

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

ENTERTAINMENT ONE UK LTD.,

Plaintiff,

v.

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

Defendants.

Case No. 23-cv-00536

COMPLAINT

Plaintiff Entertainment One UK Ltd. (“eOne” 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.*, the Copyright Act 17 U.S.C. § 501, *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 Illinois residents by setting up and operating e-commerce stores that target United States

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

consumers using one or more Seller Aliases, offer shipping to the United States, including Illinois, accept payment in U.S. dollars and/or funds from U.S. bank accounts, and, on information and belief, have sold products, including children's clothing, toys and other goods, using infringing and counterfeit versions of eOne's federally registered trademarks, unauthorized copies of eOne's federally registered copyrighted designs, or both (collectively, the "Unauthorized PJ Masks Products") to residents of Illinois. Each of the Defendants is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused eOne substantial injury in the State of Illinois.

II. INTRODUCTION

3. This action has been filed by eOne to combat e-commerce store operators who trade upon eOne's reputation and goodwill by offering for sale and/or selling Unauthorized PJ Masks Products. Defendants create e-commerce stores operating under one or more Seller Aliases that are advertising, offering for sale and selling Unauthorized PJ Masks 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. eOne is forced to file this action to combat Defendants' counterfeiting of its registered trademarks and infringement of its registered copyrighted designs, as well as to protect unknowing consumers from purchasing Unauthorized PJ Masks Products over the internet. eOne has been and continues to be irreparably damaged through consumer confusion, dilution,

and tarnishment of its valuable trademarks and infringement of its copyrighted designs as a result of Defendants' actions and seeks injunctive and monetary relief.

III. THE PARTIES

Plaintiff

4. Plaintiff Entertainment One UK Ltd. is a limited company having its principal place of business in the United Kingdom.

5. eOne is a global independent studio that specializes in the development, acquisition, production, financing, distribution and sales of entertainment content. eOne's diversified expertise spans across film, television and music production and sales, family programming, merchandising and licensing, and digital content. Through its global reach and expansive scale, powered by deep local market knowledge, eOne delivers the best content to the world.

6. PJ Masks is an animated television series produced by eOne, Frog Box, and TeamTO. Since the show first premiered on Disney Junior in the United States in September 2015, PJ Masks is now broadcast in over 150 territories and has become a favorite with families all around the world. The action-packed adventures of Catboy, Owlette & Gekko are set to continue with a new season of episodes rolling out globally throughout 2018 and 2019, and a third season currently in production. With over 600 licensees globally, PJ Masks continues to soar onto shelves across the globe, with strong sales success across all categories. Some of the characters and character names made famous by PJ Masks are:

Catboy	Gekko	Owlette
		
Romeo	Luna Girl	
		

7. In addition to episode DVDs, a variety of licensed PJ Masks products are available, including video games and other toys such as playsets, playing cards, vehicles, and stuffed toys, household items such as bathroom products, stationery, and bed linens, food, drinks, clothing, and jewelry (collectively, the “PJ Masks Products”).

8. PJ Masks Products have become enormously popular, driven by the brand’s arduous quality standards and innovative design. Among the purchasing public, genuine PJ Masks Products are instantly recognizable as such. The PJ Masks brand has become a global success that resonates with children worldwide, and PJ Masks Products are among the most recognizable in the world. PJ Masks Products are distributed and sold to consumers through retailers throughout the United States, including through authorized retailers in Illinois such as Target, Kmart, and Walmart.

9. Long before Defendants' acts described herein, eOne launched the PJ Masks television show and its related line of PJ Masks Products bearing its now famous PJ MASKS mark and various copyrighted designs (the "PJ Masks Copyrighted Designs").

10. eOne has used the PJ MASKS and other trademarks for several years and has continuously sold products under the PJ MASKS and other trademarks (collectively, the "PJ MASKS Trademarks"). As a result of this long-standing use, strong common law trademark rights have amassed in the PJ MASKS Trademarks. eOne's use of the marks has also built substantial goodwill in and to the PJ MASKS Trademarks. The PJ MASKS Trademarks are famous marks and valuable assets of eOne. PJ Masks Products typically include at least one of the registered PJ MASKS Trademarks and/or the PJ Masks Copyrighted Designs.

11. Several of the PJ MASKS Trademarks are registered with the United States Patent and Trademark Office, a non-exclusive list of which is included below.

Registration Number	Trademark	Registration Date	Goods and Services
4,815,385	PJ MASKS	Sep. 22, 2015	<p>For: goods made from paper or cardboard, namely, boxes, cartons, storage containers; photographic products, namely, photographic prints; printed matter, namely, books all in the field of children's entertainment; posters; greeting cards; transfers and stickers; calendars; paper napkins; paper and cardboard containers class 016.</p> <p>For: Clothing, namely, shirts, pants, sweaters, jackets, coats, shorts, t-shirts, sweatshirts, sweatpants, underwear, socks, pajamas, scarves, footwear;</p>

			<p>headwear in class 025.</p> <p>For: Games, playthings and toys, namely, role playing games, trivia and question and answer games, card games, dice games, hand held unit for playing video games, hand held games with liquid crystal displays; electronic and non-electronic puzzles and puzzle games, dolls and toys, namely, articulated and non-articulated dolls, toy figures, modeled plastic toy figurines, bendable toys and action figures; stuffed, plush, bean-bag and cloth toys; toy costume masks; playing cards; roller-skates; toy scooters; diecast toy vehicles; playing cards and card games; decorations for Christmas trees, except illumination articles and confectionery; action figures and accessories therefor; board games; card games; children's multiple activity toys; balloons; beach balls; Christmas stockings; collectable toy figures; electric action toys; inflatable toys; kites; party games; roller skates; skateboards; stuffed toys; toy action figures; toy bucket; toy vehicles; toy scooters; toy cars; toy figures; toy watches in class 028.</p>
5,348,145	PJ MASKS	Dec. 5, 2017	<p>For: Bleaching preparations and other substances for laundry use, namely laundry detergent; cleaning preparations, polishing</p>

			<p> preparations, degreasing preparations for household purposes and abrasive preparations in the nature of abrasive paste; soaps, namely soaps for body care; perfumery, essential oils, cosmetics, hair lotions; dentifrices; aftershave lotions; antiperspirants; aromatherapy essential oils; baby oil; baby wipes; bath gels; bath powder; blush; body creams, lotions in the nature of lotions for skin, and powders in the nature of soap powders; breath fresheners; bubble bath; eau de cologne; deodorants, namely body deodorants; powders, namely perfumed powders; essential oils for personal use; eye liner; eye shadows; eyebrow pencils; face powder; face creams; facial lotions; face masks, namely beauty masks; facial scrubs; air fragrancing preparations for household use; hair gels; hair conditioners; hair shampoo; hair mousse; hair cream; hair spray; hand cream; hand lotions; soaps for the hand; lip balm; lipsticks; lipstick holders; lip gloss; liquid soaps; make-up; mascara; mouthwash; nail care preparations; nail enamel; nail hardeners; nail polish; perfumes; pot-pourri; room scenters, namely scented room sprays; shaving creams; skin soap; talcum powder; eaux de toilette; skin creams; skin moisturisers; sun </p>
--	--	--	--

			<p>blocking preparations; non-medicated sun care preparations in class 003.</p> <p>For: Materials for dressings, namely gauze; plasters, namely medical plasters; portable filled medicine cases, namely first aid kits; baby food; vitamins for children; herb teas for medicinal purposes; disinfectants for sanitary purposes in class 005.</p> <p>For: Vehicles, namely, strollers; apparatus for locomotion by land, air or water, namely, airplanes; bicycle parts included in this class, namely, bicycle seats, bicycle chains; perambulators; safety seats for children for vehicles; boats, in particular rubber dinghies; air balloons in the nature of vehicular balloons; saddle covers for bicycles or motorcycles; mechanical anti-theft devices for vehicles; shopping trolleys; rims for bicycle wheels, chains, bells, baskets adapted for bicycles, handlebars, wheel hubs, dress guards, pedals, pumps, frames, saddles and pannier bags for bicycles; direction indicators in the nature of signals for vehicles, in particular for bicycles; repair outfits for inner tubes, namely patches for repairing inner tubes; luggage racks and saddle bags for vehicles, in particular for two-wheeled vehicles in the nature of</p>
--	--	--	--

			<p>bicycles and motorcycles; horns, in particular for automobiles; carts; stroller covers; hub caps; wheelchairs; rear view mirrors; sleighs for transport purposes; fitted seat covers for vehicles; wheelbarrows; bicycle stands in class 012.</p> <p>For: Precious metals and their alloys and goods of precious metals or coated therewith included in this class, namely, key rings, jewelry cases; jewellery, precious stones; horological and chronometric instruments; alarm clocks; bracelets; busts of precious metal; pendants; clocks; earrings; jewel cases of precious metal; jewelry chains; key rings of precious metal; lapel pins; necklaces; necktie fasteners; non-monetary coins; ornamental pins; rings; stopwatches; tie clips; tie pins; wall clocks; watch straps; watch cases; watch chains; watches; wedding bands; jewelry boxes not of metal; decorative key fobs not of metal in class 014.</p> <p>For: Furniture, mirrors, picture frames; goods of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics, namely drawer pulls; air mattresses for use when camping; bassinets; beds;</p>
--	--	--	--

		<p>benches being furniture; bookcases; cabinets; chairs; coat racks; computer furniture; computer keyboard trays; cots; couches; decorative mobiles; desks; figurines and statuettes made of bone, plaster, plastic, wax, or wood; flagpoles; footstools; hand fans; hand-held mirrors; lawn furniture; love seats; magazine racks; mattresses; non Christmas ornaments made of bone, plaster, plastic, wax or wood; ottomans; party ornaments of plastic; pedestals; pillows; plant stands made of wire and metal; decorative wall plaques made of plastic and wood; plastic name badges being decorative articles; plastic novelty license plates; plastic cake decorations; sleeping bags; tables; toy boxes; umbrella stands; venetian blinds; wind chimes being decorative articles in class 020.</p> <p>For: Brushes except paint brushes, namely, hair brushes; brush-making materials; articles for cleaning purposes, namely, cleaning cloths; steel wool; unworked or semi-worked glass, except glass used in building in class 021.</p> <p>For: Textiles and textile goods included in this class, namely textile table napkins; bed and plastic table covers; afghans; bath</p>
--	--	---

			<p>linen; blankets, namely bed blankets; bed canopies; bed linen; bed sheets; bed skirts; bed spreads; blanket throws; calico; children's blankets; cloth coasters; cloth doilies; cloth flags; cloth pennants; duvets; curtains; fabric for flags; felt pennants; golf towels; towels; handkerchiefs; hooded towels; household linen; kitchen towels; pillowcases; plastic flags being decorative articles; plastic pennants being decorative articles; quilts; baby blankets; silk blankets; table linen; textile table napkins; textile place mats; table napkins of textile; throws; face cloths in class 024.</p> <p>For: Carpets; rugs; car mats, namely floor mats; bath mats; gymnastic mats; plastic floor coverings; wall hangings not of textile; wallpaper of textile in class 027.</p> <p>For: Jellies, jams, compotes; eggs; milk; milk products excluding ice cream, ice milk and frozen yogurt; edible oils and fats in class 029.</p> <p>For: Tea; cocoa; sugar; rice; tapioca; sago; artificial coffee; flour and preparations made from cereals, namely cereal bars; bread; pastry; confectionery, namely chocolate; ices; honey; treacle; yeast, baking-powder;</p>
--	--	--	---

			<p>salt; mustard; vinegar; sauces as condiments, namely hot sauce; spices in class 030.</p> <p>For: Product merchandising for others; sales promotion, for others, in particular marketing and promotion of goods and services of all kinds, including via online portals; retail store services provided via the internet and other computer and electronic communications networks featuring downloadable pre-recorded audio, audiovisual, musical, multimedia and video content in class 035.</p> <p>For: Audio and video broadcasting services provided via the internet; audio broadcasting; audio, video and multimedia in the nature of radio broadcasting via the internet and digital and wireless communications networks; broadcasting of motion picture films via the internet; broadcasting of teleshopping programs; transmission of videos, movies, pictures, images, text, photos, games, user generated content in the nature of data, audio content, and information via the internet; video broadcasting; chat room services for social networking; computer aided transmission of messages, data and images; delivery of digital music by wireless</p>
--	--	--	--

			communication networks, electronic transmission; multimedia messaging services; providing internet chatrooms and internet forums in the field of music; streaming audio and video material on the internet; transmission of data, audio, video and multimedia files; transmission and distribution of data or audiovisual images via a global computer network or the internet; transmission of greeting cards online; webcasting services in class 038.
5,183,889	PJ MASKS	April 18, 2017	For: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signaling, checking and supervision, life-saving and teaching apparatus and instruments, namely, microscopes, cameras, video cameras, scales, graduated rulers; fire-extinguishing apparatus; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers and recording discs featuring music, children's entertainment, television programs for children; data-processing equipment, namely, data processors and computers; musical sound recordings and sound and video recordings featuring music, children's entertainment, television programs for children;

			downloadable ring tones, music, mp3, graphic and video files featuring music, children's entertainment, television programs for children for wireless communications devices; programs for computer games; video games software; computer games programs downloaded via the internet software; video game programs stored on cartridges, floppy discs, cd-roms, cassettes, tapes and mini discs; compact disc players; audio-video compact discs featuring music, children's entertainment, television programs for children; dvd players; recorded computer software for wireless transmission of data and images; downloadable computer programs for wireless transmission of data and images; exposed camera, cinematographic, and slide films; cassette players; magic lanterns; gramophone records featuring music, children's entertainment; life jackets; sound carriers, namely, CDs, DVDs, and Mp3 files, featuring music, children's entertainment, television programs for children; portable stereos; videotapes featuring music, children's entertainment, television programs for children; video cassettes featuring music, children's entertainment, television programs for children;
--	--	--	--

			<p>video recorders; video game cartridges; mechanisms for coin-operated apparatus; cash registers; calculating machines in class 9.</p> <p>For: Animal skins, hides; whips, harness and saddlery; leather and imitations of leather in class 18.</p> <p>For: Education, namely, classes, courses, seminars, and workshops in the field of animation, math, science, computer programming; providing of training in the field of animation, math, science, computer programming; entertainment, namely, live musical performances, a series of television programs in the field of children's entertainment, basketball competitions; sporting and cultural activities, namely, basketball competitions, golf tournaments, art exhibitions; editing and production of film, television, radio and multimedia programs, radio entertainment namely, radio programs featuring performances by a fictional character; arranging and conducting of cultural, entertainment and sporting events, namely, live musical performances, arranging of concerts; photography; providing recreation facilities in class 41.</p>
5,461,563	PJ MASKS	May 8, 2018	For: optical goods, namely, sunglasses and eyeglasses in class

			<p>9.</p> <p>For: trunks and travelling bags; all-purpose carrying bags, purses, umbrellas, parasols, walking sticks; rucksacks; luggage; luggage tags; overnight bags; change purses; satchels; tote bags; waist pouches; wallets in class 18.</p>
5,572,276	CATBOY	Sept. 25, 2018	<p>For: Handheld games with liquid crystal displays, Hand-held, non-electronic skill games; Hand-held units for playing electronic games; tabletop games; Outdoor activity game equipment sold as a unit comprising sports balls for playing games; playthings, namely, board games, role playing games, trivia games played with cards and game components and question and answer games, chess games, card games, yo-yos, action skill games, dice games, target games, hand held unit for playing electronic games, hand held unit for playing video games, hand held games with liquid crystal displays; electronic and non-electronic puzzles and puzzle games, hand-held, tabletop, and travel-size jigsaw puzzles; balloons; playground balls for games; dolls and toys, namely, articulated and non-articulated dolls, toy figures, modeled plastic toy figurines, bendable toys and action figures; stuffed toys, plush</p>

			toys, bean bags, bean bag animals, bean bag dolls, and cloth toys, namely, dolls; toy costume masks; puppets; corrugated play houses; playing cards; toy scooters; scale model toy vehicles; wooden toy vehicles; diecast toy vehicles in class 028.
5,613,772	GEKKO	Nov. 20, 2018	For: Handheld games with liquid crystal displays, Hand-held, non-electronic skill games; Hand-held units for playing electronic games; tabletop games; Outdoor activity game equipment sold as a unit comprising sports balls for playing games; playthings, namely, board games, role playing games, trivia games played with cards and game components and question and answer games, chess games, card games, yo-yos, action skill games, dice games, target games, hand held unit for playing electronic games, hand held unit for playing video games, hand held games with liquid crystal displays; electronic and non-electronic puzzles and puzzle games, hand-held, tabletop, and travel-size jigsaw puzzles; balloons; playground balls for games; dolls and toys, namely, articulated and non-articulated dolls, toy figures, modeled plastic toy figurines, bendable toys and action figures; stuffed toys, plush toys, bean bags, bean bag animals, bean bag dolls, and cloth

			toys, namely, dolls; toy costume masks; puppets; corrugated play houses; playing cards; toy scooters; scale model toy vehicles; wooden toy vehicles; diecast toy vehicles in class 028.
5,613,752	OWLETTE	Nov. 20, 2018	For: Handheld games with liquid crystal displays, Hand-held, non-electronic skill games; Hand-held units for playing electronic games; tabletop games; Outdoor activity game equipment sold as a unit comprising sports balls for playing games; playthings, namely, board games, role playing games, trivia games played with cards and game components and question and answer games, chess games, card games, yo-yos, action skill games, dice games, target games, hand held unit for playing electronic games, hand held unit for playing video games, hand held games with liquid crystal displays; electronic and non-electronic puzzles and puzzle games, hand-held, tabletop, and travel-size jigsaw puzzles; balloons; playground balls for games; dolls and toys, namely, articulated and non-articulated dolls, toy figures, modeled plastic toy figurines, bendable toys and action figures; stuffed toys, plush toys, bean bags, bean bag animals, bean bag dolls, and cloth toys, namely, dolls; toy costume masks; puppets; corrugated play

			houses; playing cards; toy scooters; scale model toy vehicles; wooden toy vehicles; diecast toy vehicles in class 028.
--	--	--	--

12. The above U.S. registrations for the PJ MASKS Trademarks are valid, subsisting, and in full force and effect. The registrations for the PJ MASKS Trademarks constitute *prima facie* evidence of their validity and of eOne's exclusive right to use the PJ MASKS Trademarks pursuant to 15 U.S.C. § 1057 (b). True and correct copies of the United States Registration Certificates for the above-listed PJ MASKS Trademarks are attached hereto as **Exhibit 1**.

13. The PJ MASKS Trademarks are distinctive when applied to the PJ Masks Products, signifying to the purchaser that the products come from eOne and are manufactured to eOne's quality standards. Whether eOne manufactures the products itself or contracts with others to do so, eOne has ensured that products bearing the PJ MASKS Trademarks are manufactured to the highest quality standards.

14. The PJ MASKS Trademarks are famous marks, as that term is used in 15 U.S.C. § 1125(c)(1), and have been continuously used and never abandoned. The innovative marketing and product designs of the PJ Masks Products have enabled the PJ Masks brand to achieve widespread recognition and fame and have made the PJ MASKS Trademarks some of the most well-known marks in the toy and children's entertainment industries. The widespread fame, outstanding reputation, and significant goodwill associated with the PJ Masks brand have made the PJ MASKS Trademarks valuable assets of eOne.

15. Since the initial launch of the PJ Masks Products, the PJ MASKS Trademarks have been the subject of substantial and continuous marketing and promotion by eOne. eOne has and continues to market and promote the PJ MASKS Trademarks in the industry and to

consumers through traditional print media, the official PJ MASKS website (pjmask.com), social media sites, and point of sale material.

16. eOne has expended substantial time, money, and other resources in advertising and promoting the PJ MASKS Trademarks. In fact, eOne has expended millions of dollars in advertising, promoting and marketing featuring the PJ MASKS Trademarks. PJ Masks Products have also been the subject of extensive unsolicited publicity resulting from their high-quality, innovative designs. As a result, products bearing the PJ MASKS Trademarks are widely recognized and exclusively associated by consumers, the public, and the trade as being high-quality products sourced from eOne. PJ Masks Products have become among the most popular of their kind in the U.S. and the world. The PJ MASKS 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 PJ MASKS Trademarks is of incalculable and inestimable value to eOne.

17. Genuine PJ Masks Products are sold only through authorized retail channels and are recognized by the public as being exclusively associated with the PJ Masks brand.

18. eOne has registered its PJ Masks Copyrighted Designs with the United States Copyright Office. The registrations include, but are not limited to: “PJ Masks – ‘Catboy’” (U.S. Copyright Registration No. VA 2-012-133), issued by the Register of Copyrights on July 21, 2016; “PJ Masks – ‘Owlette’” (U.S. Copyright Registration No. VA 2-012-136), issued by the Register of Copyrights on July 21, 2016; “PJ Masks – ‘Gekko’” (U.S. Copyright Registration No. VA 2-012-134), issued by the Register of Copyrights on July 21, 2016; “PJ Masks – ‘Night Ninja’” (U.S. Copyright Registration No. VA 2-012-131), issued by the Register of Copyrights on July 21, 2016; “PJ Masks – ‘Luna Girl’” (U.S. Copyright Registration No. VA 2-012-135),

issued by the Register of Copyrights on July 21, 2016; “PJ Masks – ‘Romeo’” (U.S. Copyright Registration No. VA 2-012-137), issued by the Register of Copyrights on July 21, 2016; and “PJ Masks – ‘Ninjalinos’” (U.S. Copyright Registration No. VA 2-012-138), issued by the Register of Copyrights on July 21, 2016. True and correct copies of the U.S. federal copyright registration certificates for the above-referenced PJ Masks Copyrighted Designs are attached hereto as **Exhibit 2**.

19. Among the exclusive rights granted to eOne under the U.S. Copyright Act are the exclusive rights to reproduce, prepare derivative works of, distribute copies of, and display the PJ Masks Copyrighted Designs to the public.

20. Since first publication, the PJ Masks Copyrighted Designs have been used on the PJ Masks Products and are featured on the official PJ MASKS website at pjmask.com. PJ Masks Products featuring the PJ Masks Copyrighted Designs are advertised on the official PJ MASKS website at pjmask.com.

The Defendants

21. 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 eOne. 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).

22. 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 eOne to learn Defendants' true identities and the exact interworking of their counterfeit network. If Defendants provide additional credible information regarding their identities, eOne will take appropriate steps to amend the Complaint.

IV. DEFENDANTS' UNLAWFUL CONDUCT

23. The success of the PJ Masks brand has resulted in significant counterfeiting of the PJ MASKS Trademarks. In recent years, eOne has identified many fully interactive, e-commerce stores offering Unauthorized PJ Masks Products on online marketplace platforms such as Amazon, eBay, AliExpress, Alibaba, Wish.com, Walmart, Etsy, and DHgate, including the e-commerce stores operating under the Seller Aliases. The Seller Aliases target consumers in this Judicial District and throughout the United States. According to a U.S. Customs and Border Protection (CBP) Report, in 2021, CBP made over 27,000 seizures of goods with intellectual property rights (IPR) violations totaling over \$3.3 billion, an increase of \$2.0 billion from. *Intellectual Property Rights Seizure Statistics, Fiscal Year 2021*, U.S. Customs and Border Protection (**Exhibit 3**). Of the 27,000 in total IPR seizures, over 24,000 came through international mail and express courier services (as opposed to containers), 51 percent of which originated from China and Hong Kong. *Id.*

24. 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 4**, Daniel C.K. Chow, *Alibaba, Amazon, and Counterfeiting in the Age of the Internet*, 40 NW. J. INT’L L. & BUS. 157, 186 (2020); *see also* 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 5** 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 5** 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 5** at p. 39. Further, "E-commerce platforms create bureaucratic or technical hurdles in helping brand owners to locate or identify sources of counterfeits and counterfeiters." **Exhibit 4** at 186–187.

25. 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/or funds from U.S. bank accounts and, on information and belief, have sold Unauthorized PJ Masks Products to residents of Illinois.

26. 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 and/or funds from U.S. bank accounts via credit cards, Alipay, Amazon Pay, 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. eOne has not licensed or authorized Defendants to use any of the PJ MASKS Trademarks or copy or distribute the PJ Masks Copyrighted Designs, and none of the Defendants are authorized retailers of genuine PJ Masks Products.

27. Many Defendants also deceive unknowing consumers by using the PJ MASKS Trademarks without authorization within the content, text, and/or meta tags of their e-commerce stores to attract various search engines crawling the internet looking for websites relevant to consumers searches for PJ Masks Products. Other e-commerce stores operating under the Seller Aliases omit using PJ MASKS 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 PJ Masks Products.

28. E-commerce store operators like Defendants commonly engage in fraudulent conduct when registering the Seller Aliases 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.

29. E-commerce store operators like Defendants regularly register or acquire new seller aliases for the purpose of offering for sale and selling Unauthorized PJ Masks Products. Such seller alias registration patterns are one of many common tactics used by e-commerce store operators like Defendants to conceal their identities and the full scope and interworking of their counterfeiting operation, and to avoid being shut down.

30. 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, advertising tactics, similarities in price and quantities, the same incorrect grammar and misspellings, and/or the use of the same text and images. Additionally, Unauthorized PJ Masks Products for sale by the Seller Aliases bear similar irregularities and indicia of being counterfeit to one another, suggesting that many of the Unauthorized PJ Masks Products were manufactured by and come from a common source and that Defendants are interrelated.

31. E-commerce store operators like 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.

32. Counterfeiters such as Defendants typically operate under multiple seller aliases and payment accounts so that they can continue operation in spite of eOne's enforcement. E-commerce store operators like Defendants maintain offshore bank accounts and regularly move funds from their financial accounts to offshore accounts outside the jurisdiction of this Court to avoid payment of any monetary judgment awarded to eOne. Indeed, analysis of financial 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.

33. Defendants are working in active concert to knowingly and willfully manufacture, import, distribute, offer for sale, and sell Unauthorized PJ Masks Products in the same transaction, occurrence, or series of transactions or occurrences. Defendants, without any

authorization or license from eOne, have jointly and severally, knowingly and willfully used and continue to use the PJ Masks Trademarks and/or the PJ Masks Copyrighted Designs in connection with the advertisement, distribution, offering for sale, and sale of Unauthorized PJ Masks Products into the United States and Illinois over the internet.

34. Defendants' unauthorized use of the PJ MASKS Trademarks in connection with the advertising, distribution, offering for sale, and sale of Unauthorized PJ Masks Products, including the sale of Unauthorized PJ Masks 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 eOne.

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

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

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

37. 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 PJ MASKS Trademarks without eOne's permission.

38. eOne is the exclusive owner of the PJ MASKS Trademarks. eOne's United States Registrations for the PJ MASKS Trademarks (Exhibit 1) are in full force and effect. On

information and belief, Defendants have knowledge of eOne's rights in the PJ MASKS Trademarks, and are willfully infringing and intentionally using counterfeit versions of the PJ MASKS Trademarks. Defendants' willful, intentional and unauthorized use of the PJ MASKS Trademarks is likely to cause and is causing confusion, mistake, and deception as to the origin and quality of the Unauthorized PJ Masks Products among the general public.

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

40. eOne has no adequate remedy at law, and if Defendants' actions are not enjoined, eOne will continue to suffer irreparable harm to its reputation and the goodwill of the PJ MASKS Trademarks.

41. The injuries and damages sustained by eOne have been directly and proximately caused by Defendants' wrongful reproduction, use, advertisement, promotion, offering to sell, and sale of Unauthorized PJ Masks Products.

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

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

43. Defendants' promotion, marketing, offering for sale, and sale of Unauthorized PJ Masks 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 eOne or the origin, sponsorship, or approval of Defendants' Unauthorized PJ Masks Products by eOne.

44. By using the PJ MASKS Trademarks on the Unauthorized PJ Masks Products, Defendants create a false designation of origin and a misleading representation of fact as to the origin and sponsorship of the Unauthorized PJ Masks Products.

45. Defendants' false designation of origin and misrepresentation of fact as to the origin and/or sponsorship of the Unauthorized PJ Masks 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.

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

COUNT III
COPYRIGHT INFRINGEMENT OF UNITED STATES COPYRIGHT
REGISTRATIONS (17 U.S.C. §§ 106 AND 501)

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

48. The PJ Masks Copyrighted Designs constitute original works and copyrightable subject matter pursuant to the Copyright Act, 17 U.S.C. §§ 101, *et seq.*

49. eOne has complied with the registration requirements of 17 U.S.C. § 411(a) for the PJ Masks Copyrighted Designs. The PJ Masks Copyrighted Designs are protected by Copyright Registration Nos. VA 2-012-131, VA 2-012-133, VA 2-012-134, VA 2-012-135, VA 2-012-136, VA 2-012-137, and VA 2-012-138, which were duly issued to eOne by the United States Copyright Office. At all relevant times, eOne has been and still is the owner of all rights, title, and interest in the PJ Masks Copyrighted Designs, which have never been assigned, licensed, or otherwise transferred to Defendants.

50. The PJ Masks Copyrighted Designs are published on the internet and available to Defendants online. As such, Defendants had access to the PJ Masks Copyrighted Designs via the internet.

51. Without authorization from eOne, or any right under the law, Defendants have deliberately copied, displayed, distributed, reproduced and/or made derivative works incorporating the PJ Masks Copyrighted Designs on the e-commerce stores operating under the Seller Aliases and the corresponding Unauthorized PJ Masks Products. Defendants' derivative works are virtually identical to and/or are substantially similar to the look and feel of the PJ Masks Copyrighted Designs. Such conduct infringes and continues to infringe the PJ Masks Copyrighted Designs in violation of 17 U.S.C. § 501(a) and 17 U.S.C. §§ 106(1)–(3), (5).

52. Defendants reap the benefits of the unauthorized copying and distribution of the PJ Masks Copyrighted Designs in the form of revenue and other profits that are driven by the sale of Unauthorized PJ Masks Products.

53. The Defendants have unlawfully appropriated eOne's protectable expression by taking material of substance and value and creating Unauthorized PJ Masks Products that capture the total concept and feel of the PJ Masks Copyrighted Designs.

54. On information and belief, the Defendants' infringement has been willful, intentional, and purposeful, and in disregard of and with indifference to eOne's rights.

55. The Defendants, by their actions, have damaged eOne in an amount to be determined at trial.

56. Defendants' conduct is causing, and unless enjoined and restrained by this Court will continue to cause, eOne great and irreparable injury that cannot fully be compensated or measured in money. eOne has no adequate remedy at law. Pursuant to 17 U.S.C. § 502, eOne is entitled to a preliminary and permanent injunction prohibiting further infringement of the PJ Masks Copyrighted Designs.

PRAYER FOR RELIEF

WHEREFORE, eOne 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 PJ MASKS 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 PJ Masks Product or is not authorized by eOne to be sold in connection with the PJ MASKS Trademarks;
 - b. reproducing, distributing copies of, making derivative works of, or publicly displaying the PJ Masks Copyrighted Designs in any manner without the express authorization of eOne;
 - c. passing off, inducing, or enabling others to sell or pass off any product as a genuine PJ Masks Product or any other product produced by eOne, that is not eOne's or not produced under the authorization, control, or supervision of eOne and approved by eOne for sale under the PJ MASKS Trademarks and/or the PJ Masks Copyrighted Designs;
 - d. committing any acts calculated to cause consumers to believe that Defendants' Unauthorized PJ Masks Products are those sold under the authorization, control or supervision of eOne, or are sponsored by, approved by, or otherwise connected with eOne;

- e. further infringing the PJ MASKS Trademarks and/or the PJ Masks Copyrighted Designs and damaging eOne's goodwill; and
 - 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 eOne, nor authorized by eOne to be sold or offered for sale, and which bear any of eOne's trademarks, including the PJ MASKS Trademarks, or any reproductions, counterfeit copies or colorable imitations thereof and/or which bear the PJ Masks Copyrighted Designs;
- 2) Entry of an Order that, upon eOne's request, those with notice of the injunction, including, without limitation, any online marketplace platforms such as eBay, AliExpress, Amazon, Wish.com, Walmart, Etsy, 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 PJ MASKS Trademarks and/or which bear the PJ Masks Copyrighted Designs;
- 3) That Defendants account for and pay to eOne all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of damages for infringement of the PJ MASKS 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 eOne 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 PJ MASKS Trademarks;

- 5) As a direct and proximate result of Defendants' infringement of the PJ Masks Copyrighted Designs, eOne is entitled to damages as well as Defendants' profits, pursuant to 17 U.S.C. § 504(b);
- 6) Alternatively, and at eOne's election prior to any final judgment being entered, eOne is entitled to the maximum amount of statutory damages provided by law, \$150,000 per work infringed pursuant to 17 U.S.C. § 504(c), or for any other such amount as may be proper pursuant to 17 U.S.C. § 504(c);
- 7) eOne is further entitled to recover its attorneys' fees and full costs for bringing this action pursuant to 17 U.S.C. § 505 and 17 U.S.C. § 1117(a); and
- 8) Award any and all other relief that this Court deems just and proper.

Dated this 27th day of January 2023.

Respectfully submitted,

/s/ Justin R. Gaudio
Amy C. Ziegler
Justin R. Gaudio
Marcella D. Slay
Quinn B. Guillermo
Greer, Burns & Crain, Ltd.
300 South Wacker Drive, Suite 2500
Chicago, Illinois 60606
312.360.0080
312.360.9315 (facsimile)
aziegler@gbc.law
jgaudio@gbc.law
mslay@gbc.law
qguillermo@gbc.law

Counsel for Plaintiff Entertainment One UK Ltd.