

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

ANAGRAM INTERNATIONAL, LLC,

Plaintiff,

v.

THE INDIVIDUALS, CORPORATIONS,
LIMITED LIABILITY COMPANIES,
PARTNERSHIPS AND UNINCORPORATED
ASSOCIATIONS IDENTIFIED ON
SCHEDULE A HERETO,

Defendants.

Case No.:

COMPLAINT

Plaintiff Anagram International, LLC (“Anagram” or “Plaintiff”) brings this action against the Individuals, Corporations, Limited Liability Companies, Partnerships and Unincorporated Associations identified in Schedule A attached hereto (collectively, “Defendants”). In support of this Complaint, Plaintiff alleges as follows:

JURISDICTION AND VENUE

1. This Court has original subject matter jurisdiction over the claims in this action pursuant to the provisions of the Federal Copyright Act, 17 U.S.C. § 101, 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 as each of the Defendants directly targets consumers in the United States, including Illinois, through at least the fully interactive commercial internet stores operating under the Defendant aliases and/or the online marketplace accounts

identified in Schedule A attached hereto (collectively, the “Defendant Internet Stores”). Specifically, Defendants are reaching out to do business with Illinois residents by operating one or more commercial, interactive internet stores through which Illinois residents can purchase products bearing infringing versions of Plaintiff’s copyrighted works.

3. Each of the Defendants has targeted Illinois residents by operating online stores that offer shipping to the United States, including Illinois, accept payment in U.S. dollars and, on information and belief, have sold products bearing infringing versions of Plaintiff’s federally registered copyrighted works to residents of Illinois. Each of the Defendants is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Plaintiff substantial injury in the State of Illinois.

INTRODUCTION

4. This action has been filed by Plaintiff to combat online copyright infringers who trade upon Plaintiff’s reputation, goodwill, and valuable copyrights by selling and/or offering for sale products bearing unauthorized copies of Plaintiff’s federally registered artwork.

THE PLAINTIFF

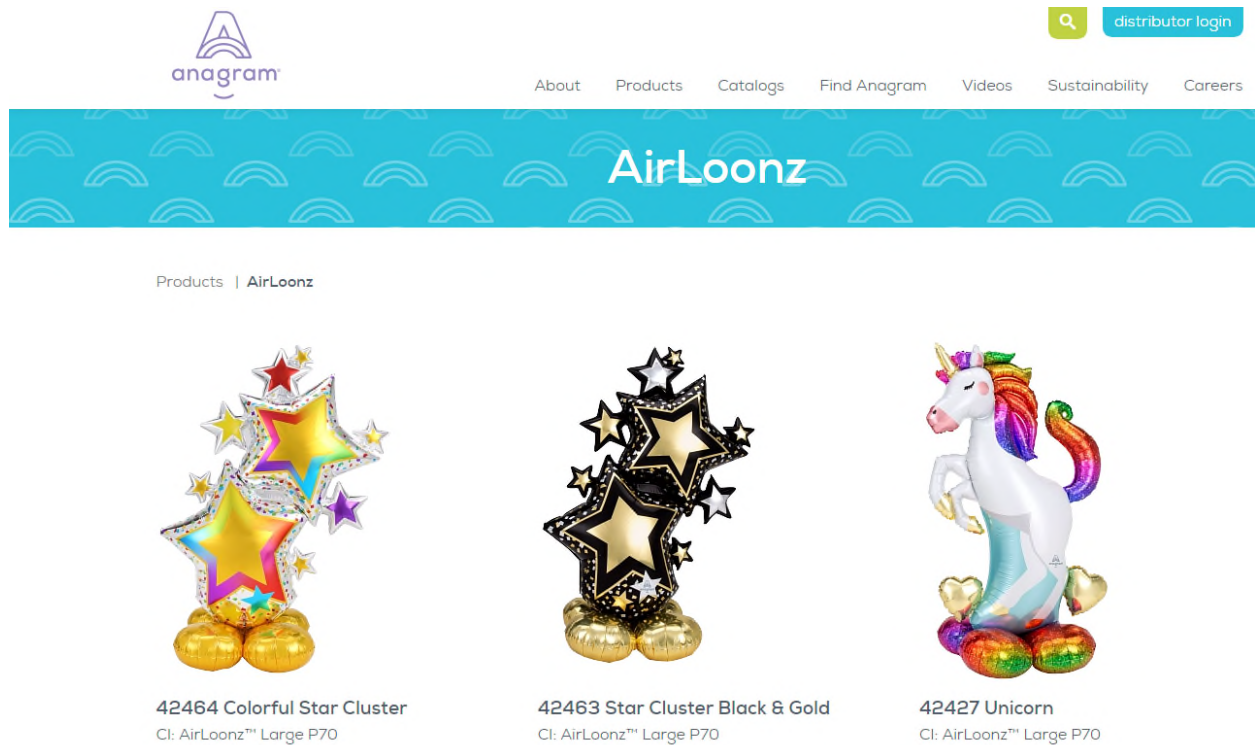
5. Anagram is a Delaware corporation with a principal place of business in Eden Prairie, Minnesota.

6. Anagram is a leading manufacturer of balloons for every occasion. Anagram’s balloon designs make balloons fun while creating the best products and the biggest smiles possible. Anagram leads the world in making balloons fun with consumer-inspired – and inspiring – product development, industry-expanding innovation, and strong, value-added partnerships.

7. Anagram’s products feature Anagram’s valuable copyrighted artwork, including images and illustrations (the “Anagram Works”).

8. Anagram is the owner of the federal copyright registrations (the “Copyright Registrations”) that protect Anagram’s rights to the Anagram Works. Anagram’s Copyright Registrations include, among others, United States Copyright Registration Nos. VA 1-206-711, VA 2-060-573, VA 1-206-712, VA 1-206-709, VA 2-059-085, VA 1-206-720, VA 2-085-623, VA 2-062-023, VA 2-062-023, VA 2-073-100, VA 2-118-018, VA 2-185-233, VA 2-185-234, VA 2-182-738, VA 2-182-740, VA 2-073-096, VA 2-153-036, VA 2-247-028, VA 2-247-342, VA 2-192-001, VA 2-073-093, VA 2-059-084, VA 2-204-649, VA 2-156-842, VA 2-192-097, VA 2-192-096, VA 2-247-524, VA 2-117-643, VA 2-192-008, VA 2-247-339, VA 2-085-924, VA 2-182-674, VA 2-198-751, VA 2-137-198, VA 2-197-607, VA 2-176-628, VA 2-317-483, VA 2-247-340, VA 2-207-768, VA 2-207-694, VA 2-207-791, VA 2-207-699, VA 2-207-797, VA 2-059-118, VA 2-207-689, VA 2-207-692, VA 2-115-452, VA 2-392-990, VA 2-403-719, VA 2-403-726 and VA 2-403-702. The Copyright Registrations are attached hereto as **Exhibit 1**. The copyrights have an effective date that predates the Defendants’ acts of copyright infringement.

9. Anagram has expended substantial time, money, and other resources in developing, advertising, and otherwise promoting the Anagram Works. As a result, products associated with the Anagram Works are recognized and exclusively associated by consumers, the public, and the trade as products authorized by Plaintiff (the “Anagram Products”).



<https://anagramballoons.com/products/>.

10. The Copyright Registrations are valid, subsisting, and in full force and effect.

11. In an effort to illegally profit from the creative content of the Anagram Works, Defendants have created numerous Defendant Internet Stores and have used them to sell unauthorized Anagram Products.

12. Plaintiff has invested substantial time, money, and effort in building up and developing consumer awareness, goodwill, and recognition in the Anagram Works.

13. The success of the Anagram Works is due in large part to Plaintiff's marketing, promotional, and distribution efforts.

14. As a result of Plaintiff's efforts, the quality of the Anagram Products, the promotional efforts for Plaintiff's products and designs, press and media coverage, and social media coverage, members of the public have become familiar with the Anagram Works and associate them exclusively with Plaintiff.

15. Plaintiff has made efforts to protect Plaintiff's interests in and to the Anagram Works. No one other than Plaintiff and Plaintiff's licensees are authorized to manufacture, import, export, advertise, create derivative works, offer for sale, or sell any goods utilizing the Anagram Works without the express written permission of Plaintiff.

THE DEFENDANTS

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

17. The Defendant Internet Stores share unique identifiers, such as design elements and similarities of the unauthorized products offered for sale, establishing a logical relationship between them, and suggesting that Defendants' illegal operations arise out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid liability by going to great lengths to conceal both their identities and the full scope and interworking of their illegal operation. Plaintiff is forced to file this action to combat Defendants' piracy of the Anagram Works. Plaintiff has been and continues to be irreparably damaged through loss of control over the creative content of the valuable copyrights, reputation, goodwill, the quality, and ability to license as a result of Defendants' actions and seeks injunctive and monetary relief.

18. The rise of online retailing, coupled with the ability of e-commerce sites to hide their identities, has made it nearly impossible for policing actions to be undertaken by Plaintiff

since availing itself of takedown procedures to remove infringing products would be an ineffective and endless game of whack-a-mole against the mass piracy that is occurring over the internet. Sadly, a swarm of infringers have decided to trade upon Plaintiff's reputation, goodwill, and valuable copyrights by selling and/or offering for sale products in connection with Plaintiff's illustrations and images. The aggregated effect of the mass piracy that is taking place has overwhelmed Plaintiff and Plaintiff's ability to police Plaintiff's rights against the hundreds of anonymous defendants who are selling illegal infringing products at prices below an original.

19. To be able to offer the infringing products at a price substantially below the cost of original, while still being able to turn a profit after absorbing the cost of manufacturing, advertising, and shipping requires an economy of scale only achievable through a cooperative effort throughout the supply chain. The Department of Homeland Security ("DHS") reports that infringers act in concert through coordinated supply chains and distribution networks to unfairly compete with legitimate brand owners while generating huge profits for the illegal pirating network:

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

...

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

...

The impact of counterfeit and pirated goods is broader than just unfair competition. Law enforcement officials have uncovered intricate links between the sale of counterfeit goods and transnational organized crime. **A study by the Better Business Bureau notes that the financial operations supporting counterfeit goods typically require central coordination,** making these activities attractive for organized crime, with groups such as the Mafia and the Japanese Yakuza

heavily involved. Criminal organizations use coerced and child labor to manufacture and sell counterfeit goods. In some cases, the proceeds from counterfeit sales may be supporting terrorism and dictatorships throughout the world.

Exhibit 2 at 10, 19 (Department of Homeland Security, *Combating Trafficking in Counterfeit and Pirated Goods*, Jan. 24, 2020).

20. The Defendant Internet Stores share unique identifiers, such as design elements and similarities of the unauthorized products offered for sale, establishing a logical relationship between them, and suggesting that Defendants' illegal operations arise out of the same transaction, occurrence, or series of transactions or occurrences. Defendants use aliases to avoid liability by going to great lengths to conceal both their identities as well as the full scope and interworking of their illegal network. Despite deterrents such as takedowns and other measures, the use of aliases enables infringers to stymie authorities:

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

...

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

...

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

Ex. 2 at 5, 11, 12.

21. Plaintiff has been and continues to be irreparably harmed through loss of control over Plaintiff's reputation, goodwill, ability to license and the quality of goods featuring the Anagram Works. The rise of eCommerce as a method of supplying goods to the public exposes brand holders and content creators that make significant investments in their products to significant harm from counterfeiters:

Counterfeiting is no longer confined to street-corners and flea markets. The problem has intensified to staggering levels, as shown by a recent Organisation for Economic Cooperation and Development (OECD) report, which details a 154 percent increase in counterfeits traded internationally — from \$200 billion in 2005 to \$509 billion in 2016. Similar information collected by the U.S. Department of Homeland Security (DHS) between 2000 and 2018 shows that seizures of infringing goods at U.S. borders have increased 10-fold, from 3,244 seizures per year to 33,810.

...

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

...

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

...

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

Ex. 2 at 4, 8, 11.

22. Not only are the creators and copyright owners harmed, the public is harmed as well:

The rapid growth of e-commerce has revolutionized the way goods are bought and sold, allowing for counterfeit and pirated goods to flood our borders and penetrate

our communities and homes. Illicit goods trafficked to American consumers by e-commerce platforms and online third-party marketplaces threaten public health and safety, as well as national security. This illicit activity impacts American innovation and erodes the competitiveness of U.S. manufacturers and workers.

....

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

Ex. 2 at 3, 4. (Underlining in original).

23. Plaintiff's investigation shows that the telltale signs of an illegal piracy ring are present in the instant action. For example, Schedule A shows the use of store names by the Defendant Internet Stores that employ no normal business nomenclature. Thus, the Defendant Internet Stores are using fake online storefronts designed to appear to be selling genuine Anagram Products, while selling inferior imitations of Plaintiff's Anagram Products. The Defendant Internet Stores also share unique identifiers, such as design elements and similarities of the infringing products offered for sale, establishing a logical relationship between them, and suggesting that Defendants' illegal operations arise out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid liability by going to great lengths to conceal both their identities and the full scope and interworking of their illegal piracy operation. Plaintiff is forced to file this action to combat Defendants' infringement of Plaintiff's Anagram Works, as well as to protect unknowing consumers from purchasing unauthorized Anagram Products over the internet.

24. This Court has personal jurisdiction over each Defendant, because each Defendant conducts significant business in Illinois and in this judicial district. Furthermore, the acts and events giving rise to this lawsuit were undertaken in Illinois and in this judicial district. In addition, each defendant has offered to sell and ship infringing products into this judicial district.

THE DEFENDANTS' UNLAWFUL CONDUCT

25. The success of the Anagram Works has resulted in significant copying of the creative content protected by Plaintiff's copyright registrations. Plaintiff has identified numerous fully interactive websites and marketplace listings on various platforms. Each Defendant targets consumers in the United States, including the State of Illinois, and has offered to sell and, on information and belief, has sold and continues to sell infringing products that violate Plaintiff's intellectual property rights in the Anagram Works ("Infringing Products") to consumers within the United States, including the State of Illinois.

26. Upon information and belief, Defendants facilitate sales by designing the Defendant Internet Stores so that they appear to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers selling genuine Anagram Products.

27. The Defendant Internet Stores intentionally conceal their identities and the full scope of their piracy operations in an effort to deter Plaintiff from learning Defendants' true identities and the exact interworking of Defendants' illegal operations. Through their operation of the Defendant Internet Stores, Defendants are directly and personally contributing to, inducing, and engaging in the sale of Infringing Products as alleged, often times as partners, co-conspirators, and/or suppliers. Upon information and belief, Defendants are an interrelated group of infringers working in active concert to knowingly and willfully manufacture, import, distribute, offer for sale, and sell Infringing Products.

28. Upon information and belief, at all times relevant hereto, the Defendants in this action have had full knowledge of Plaintiff's ownership of the Anagram Works, including Plaintiff's exclusive right to use and license such intellectual property and the goodwill associated therewith.

29. Defendants often go to great lengths to conceal their identities by often using multiple fictitious names and addresses to register and operate their massive network of Defendant Internet Stores. Upon information and belief, Defendants regularly create new websites and online marketplace accounts on various platforms using the identities listed in Schedule A to the Complaint, as well as other unknown fictitious names and addresses. Such Defendant Internet Store registration patterns are one of many common tactics used by the Defendants to conceal their identities, the full scope and interworking of their massive pirating operation, and to avoid being shut down.

30. The Infringing Products for sale in the Defendant Internet Stores bear similarities and indicia of being related to one another, suggesting that the Infringing Products were manufactured by and come from a common source and that, upon information and belief, Defendants are interrelated.

31. In addition to operating under multiple fictitious names, Defendants in this case and defendants in other similar cases against online infringers use a variety of other common tactics to evade enforcement efforts.

32. U.S. Customs and Border Protection (“CBP”) reports that “[t]rade in counterfeit and pirated goods threatens America’s innovation economy, the competitiveness of our businesses, the livelihoods of U.S. workers, and, in some cases, national security and the health and safety of consumers.” Ex. 3, p. 1 (www.cbp.gov/trade/priority-issues/ipr).

33. According to an intellectual property rights seizures statistics report issued by CPB, the manufacturer’s suggested retail price (MSRP) of goods seized by the U.S. government in fiscal year 2021 was over \$3.3 billion, an increase of 152% over the previous Fiscal Year. *See*, Ex. 4, p. 5 (Intellectual Property Rights Seizure Statistics, Fiscal Year 2021).

34. CBP reports that the vast majority of its intellectual property seizures correspond to smaller international mail and express shipments, such as those used by Defendants. Ex. 4 at p.

37. In FY 2021, there were 213 million express mail shipments and 94 million international mail shipments. *Id.* Nearly 90 percent of all intellectual property seizures occur in the international mail and express environments. *Id.* at 27. The “overwhelming volume of small packages also makes CBP’s ability to identify and interdict high risk packages difficult.” *Id.* at 23.

35. The Department of Homeland Security (“DHS”) has reported that commonly owned and/or interrelated enterprises have many online marketplace profiles that appear unrelated:

Platforms generally do not require a seller on a third-party marketplace to identify the underlying business entity, nor to link one seller profile to other profiles owned by that same business, or by related businesses and owners. In addition, the party that appears as the seller on the invoice and the business or profile that appears on the platform to be the seller, may not always be the same. This lack of transparency allows one business to have many different profiles that can appear unrelated.

Ex. 2, p. 39 (Combating Trafficking in Counterfeit and Pirated Goods).

36. Further, infringers such as Defendants, typically operate multiple credit card merchant accounts and third-party accounts, such as PayPal, LLC (“PayPal”) accounts, behind layers of payment gateways so that they can continue operation in spite of Plaintiff’s enforcement efforts. Upon information and belief, Defendants maintain off-shore bank accounts and regularly move funds from their PayPal accounts to off-shore bank accounts outside the jurisdiction of this Court. Indeed, analysis of PayPal transaction logs from previous similar cases indicates that offshore infringers regularly move funds from U.S.-based PayPal accounts to foreign-based bank accounts, such as China-based bank accounts, outside the jurisdiction of this Court.

37. Defendants, without any authorization or license, have knowingly and willfully pirated Plaintiff’s Anagram Works in connection with the advertisement, distribution, offering for sale, and sale of illegal products into the United States and Illinois over the internet. Each Defendant Internet Store offers shipping to the United States, including Illinois, and, on

information and belief, each Defendant has offered to sell Infringing Products into the United States, including Illinois.

**COUNT I
COPYRIGHT INFRINGEMENT**

38. Plaintiff repeats and incorporates by reference herein its allegations contained in the above paragraphs of this Complaint.

39. At all relevant times, Anagram is, and has been, the owner of all valid and enforceable rights to the Anagram Works, which contain copyrightable subject matter under 17 U.S.C. §§ 101 and 501, et seq.

40. The Anagram Works have significant value and have been produced at considerable expense.

41. The Anagram Works are the subject of valid certificates of copyright registrations for the Anagram Works, including the Copyright Registrations attached as Exhibit 1. Anagram has complied with the registration requirements of 17 U.S.C. § 411(a) for the Anagram Works.

42. Defendants do not have any ownership interest in the Anagram Works.

43. Defendants have had access to the Anagram Works, including via the internet.

44. Without authorization from Anagram, or any right under the law, Defendants have deliberately copied, displayed, distributed, reproduced and/or made derivative works of the Anagram Works, as displayed in relation to the Defendant Internet Stores and the corresponding Infringing Products in violation of 17 U.S.C. § 501 and 17 U.S.C. § 106(1) - (3), (5).

45. Defendants' images, artwork and derivative works are virtually identical to and/or substantially similar to the Anagram Works. Such conduct infringes and continues to infringe the Anagram Works in violation of 17 U.S.C. § 501 and 17 U.S.C. § 106(1) - (3), (5).

46. Defendants reap the benefits of the unauthorized copying and distribution of the Anagram Works in the form of revenue and other profits that are driven by the sale of Infringing Anagram Products.

47. The Defendants have unlawfully appropriated Anagram's protectable expression by taking material of substance and value and creating Infringing Anagram Products that capture the total concept and feel of the Anagram Works.

48. Upon information and belief, the Defendants' infringement has been willful, intentional, and purposeful, and in disregard of and with indifference to, Anagram's rights.

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

50. As a result of each Defendants' infringement of Plaintiff's exclusive rights under copyrights, Plaintiff is entitled to relief pursuant to 17 U.S.C. §504 and to its attorneys' fees and costs pursuant to 17 U.S.C. §505.

51. The conduct of each Defendant is causing and, unless enjoined and restrained by this Court, will continue to cause Plaintiff great and irreparable injury that cannot fully be compensated or measured in money. Plaintiff has no adequate remedy at law.

52. Pursuant to 17 U.S.C. §§502 and 503, Plaintiff is entitled to injunctive relief prohibiting each Defendant from further infringing Plaintiff's copyrights and ordering that each Defendant destroy all unauthorized copies.

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

53. Plaintiff repeats and incorporates by reference herein its allegations contained in the above paragraphs of this Complaint.

54. Plaintiff is the exclusive owner US Trademark Registration Nos. 1,533,437, 1,905,750, 2,052,521, 2,052,522, 5,345,931 and 7,042,000 (the “Asserted Trademarks”). The Asserted Trademarks protect Plaintiff’s rights to the ANAGRAM name and related ANAGRAM designs. Copies of Plaintiff’s registrations for the Asserted Trademarks are attached as Ex. 5. The registrations for the Asserted Trademarks are in full force and effect.

55. Without authorization, and, upon information and belief, with knowledge of Plaintiff’s rights to the Asserted Trademarks, Defendants have manufactured, advertised, offered for sale, sold, distributed, imported, and/or exported infringing products bearing the Asserted Trademarks, or marks highly and/or confusingly similar to the Asserted Trademarks.

56. Defendants have used marks that are copies and/or colorable imitations of the Asserted Trademarks in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive under 15 U.S.C. § 1114.

57. Upon information and belief, Defendants were on actual notice of Plaintiff’s exclusive rights to the Asserted Trademarks. In addition, Plaintiff’s federal registrations put Defendants on constructive notice of Plaintiff’s exclusive rights in the Asserted Trademarks.

58. Defendants’ actions are likely to cause, and have caused, confusion, mistake, or deception as to the source or sponsorship of the infringing products. As a result of Defendants’ unauthorized use of Plaintiff’s Asserted Trademarks and/or trademarks that are identical or highly and/or confusingly similar to Plaintiff’s federally registered trademarks, the public is likely to believe that Defendants’ goods have been manufactured and/or approved by Plaintiff.

59. Such unauthorized use of the Asserted Trademarks falsely represents Defendants as being legitimately connected with and/or authorized by Plaintiff, and places beyond Plaintiff’s

control of its own reputation and ability to control the use of the Asserted Trademarks and the quality of the products bearing those marks.

60. Defendants' infringement of the Asserted Trademarks is willful, intended to reap the benefit of the goodwill of Plaintiff, and violates the Lanham Act, 15 U.S.C. § 1114.

61. Defendants' actions have caused, and unless enjoined by this Court, will continue to cause, Plaintiff to sustain irreparable damage, loss, and injury.

62. Plaintiff has no adequate remedy at law.

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

63. Plaintiff repeats and incorporates by reference herein its allegations contained in the above paragraphs of this Complaint.

64. Defendants' promotion, advertising, marketing, offering for sale, and sale of infringing products has created and is creating a likelihood of confusion, mistake, and deception among the general public as to the affiliation, connection, or association with Plaintiff or the origin, sponsorship, or approval of Defendants' infringing products by Plaintiff.

65. By using infringing marks in connection with the sale of infringing products, Defendants have created a false designation of origin and a misleading representation of fact as to the origin and sponsorship of the infringing products.

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

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

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

1) That Defendants, their affiliates, officers, agents, employees, attorneys, 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 Anagram Works or Asserted Trademarks or any reproductions, 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 an authorized Anagram Product or is not authorized by Plaintiff to be sold in connection with the Anagram Works;
- b. passing off, inducing, or enabling others to sell or pass off any product or not produced under the authorization, control, or supervision of Plaintiff and approved by Plaintiff for sale under the Anagram Works or Asserted Trademarks;
- c. further infringing the Anagram Works or Asserted Trademarks and damaging Plaintiff's goodwill;
 - a. shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not authorized by Plaintiff to be sold or offered for sale, and which directly use the Anagram Works or Asserted Trademarks, and which are derived from Plaintiff's rights to the Anagram Works or Asserted Trademarks; and
 - b. using, linking to, transferring, selling, exercising control over, or otherwise owning the Defendant Internet Stores, or any other online marketplace account that is being used to

sell products or inventory not authorized by Plaintiff which are derived from Plaintiff's rights to the Anagram Works or Asserted Trademarks;

2) Entry of an Order that, upon Plaintiff's request, those in privity with Defendants and those with notice of the injunction, including any online marketplaces, social media platforms, or web hosts for the Defendant Internet Stores, shall:

a. disable and cease providing services for any accounts through which Defendants engage in the sale of products not authorized by Plaintiff which reproduce the Anagram Works or are derived from the Anagram Works or Asserted Trademarks, including any accounts associated with the Defendants listed on Schedule A;

b. disable and cease displaying any advertisements used by or associated with Defendants in connection with the sale of products not authorized by Plaintiff which are derived from the Anagram Works or Asserted Trademarks; and

c. take all steps necessary to prevent links to the Defendant accounts identified on Schedule A from displaying in search results, including, but not limited to, removing links to the Defendant accounts from any search index;

3) For Judgment in favor of Plaintiff against Defendants that they have: a) willfully infringed Plaintiff's rights in Plaintiff's federally registered copyrights pursuant to 17 U.S.C. §501; and b) otherwise injured the business reputation and business of Plaintiff by Defendants' acts and conduct set forth in this Complaint;

4) For Judgment in favor of Plaintiff against Defendants for actual damages or statutory damages pursuant to 17 U.S.C. §504, at the election of Plaintiff, in an amount to be determined at trial;

5) Plaintiff further requests that Defendants account for and pay to Plaintiff all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged in relation to the Asserted Trademarks, and that the amount of damages for infringement of the Asserted Trademarks be increased by a sum not exceeding three times the amount thereof as provided by 15 U.S.C. § 1117.

6) Alternatively, Plaintiff requests an award of statutory damages pursuant to 15 U.S.C. § 1117(c)(2) of \$2,000,000 for each and every counterfeit use of the Asserted Trademarks.

7) That Plaintiff be awarded Plaintiff's reasonable attorneys' fees and costs; and

8) Award any and all other relief that this Court deems just and proper.

DATED: October 18, 2024

Respectfully submitted,

/s/ Matthew A. Werber

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