

WHEREFORE, Plaintiff 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 Costa 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 Costa Product or is not authorized by Plaintiff to be sold in connection with the Costa Trademarks;
 - b. passing off, inducing, or enabling others to sell or pass off any product as a genuine Costa Product or any other product produced by Plaintiff, that is not Plaintiff's or not produced under the authorization, control, or supervision of Plaintiff and approved by Plaintiff for sale under the Costa 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 Plaintiff, or are sponsored by, approved by, or otherwise connected with Plaintiff;
 - d. further infringing the Costa Trademarks and damaging Plaintiff'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 Plaintiff, nor authorized by Plaintiff to be sold or

offered for sale, and which bear any of Plaintiff's trademarks, including the Costa Trademarks, or any reproductions, counterfeit copies or colorable imitations thereof;

- 2) Entry of an Order that, upon Plaintiff'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 Costa Trademarks;
- 3) That Defendants account for and pay to Plaintiff all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of damages for infringement of the Costa 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 Plaintiff 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 Costa Trademarks;
- 5) That Plaintiff 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 14th day of September 2020.

Respectfully submitted,

/s/ Justin R. Gaudio

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