

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

CASE NO.: 1:24-cv-02595

ZURU INC.,

Plaintiff,

v.

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

Defendants.

COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF

Plaintiff ZURU INC., by and through its undersigned counsel, brings this complaint against Defendants, the Individuals, Partnerships, and Unincorporated Associations set forth on Schedule “A” hereto¹ (collectively “Defendants”), who are promoting, selling, offering for sale and distributing goods bearing or using counterfeits and confusingly similar imitations of Plaintiff’s licensed intellectual property within this district through various Internet based e-commerce stores using the seller identities as set forth on Schedule “A” hereto (the “Seller IDs”), and in support of its claims, alleges as follows:

SUMMARY OF THE ACTION

1. Plaintiff ZURU INC. (“ZURU”) brings this action for federal trademark counterfeiting and infringement, false designation of origin, common law trademark

¹ Schedule “A” to this Complaint will be filed under seal after this Honorable Court rules on Plaintiff’s forthcoming Motion to Seal Certain Documents Containing Identifying Information About the Defendants, which will be submitted as soon as the case is opened and the Judge is assigned.

infringement, and copyright infringement pursuant to 15 U.S.C. §§ 1114, 1116, and 1125(a), 17 U.S.C. § 504, The All Writs Act, 28 U.S.C. § 1651(a), and Illinois' Uniform Deceptive Trade Practices Act (815 ILCS § 510, et seq.).

SUBJECT MATTER JURISDICTION

2. This court has original subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338.

3. This court also has subject matter jurisdiction over this action pursuant to 15 U.S.C. § 1121 and 17 U.S.C. § 301.

4. This court has supplemental jurisdiction pursuant to 28 U.S.C. § 1367 over the state law claims because those claims are so related to the federal claims that they form part of the same case or controversy.

PERSONAL JURISDICTION

5. Defendants are subject to personal jurisdiction in this district because they purposefully direct their activities toward and conduct business with consumers throughout the United States, including within the state of Illinois and this district, through Internet-based e-commerce stores that are accessible in Illinois and operating under their Seller IDs.

6. Defendants are subject to personal jurisdiction in this district because their illegal activities directed towards the state of Illinois cause Plaintiff injury in Illinois, and Plaintiff's claims arise out of those activities.

7. Alternatively, Defendants are subject to personal jurisdiction in this district pursuant to Federal Rule of Civil Procedure 4(k)(2) because (i) Defendants are not subject to jurisdiction in any state's court of general jurisdiction; and (ii) exercising jurisdiction is consistent with the United States Constitution and laws.

VENUE

8. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(3) because Defendants are not residents in the United States and therefore there is no district in which an action may otherwise be brought. Defendants are thus subject to the Court's personal jurisdiction.

9. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 since Defendants are, upon information and belief, aliens who are engaged in infringing activities and causing harm within this district by advertising, offering to sell, selling and/or shipping infringing products to consumers into this district.

10. Venue is proper in this Court pursuant to 28 U.S.C. §1400(a) because Defendants or their agents reside or may be found in this judicial district and therefore subject to the Court's personal jurisdiction.

THE PLAINTIFF

11. Plaintiff ZURU INC. is a corporation incorporated under the law of the British Virgin Islands and a Hong Kong registered company with offices in Kowloon, Hong Kong.

12. Plaintiff ZURU INC. is the U.S. exclusive licensee of all rights in and to the trademarks and copyright described below that are the subject of this action from its parent company ZURU (Singapore) PTE, Ltd.

13. ZURU is a disruptive and award-winning company that designs, manufactures and markets innovative toys and consumer products. Inspired by kids and imaginative play, ZURU is one of the fastest growing toy companies in the world and is known for their agility, creativity, and new-age manufacturing techniques. ZURU distributes to all major retailers in over 120 countries and has delighted millions of families all over the world with its extensive brand portfolio and partnerships with entertainment properties, including Nickelodeon, Disney, Universal Studios and Dream Works.

14. ZURU's products are sold through Amazon.com, Walmart.com, Target.com, Costco.com, Lowe's.com, its own websites <https://zuru.com/> and <https://www.bunchoballons.com/>, and other authorized retailers.

15. Plaintiff offers for sale and sells its products within the state of Illinois, including this district, and throughout the United States.

16. Like many other intellectual property rights owners and exclusive licensees, Plaintiff suffers ongoing daily and sustained violations of its intellectual property rights at the hands of counterfeiters and infringers, such as Defendants herein.

17. Plaintiff is harmed, the consuming public is duped and confused, and the Defendants earn substantial profits in connection with the infringing conduct.

18. In order to combat the harm caused by the combined actions of Defendants and others engaging in similar infringing conduct, Plaintiff expends significant resources in connection with its intellectual property enforcement efforts, including legal fees and investigative fees.

19. The recent explosion of infringement over the Internet has created an environment that requires companies like Plaintiff to expend significant time and money across a wide spectrum of efforts in order to protect both consumers and itself from the ill effects of infringement of Plaintiff's licensed intellectual property rights, including consumer confusion and the erosion of Plaintiff's brand.

PLAINTIFF'S TRADEMARK RIGHTS

20. ZURU has earned an international reputation for quality, reliability and value, and is credited for many breakthroughs that have occurred in the toy industry.

21. ZURU is an exclusive licensee and official source of BUNCH O BALLONS branded products in the United States.

22. BUNCH O BALLOONS are water balloons that can be filled as a bunch in seconds. BUNCH O BALLOONS are sold under several federally registered trademarks including: BUNCH O BALLOONS, BUNCHO, FILL AND TIE UP TO 100 WATER BALLOONS IN 60 SECONDS!, CRAZY, and SELF-SEALING WATER BALLOONS (collectively, the “BoB Marks”).

23. Plaintiff is the licensee of all rights in and to the BoB Marks (Standard Characters) shown in the table below, including the exclusive right to pursue acts of infringement and retain and recover all proceeds thereof.

<u>Mark</u>	<u>U.S. Reg. No.</u>	<u>IC</u>	<u>First Use/ First Use in Commerce</u>	<u>Registration Date</u>	<u>Exhibit</u>
BUNCH O BALLOONS	4709630	28	8/30/2014	3/24/2015	1A
BUNCHO	6086014	28	8/30/2014	6/23/2020	1B
FILL AND TIE UP TO 100 WATER BALLOONS IN 60 SECONDS!	4928737	28	1/15/2015	3/29/2016	1C
CRAZY	7303063	28	9/1/2019	2/13/2024	1D
SELF-SEALING WATER BALLOONS	7291127	28	5/7/2015	1/23/2024	1E

24. The Marks BUNCH O BALLOONS, BUNCHO, FILL AND TIE UP TO 100 WATER BALLOONS IN 60 SECONDS!, and CRAZY are valid and registered in International Class 28 for “water balloons” and “toys, namely, collectible toy figures in the nature of plastic character toys and plush toys; toy models; toy figures; molded plastic toy figurines in the nature of toy animal figurines; character toys, namely, fantasy character toys and plastic character toy monsters; toy vehicles; outfits for toys, namely, articles of clothing for toys; collector cases for

toys, namely, cases for action figures; clothes for toys, namely, articles of clothing for toys; glasses for toys, namely, articles of clothing for toys; toy furniture; toy food, namely, modeled plastic toy figurines; toy weapons in the nature of toy guns and toy pistol; Games, namely, board games, card games, and arcade games; Playthings, namely, toy scooters and bean bag toy animals; toys comprising and including fluid fillable containers, namely, balloons; amusements and novelties, namely, paper party favors and fake teeth; play equipment, namely, jungle gyms, and toy action figures and accessories therefor; play sets for action figures,” on the Principal Register of the United States Patent and Trademark Office as shown in Composite Exhibit 1. The mark SELF-SEALING WATER BALLOONS is valid and registered in International Class 28 for “Water balloons; toy weapons in the nature of toy guns and toy pistols; water toys, namely, water guns and blasters; toys launchers in the nature of balloons launchers, target launchers for skeet shooting and toy slingshots; toys comprising and including fluid fillable containers, namely, balloons; slides and water slides,” on the Supplemental Register of the United States Patent and Trademark Office as shown in Composite Exhibit 1.

25. TheBUNCH O BALLOONS and FILL AND TIE UP TO 100 WATER BALLOONS IN 60 SECONDS! Marks are incontestable.

26. The BoB Marks are used in connection with the manufacture and distribution of Plaintiff’s high-quality and unique water balloons.

27. The BoB Marks are displayed on different sides of the colorful and original packaging used for selling the products. Shown below are the BoB Marks as they are used on the packaging for Plaintiff’s products.



28. The BoB Marks have been used in interstate commerce to identify and distinguish Plaintiff's high-quality and unique water balloon products for an extended period of time.

29. The BoB Marks have been used by Plaintiff for a long time prior to Defendants' use of copies of those trademarks.

30. The BoB Marks have never been assigned or licensed to any of the Defendants.

31. The BoB Marks are a symbol of Plaintiff's quality goods, reputation and goodwill and have never been abandoned.

32. Plaintiff has carefully monitored and policed the use of the BoB Marks.

33. The BoB Marks are well known and famous (as that term is used in 15 U.S.C. §1125(c)(1)) and have been for many years.

34. Plaintiff has expended substantial time, money and other resources developing, advertising and otherwise promoting the BoB Marks and the water balloons bearing or using those Marks.

35. Plaintiff has extensively used, advertised, and promoted the BoB Marks in the United States in association with the sale of high-quality and unique water balloons.

36. Plaintiff has spent substantial resources promoting the BoB Marks and water balloons bearing or using the BoB Marks.

37. In recent years, sales of products bearing or using the BoB Marks have exceeded a million dollars within the United States.

38. As a result of Plaintiff's efforts, members of the consuming public readily identify merchandise bearing or sold under the BoB Marks as being high-quality and unique water balloons sponsored and approved by Plaintiff.

39. Accordingly, the BoB Marks have achieved secondary meaning as identifiers of high-quality and unique water balloons.

40. Genuine water balloons bearing or sold under the BoB Marks are widely legitimately advertised and promoted by Plaintiff, its authorized distributors, and unrelated third parties via the Internet.

41. Visibility on the Internet, particularly via Internet search engines such as Google, Yahoo!, and Bing has become increasingly important to Plaintiff's overall marketing and consumer education efforts.

42. Thus, Plaintiff expends significant monetary resources on Internet marketing and consumer education, including search engine optimization (“SEO”) strategies.

43. Plaintiff’s SEO strategies allow Plaintiff and its authorized retailers to fairly and legitimately educate consumers about the value associated with Plaintiff’s products and the goods marked with the BoB Marks.

PLAINTIFF’S COPYRIGHT RIGHTS

44. Plaintiff is the exclusive licensee of the copyright in the 2-D artwork used on the packaging for the BoB branded products.

45. In 2015, non-party Shenzhen Yuhe Weiye Shiye LTD created the 2-D artwork shown below entitled “Bunch O Balloons Water Packaging A” (hereinafter referred to as the “BoB Packaging”), under an employer for hire agreement with non-party Creative Impact Inc.



46. Creative Impact Inc. registered the BoB Packaging in the United States with the Register of Copyrights on May 7, 2019, and was assigned the registration number VA 2-149-747. A true and correct copy of the Certificate of Registration is attached hereto as part of Composite Exhibit 2.

47. On August 18, 2021, Creative Impact Inc. assigned the rights to the BoB Packaging to ZURU (Singapore) PTE, Ltd. by written agreement, as shown in Composite Exhibit 2 attached hereto. Plaintiff ZURU INC. became the exclusive licensee in the U.S. of all rights in and to the BoB Packaging from its parent company ZURU (Singapore) PTE, Ltd.

48. At all relevant times Plaintiff is the exclusive licensee of all rights in and to the BoB Packaging, including the exclusive right to pursue acts of infringement and retain and recover all proceeds thereof, at issue in this case.

49. The BoB Packaging is protected by copyright but is not otherwise confidential, proprietary, or trade secret.

PLAINTIFF'S PRIOR SUCCESSFUL COUNTERFEITING CASES

50. Plaintiff and its parent company ZURU (Singapore) PTE, Ltd., along with related entities, have previously filed actions in federal district court in an attempt to stop the flow of counterfeit goods into the United States bearing or using Plaintiff's licensed trademarks.

51. A list of prior counterfeiting actions filed by Plaintiff is attached hereto as Exhibit 3.

52. Courts in the prior counterfeiting cases filed by Plaintiff have issued Temporary Restraining Orders and Preliminary Injunctions against the Defendants named in those cases who were selling counterfeit and infringing goods bearing or using Plaintiff's licensed trademarks on internet e-commerce platforms.

DEFENDANTS

53. Defendants have the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b).

54. Defendants are individuals and/or business entities of unknown makeup, each of whom, upon information and belief, either reside and/or operate in foreign jurisdictions, redistribute products from the same or similar sources in those locations, and/or ship their goods from the same or similar sources in those locations to shipping and fulfillment centers within the United States to redistribute their products from those locations.

55. Defendants are engaged in business in Illinois but have not appointed an agent for service of process.

56. Upon information and belief, Defendants have registered, established or purchased, and maintained their Internet-based e-commerce stores and Seller IDs.

57. Defendants target their business activities toward consumers throughout the United States, including within this district, through their simultaneous operations of Internet based e-commerce stores under the Seller IDs.

58. Defendants are the past and present controlling forces behind the sale of products bearing or using counterfeits and infringements of Plaintiff's licensed intellectual property rights as described herein operating and using at least the Seller IDs.

59. Defendants directly engage in unfair competition with Plaintiff by advertising, offering for sale, and selling goods bearing or using counterfeits and infringements of Plaintiff's licensed trademarks and copyright to consumers within the United States and this district through Internet based e-commerce stores using, at least, websites, Seller IDs, or seller identification aliases not yet known to Plaintiff.

60. Defendants have purposefully directed some portion of their illegal activities towards consumers in the state of Illinois through the advertisement, offer to sell, sale, and/or shipment of counterfeit and infringing goods into the State.

61. Upon information and belief, Defendants may have engaged in fraudulent conduct with respect to the registration of the Seller IDs by providing false and/or misleading information to the online marketplaces, Internet based e-commerce stores, or domain registrars where they offer to sell and/or sell during the registration or maintenance process related to their respective Seller IDs.

62. Upon information and belief, many Defendants registered and maintained their e-commerce stores and Seller IDs for the sole purpose of engaging in illegal counterfeiting and infringing activities.

63. Upon information and belief, Defendants will likely continue to register or acquire new e-commerce websites or Seller ID aliases for the purpose of selling and offering for sale counterfeits and infringements of Plaintiff's licensed intellectual property rights unless preliminarily and permanently enjoined.

64. Defendants use their Internet based e-commerce businesses to infringe the intellectual property rights of Plaintiff and others.

65. Defendants' business names, i.e., the websites or Seller IDs, associated payment accounts, and any other alias seller identification names or e-commerce stores used in connection with the sale of counterfeits and infringements of Plaintiff's licensed intellectual property rights are essential components of Defendants' online activities and are one of the means by which Defendants further their counterfeiting and infringement scheme and cause harm to Plaintiff.

66. Defendants use individual seller store names, product denominations and descriptive content containing one or more of the BoB Marks, and these names, denominations and content are indexed on search engines and compete directly with Plaintiff for space in search results.

67. The appearance of Defendants' Internet based e-commerce stores in search engine results undermines Plaintiff's efforts to educate consumers about the value of products sold under the BoB Marks.

68. Defendants are using counterfeits and infringements of Plaintiff's licensed trademarks and copyright to drive Internet consumer traffic to their Internet based e-commerce stores or Seller IDs, thereby increasing the value of their e-commerce stores or Seller IDs and decreasing the size and value of Plaintiff's legitimate marketplace and intellectual property rights at Plaintiff's expense.

69. Defendants, through the sale and offer to sell counterfeit and infringing products, are directly, and unfairly, competing with Plaintiff's economic interests in the state of Illinois and causing Plaintiff harm and damage within this jurisdiction.

70. The natural and intended byproduct of Defendants' actions is the erosion and destruction of the goodwill associated with Plaintiff's licensed intellectual property rights and the destruction of the legitimate market sector in which it operates.

71. Upon information and belief, at all times relevant hereto, Defendants had actual or constructive knowledge of Plaintiff's licensed intellectual property rights, including Plaintiff's exclusive right to use and license such intellectual property rights.

JOINDER OF DEFENDANTS IN THIS ACTION IS PROPER

72. Defendants are the individuals, partnerships, and unincorporated associations set forth on Schedule "A" hereto.

73. Defendants are promoting, selling, offering for sale and distributing goods bearing or using counterfeits and confusingly similar imitations of Plaintiff's licensed intellectual property within this district.

74. Joinder of all Defendants is permissible based on the permissive party joinder rule of Fed. R. Civ. P. 20(a)(2) that permits the joinder of persons in an action as Defendants where any right to relief is asserted against them jointly, severally, or in the alternative with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences; and any question of law or fact common to all defendants will arise in the action.

75. Joinder of the multiple defendants listed in Schedule "A" attached hereto is permitted because Plaintiff asserts rights to relief against these Defendants jointly, severally, or in the alternative with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences; and common questions of law or fact will arise in the action.

76. Joinder of the multiple Defendants listed in Schedule "A" attached hereto serves the interests of convenience and judicial economy, which will lead to a just, speedy, and inexpensive resolution for Plaintiff, Defendants, and this Court.

77. Joinder of the multiple Defendants listed in Schedule "A" attached hereto will not create any unnecessary delay nor will it prejudice any party. On the other hand, severance is likely to cause delays and prejudice Plaintiff and Defendants alike.

78. Joinder of the multiple Defendants listed in Schedule "A" is procedural only and does not affect the substantive rights of any Defendant listed on Schedule "A" hereto.

79. This Court has jurisdiction over the Defendants listed in Schedule "A" hereto. Venue is proper in this Court for this dispute involving the multiple Defendants listed in Schedule "A" hereto.

80. Plaintiff's claims against the Defendants listed in Schedule "A" are all transactionally related.

81. Plaintiff is claiming counterfeiting, infringement and piracy against Defendants of Plaintiff's licensed intellectual property rights.

82. The actions of all Defendants cause indivisible harm to Plaintiff by Defendants' combined actions engaging in similar counterfeiting and infringing conduct when each is compared to the others.

83. All Defendants' actions are logically related. All Defendants are all engaging in the same systematic approach of establishing online storefronts to redistribute illegal products from the same or similar sources while maintaining financial accounts that the Defendants can easily conceal to avoid any real liability for their actions.

84. All Defendants are located in foreign jurisdictions, mostly China.

85. All Defendants undertake efforts to conceal their true identities from Plaintiff in order to avoid detection for their illegal counterfeiting and infringing activities.

86. All Defendants have the same or closely related sources for their counterfeit and infringing products with some sourcing from the same upstream source and others sourcing from downstream sources who obtain counterfeit products from the same upstream sources.

87. All Defendants take advantage of a set of circumstances the anonymity and mass reach the internet affords to sell counterfeit and infringing goods across international borders and violate Plaintiff's licensed intellectual property rights with impunity.

88. All Defendants have established their e-commerce stores or registered their Seller ID's with a small number of online platforms for the purpose of engaging in counterfeiting and infringements.

89. All Defendants use payment and financial accounts associated with their online storefronts or the online platforms where their online storefronts reside.

90. All Defendants use their payment and financial accounts to accept, receive, and deposit profits from their counterfeiting and infringing activities.

91. All Defendants can easily and quickly transfer or conceal their funds in their use payment and financial accounts to avoid detection and liability in the event that the Plaintiff's anti-counterfeiting and anti-piracy efforts are discovered, or Plaintiff obtains a monetary award.

92. All Defendants violated one or more of the Plaintiff's licensed intellectual property rights in the United States by the use of common or identical methods.

93. All Defendants understand that their ability to profit through anonymous internet stores is enhanced as their numbers increase, even though they may not all engage in direct communication or coordination.

94. Many of the Defendants are operating multiple internet storefronts and online marketplace seller accounts using different e-commerce websites or Seller IDs than those listed on Schedule "A". As a result, there are more websites or Seller IDs than there are Defendants, a fact that will emerge in discovery.

95. Defendants' business names, i.e., the websites, Seller IDs, associated payment accounts, and any other alias seller identification names or e-commerce stores used in connection with the sale of counterfeits and infringements of Plaintiff's licensed intellectual property rights are essential components of Defendants' online activities and are one of the means by which Defendants further their counterfeiting and infringement scheme and cause harm to Plaintiff.

96. Defendants are using counterfeits and infringements of Plaintiff's intellectual property rights to drive Internet consumer traffic to their e-commerce websites and stores operating

under the Seller IDs, thereby increasing the value of their e-commerce stores or Seller IDs and decreasing the size and value of Plaintiff's legitimate marketplace and intellectual property rights at Plaintiff's expense.

97. Defendants, through the sale and offer to sell counterfeit and infringing products, are directly, and unfairly, competing with Plaintiff's economic interests in the state of Illinois and causing Plaintiff harm and damage within this jurisdiction.

98. The natural and intended byproduct of Defendants' logically related actions is the erosion and destruction of the goodwill associated with Plaintiff's licensed intellectual property rights and the destruction of the legitimate market sector in which it operates.

99. Upon information and belief, at all times relevant hereto, Defendants had actual or constructive knowledge of Plaintiff's licensed intellectual property rights, including Plaintiff's exclusive right to use and license such intellectual property rights.

DEFENDANTS' INFRINGING ACTIVITIES

100. Defendants are promoting, advertising, distributing, selling, and/or offering for sale cheap copies of Plaintiff's products in interstate commerce that are counterfeits and infringements of Plaintiff's licensed intellectual property rights (the "Counterfeit Goods") through the Internet based e-commerce websites and stores operating under the Seller IDs.

101. Specifically, Defendants are using one or more of the BoB Marks and Plaintiff's BoB Packaging to initially attract online customers and drive them to Defendants' Internet based e-commerce websites and stores operating under the Seller IDs.

102. Defendants are using identical similar marks to one or more of the BoB Marks, or identical or substantially similar copies of the BoB Packaging, for different quality goods.

103. Plaintiff has used the BoB Marks extensively and continuously before Defendants began offering counterfeit and confusingly similar imitations of Plaintiff's merchandise.

104. Plaintiff registered the BoB Packaging before Defendants began using the BoB Packaging or substantially similar copies, in connection with the promotion and sale of their Counterfeit Goods.

105. Upon information and belief, Defendants' Counterfeit Goods are of a quality substantially different than that of Plaintiff's genuine goods.

106. Defendants are actively using, promoting and otherwise advertising, distributing, selling and/or offering for sale substantial quantities of their Counterfeit Goods with the knowledge and intent that such goods will be mistaken for the genuine high-quality and unique water balloons offered for sale by Plaintiff, despite Defendants' knowledge that they are without authority to use the BoB Marks.

107. The net effect of Defendants' actions is likely to cause confusion of consumers, at the time of initial interest, sale, and in the post-sale setting, who will believe all of Defendants' goods offered for sale on Defendants' Internet based e-commerce stores are genuine goods originating from, associated with, and approved by Plaintiff.

108. Defendants advertise their e-commerce stores, including their Counterfeit Goods offered for sale, to the consuming public via their Internet based e-commerce stores operating under, at least, the Seller IDs.

109. In so advertising their stores and products, Defendants improperly and unlawfully use one or more of the BoB Marks or the BoB Packaging without Plaintiff's permission.

110. As part of their overall infringement and counterfeiting scheme, most Defendants are, upon information and belief, concurrently employing and benefitting from substantially similar, advertising and marketing strategies based, in large measure, upon an illegal use of counterfeits and infringements of one or more of the BoB Marks.

111. Specifically, Defendants are using counterfeits and infringements of one or more of the BoB Marks or BoB Packaging in order to make their Internet based e-commerce stores selling illegal goods appear more relevant and attractive to consumers searching for both Plaintiff's goods and goods sold by Plaintiff's competitors online.

112. By their actions, Defendants are contributing to the creation and maintenance of an illegal marketplace operating in parallel to the legitimate marketplace for Plaintiff's genuine goods.

113. Defendants are causing individual, concurrent and indivisible harm to Plaintiff and the consuming public by (i) depriving Plaintiff and other third parties of their right to fairly compete for space within search engine results and reducing the visibility of Plaintiff's genuine goods on the World Wide Web, (ii) causing an overall degradation of the value of the goodwill associated with the BoB Marks, and (iii) increasing Plaintiff's overall cost to market its goods and educate consumers via the Internet.

114. Defendants are concurrently conducting and targeting their counterfeiting and infringing activities toward consumers and likely causing unified harm within this district and elsewhere throughout the United States.

115. As a result, Defendants are defrauding Plaintiff and the consuming public for Defendants' own benefit.

116. Upon information and belief, at all times relevant hereto, Defendants in this action had actual or constructive knowledge of Plaintiff's licensed trademarks and copyright, including Plaintiff's exclusive right to use such intellectual property and the goodwill associated therewith.

117. Defendants' use of one or more of the BoB Marks or the BoB Packaging, including the promotion and advertisement, reproduction, distribution, sale and offering for sale of their Counterfeit Goods, is without Plaintiff's consent or authorization.

118. Defendants are engaging in the above-described illegal counterfeiting and infringing activities knowingly and intentionally or with reckless disregard or willful blindness to Plaintiff's licensed trademarks and copyright for the purpose of trading on Plaintiff's goodwill and reputation.

119. If Defendants' intentional counterfeiting and infringing activities are not preliminarily and permanently enjoined by this Court, Plaintiff and the consuming public will continue to be harmed.

120. Defendants' infringing activities are likely to cause confusion, deception, and mistake in the minds of consumers before, during and after the time of purchase.

121. Defendants' wrongful conduct is likely to create a false impression and deceive customers, the public, and the trade into believing there is a connection or association between Plaintiff's genuine goods and Defendants' Counterfeit Goods, which there is not.

122. Defendants' payment and financial accounts, including but not limited to those specifically set forth on Schedule "A," are being used by Defendants to accept, receive, and deposit profits from Defendants' counterfeiting and infringing, and their unfairly competitive activities connected to their Seller IDs and their Internet based e-commerce stores.

123. Defendants are likely to transfer or secret their assets to avoid payment of any monetary judgment awarded to Plaintiff.

124. Plaintiff is suffering irreparable injury and has suffered substantial damages as a result of Defendants' unauthorized and infringing activities and their wrongful use of Plaintiff's licensed trademarks and copyright.

125. If Defendants' counterfeiting and infringing, and unfairly competitive activities are not preliminarily and permanently enjoined by this Court, Plaintiff and the consuming public will continue to be harmed.

126. The harm and damages sustained by Plaintiff have been directly and proximately caused by Defendants' wrongful reproduction, use, advertisement, promotion, offers to sell, and sale of their Counterfeit Goods.

127. Defendants have sold their infringing products in competition directly with Plaintiff's genuine products.

128. Plaintiff should not have any competition from Defendants because Plaintiff never authorized Defendants to use Plaintiff's licensed trademarks or copyright.

129. Plaintiff has no adequate remedy at law.

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

130. Plaintiff incorporates the allegations of paragraphs 1 through 129 of this Complaint as if fully set forth herein.

131. This is an action for trademark counterfeiting and infringement against Defendants based on their use of counterfeit and confusingly similar marks of one or more of the BoB Marks in commerce in connection with the promotion, advertisement, distribution, offering for sale and sale of the Counterfeit Goods.

132. Defendants are promoting and otherwise advertising, selling, offering for sale, and distributing goods bearing and/or using counterfeits and/or infringements of one or more of the BoB Marks.

133. Defendants are continuously infringing and inducing others to infringe one or more of the BoB Marks by using them to advertise, promote, sell, and offer to sell counterfeit and infringing goods.

134. Defendants' concurrent counterfeiting and infringing activities are likely to cause and actually are causing confusion, mistake, and deception among members of the trade and the general consuming public as to the origin and quality of Defendants' Counterfeit Goods.

135. Defendants' unlawful actions have caused and are continuing to cause unquantifiable damages to Plaintiff and are unjustly enriching Defendants with profits at Plaintiff's expense.

136. Defendants' above-described illegal actions constitute counterfeiting and infringement of one or more of the BoB Marks in violation of Plaintiff's licensed rights under § 32 of the Lanham Act, 15 U.S.C. § 1114.

137. Plaintiff has suffered and will continue to suffer irreparable injury and damages due to Defendants' above-described activities if Defendants are not preliminarily and permanently enjoined.

138. If not preliminarily and permanently enjoined, Defendants will continue to wrongfully profit from their illegal activities.

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

139. Plaintiff incorporates the allegations of paragraphs 1 through 129 of this Complaint as if fully set forth herein.

140. Upon information and belief, Defendants' Counterfeit Goods bearing, offered for sale and sold using copies of one or more of the BoB Marks have been widely advertised and offered for sale throughout the United States via their Internet based e-commerce stores.

141. Defendants' Counterfeit Goods bearing, offered for sale, and sold using copies of one or more of the BoB Marks are virtually identical in appearance to Plaintiff's genuine goods.

142. Defendants' Counterfeit Goods are different in quality from Plaintiff's goods, and are of much lower quality.

143. Defendants' activities are likely to cause confusion in the trade and among the general public as to at least the origin or sponsorship of their Counterfeit Goods.

144. Defendants, upon information and belief, have used in connection with their advertisement, offer for sale, and sale of their Counterfeit Goods, false designations of origin and false descriptions and representations, including words or other symbols and trade dress, which tend to falsely describe or represent such goods and have caused such goods to enter into commerce with full knowledge of the falsity of such designations of origin and such descriptions and representations, all to Plaintiff's detriment.

145. Defendants have authorized infringing uses of one or more of the BoB Marks in Defendants' advertisement and promotion of their counterfeit and infringing branded goods.

146. Defendants have misrepresented to members of the consuming public that the Counterfeit Goods being advertised and sold by them are genuine, non-infringing goods.

147. Defendants are using counterfeits and infringements of one or more of the BoB Marks in order to unfairly compete with Plaintiff and others for space within organic search engine results and social media results, thereby jointly depriving Plaintiff of a valuable marketing and educational tool which would otherwise be available to Plaintiff and reducing the visibility of Plaintiff's genuine goods on the internet and across social media platforms.

148. Defendants' above-described actions are in violation of Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a).

149. Plaintiff has no adequate remedy at law, and has sustained indivisible injury and damage caused by Defendants' concurrent conduct.

150. Absent an entry of an injunction by this Court, Defendants will continue to wrongfully reap profits and Plaintiff will continue to suffer irreparable injury to its goodwill and business reputation, as well as monetary damages.

COUNT III – COMMON LAW TRADEMARK INFRINGEMENT

151. Plaintiff incorporates the allegations of paragraphs 1 through 129 of this Complaint as if fully set forth herein.

152. Plaintiff is the exclusive licensee of all common law rights in and to the BoB Marks.

153. Plaintiff was the first to use the BoB Marks.

154. Plaintiff has used BUNCH O BALLOONS since 2014; BUNCHO since 2014; FILL AND TIE UP TO 100 WATER BALLOONS IN 60 SECONDS! since 2015; CRAZY since 2019, and SELF-SEALING WATER BALLOONS since 2015.

155. As a result of Plaintiff's widespread and continuous use in commerce, including its promotion and sales of products bearing Plaintiff's BoB Marks, the BoB Marks have become widely known.

156. Defendants, with knowledge of and with the intentional disregard of Plaintiff's common law trademark rights, utilize the BoB Marks on and/or in conjunction with the sale of their counterfeit and infringing products. Defendants' infringing activities have caused, are likely to cause and actually are causing confusion, mistake and deception among members of the trade and the general consuming public as to the origin and quality of Defendants' Counterfeit Goods bearing or using one or more of the BoB Marks.

157. Plaintiff has no adequate remedy at law and is suffering damages and irreparable injury as a result of Defendants' actions.

158. Absent an entry of an injunction by this Court, Defendants will continue to damage Plaintiff and wrongfully reap profits. Plaintiff will continue to suffer irreparable injury to its goodwill and business reputation, as well as monetary damages.

**COUNT IV – VIOLATION OF ILLINOIS UNIFORM DECEPTIVE TRADE
PRACTICES ACT**

(815 ILCS § 510, et seq.)

159. Plaintiff incorporates the allegations of paragraphs 1 through 129 of this Complaint as if fully set forth herein.

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

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

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

COUNT V – COPYRIGHT INFRINGEMENT

163. Plaintiff incorporates the allegations of paragraphs 1 through 129 of this Complaint as if fully set forth herein.

164. Plaintiff is the exclusive licensee of a valid copyright in the BoB Packaging at issue in this case.

165. Defendants copied, displayed, and distributed products with the BoB Packaging at issue in this case and made derivatives of the BoB Packaging without Plaintiff's authorization in violation of 17 U.S.C. § 501.

166. Defendants performed the acts alleged in the course and scope of its business activities.

167. On information and belief, Defendants routinely and intentionally infringe the intellectual property rights of others, including but not limited to, acting with willful blindness and/or reckless disregard.

168. Defendants' acts were willful.

169. Plaintiff has been damaged.

170. The harm caused is irreparable.

WHEREFORE, Plaintiff demands judgment on all Counts of this Complaint and an award of equitable relief and monetary relief against Defendants as follows:

- a. Entry of temporary, preliminary, and permanent injunctions pursuant to 15 U.S.C. § 1116 and Federal Rule of Civil Procedure 65 enjoining Defendants, their agents, representatives, servants, employees, and all those acting in concert or participation therewith, from manufacturing or causing to be manufactured, importing, advertising or promoting, distributing, selling or offering to sell their Counterfeit Goods; from infringing, counterfeiting, or

diluting the BoB Marks; from using the BoB Marks, or any mark or design similar thereto, in connection with the sale of any unauthorized goods; from using any logo, trade name or trademark or design that may be calculated to falsely advertise the services or goods of Defendants as being sponsored by, authorized by, endorsed by, or in any way associated with Plaintiff; from falsely representing themselves as being connected with Plaintiff, through sponsorship or association, or engaging in any act that is likely to falsely cause members of the trade and/or of the purchasing public to believe any goods or services of Defendants, are in any way endorsed by, approved by, and/or associated with Plaintiff; from using any reproduction, counterfeit, infringement, copy, or colorable imitation of the BoB Marks in connection with the publicity, promotion, sale, or advertising of any goods sold by Defendants; from affixing, applying, annexing or using in connection with the sale of any goods, a false description or representation, including words or other symbols tending to falsely describe or represent Defendants' goods as being those of Plaintiff, or in any way endorsed by Plaintiff and from offering such goods in commerce; from engaging in search engine optimization strategies using colorable imitations of Plaintiff's name or trademarks and from otherwise unfairly competing with Plaintiff.

- b. Entry of a Temporary Restraining Order, as well as preliminary and permanent injunctions pursuant to 28 U.S.C. § 1651(a), The All Writs Act, and the Court's inherent authority, enjoining Defendants and all third parties with actual notice of the injunction issued by this Court from participating

in, including providing financial services, technical services or other support to, Defendants in connection with the sale and distribution of non-genuine goods bearing and/or using counterfeits of the BoB Marks or BoB packaging.

- c. Entry of an order authorizing seizure, impoundment and/or destruction of all of the products used to perpetrate the infringing acts pursuant to 17 U.S.C. § 503.
- d. Entry of an Order pursuant to 28 U.S.C. § 1651(a), The All Writs Act, and the Court's inherent authority that, upon Plaintiff's request, the governing Internet marketplace and e-commerce website operators and/or administrators for the Seller IDs who are provided with notice of an injunction issued by this Court disable and/or cease facilitating access to the Seller IDs and any other alias seller identification names being used and/or controlled by Defendants to engage in the business of marketing, offering to sell, and/or selling goods bearing or using counterfeits and infringements of the BoB Marks or BoB packaging.
- e. Entry of an Order pursuant to 28 U.S.C. § 1651(a), The All Writs Act, and this Court's inherent authority that, upon Plaintiff's request, any messaging service and Internet marketplace and e-commerce stores operators, administrators, registrar and/or top level domain (TLD) registry for the Seller IDs who are provided with notice of an injunction issued by this Court identify any e-mail address known to be associated with Defendants' respective Seller IDs.

- f. Entry of an Order pursuant to 28 U.S.C. § 1651(a), The All Writs Act, and this Court's inherent authority that upon Plaintiff's request, any Internet marketplace and e-commerce stores operators and/or administrators who are provided with notice of an injunction issued by this Court permanently remove from the multiple platforms, which include, *inter alia*, a direct platform, group platform, seller product management platform, vendor product management platform, and brand registry platform, any and all listings and associated images of goods bearing or using counterfeits and/or infringements of the BoB Marks or BoB Packaging via the Internet based e-commerce stores operating under the Seller IDs, and upon Plaintiff's request, any other listings and images of goods bearing or using counterfeits and/or infringements of the BoB Marks or BoB Packaging associated with any product number linked to the same sellers or linked to any other alias seller identification names being used and/or controlled by Defendants to promote, offer for sale and/or sell goods bearing and/or using counterfeits and/or infringements of the BoB Marks or BoB Packaging.
- g. Entry of an Order pursuant to 28 U.S.C. § 1651(a), The All Writs Act and this Court's inherent authority that, upon Plaintiff's request, Defendants and any Internet marketplace and e-commerce website operators and/or administrators who are provided with notice of an injunction issued by this Court immediately cease fulfillment of and sequester all goods of each Defendant bearing or using the BoB Marks and BoB Packaging in its inventory, possession, custody, or control, turn over documents reflecting

the total number of infringing goods manufactured, distributed, sold and still remaining in inventory including but not limited to production reports, shipping invoices, bills of lading, sales invoices, and inventory-on-hand reports, and surrender those goods to Plaintiff.

- h. Entry of an Order requiring Defendants to correct any erroneous impression the consuming public may have derived concerning the nature, characteristics, or qualities of their products, including without limitation, the placement of corrective advertising and providing written notice to the public.
- i. Entry of an Order requiring Defendants to account to and pay Plaintiff for all profits and damages resulting from Defendants' trademark counterfeiting and infringing and unfairly competitive activities and that the award to Plaintiff be trebled, as provided for under 15 U.S.C. § 1117, or, at Plaintiff's election with respect to Count I, that Plaintiff be awarded statutory damages from each Defendant in the amount of two million dollars (\$2,000,000.00) per each counterfeit trademark used and product sold, as provided by 15 U.S.C. § 1117(c)(2) of the Lanham Act.
- j. Entry of an Order requiring Defendants to account to and pay Plaintiff for all profits and damages resulting from Defendants' copyright infringement and that Defendant be required to pay Plaintiff its actual damages and Defendants' profits attributable to the infringement, or, at Plaintiff's election, statutory damages, as provided in 17 U.S.C. § 504.

- k. Entry of an award pursuant to 15 U.S.C. § 1117 (a) and (b), and 17 U.S.C. § 505, of Plaintiff's costs and reasonable attorneys' fees and investigative fees associated with bringing this action, including the cost of corrective advertising.
- l. Entry of an Order that, upon Plaintiff's request, Defendants and any financial institutions, payment processors, banks, escrow services, money transmitters, online marketplace, e-commerce platforms, and their related companies and affiliates, identify and restrain all funds, up to and including the total amount of judgment, in all financial accounts and/or sub-accounts used in connection with the Seller IDs, or other alias seller identification or e-commerce store names used by Defendants presently or in the future, as well as any other related accounts of the same customer(s) and any other accounts which transfer funds into the same financial institution account(s) and remain restrained until such funds are surrendered to Plaintiff in partial satisfaction of the monetary judgment entered herein.
- m. Entry of an award of pre-judgment interest on the judgment amount.
- n. Entry of an Order for any further relief as the Court may deem just and proper.

DATED: April 1, 2024

Respectfully submitted,

/s/ Joel B. Rothman

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