

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION



HALO ACOUSTIC WEAR LLC
a Virginia Limited Liability Company,

Plaintiff,

v.

Civil Action No. 1:24cv935

THE UNINCORPORATED ASSOCIATIONS
IDENTIFIED IN SCHEDULE A,

Defendants.

VERIFIED COMPLAINT

Plaintiff Halo Acoustic Wear LLC (“Halo” or “Plaintiff”), by counsel, alleges as follows for its Verified Complaint against Defendant Unincorporated Associations identified in Schedule A (collectively "Defendants").¹

THE NATURE OF THE SUIT

1. Halo files this action to combat online counterfeiters who trade upon its world-renowned reputation by selling unauthorized and unlicensed counterfeit CozyPhones audio headphone products using counterfeit versions of Halo’s federally-registered COZYPHONES

¹ As set forth in Plaintiff’s Motion to Seal and for the reasons set forth in its *Ex Parte* Motion for Temporary Restraining Order, temporarily sealing Defendants’ names is necessary to prevent Defendants from learning of these proceedings prior to the execution of the temporary restraining order, and the likelihood that Defendants would transfer all funds out of U.S.-based accounts upon receiving notice of this action.

trademark (the "Counterfeit COZYPHONES Products"). Defendants create hundreds of online product listings and design them to appear as though they are selling genuine COZYPHONES products, while instead selling Counterfeit COZYPHONES Products to unknowing consumers. Defendants attempt to avoid liability by concealing their identities and the full scope and interworking of their counterfeiting operations. Halo is thus forced to file this action to combat Defendants' unauthorized use of its registered trademark, as well as to protect unknowing consumers from purchasing the inferior Counterfeit COZYPHONES Products. Halo has been, and continues to be, irreparably damaged through infringement and tarnishment of its valuable trademark as a result of Defendants' willful actions, and seeks injunctive and monetary relief.

JURISDICTION AND VENUE

2. This Court has original subject matter jurisdiction over the claims in this action pursuant to the provisions of the Lanham Act, 15 U.S.C. § 1051, et seq., 28 U.S.C. § 1338(a)-(b), 28 U.S.C. § 1331, and 28 U.S.C. §1121.

3. Halo's claims against Defendants for counterfeiting, trademark infringement, and false designation of origin are based on Defendants' misuse of Halo's trademark to market and sell Counterfeit COZYPHONES Products, sale and shipment of such counterfeit products to consumers in this District, and use of instrumentalities in the District to promote and sell Counterfeit COZYPHONES Products including through use of online marketplaces such as Amazon.com.

4. 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 Virginia and this

District, through at least the Online Marketplace Accounts/Internet Stores identified in Schedule A attached hereto (collectively, the "Defendant Internet Stores"). Specifically, Defendants are seeking to do business with this District's residents by operating one or more commercial Defendant Internet Stores through which Virginia residents are misled to purchase counterfeit products using Halo's trademark. Each of the Defendants has targeted sales from Virginia residents by operating online stores that offer shipping to the United States, including Virginia and this District, and accepts payment in U.S. dollars. Halo has confirmed that Defendants can ship their Counterfeit COZYPHONES Products to this District by requesting shipping information from each of the Defendants' Internet Stores, and by purchasing products and having them shipped into this District. Each of the Defendants is committing tortious acts in Virginia, is engaging in interstate commerce, and has wrongfully caused Halo substantial injury in the State of Virginia.

5. On information and belief, the Defendants in Schedule A are all non-U.S. based entities or individuals. Venue is proper in this Court against non-U.S. based Defendants under 28 U.S.C. § 1391 (c)(3) and 28 U.S.C. § 1400(b) based on information set forth herein. For purposes of venue regarding cases against foreign corporations, general federal statutes are applicable. This Court is a proper venue for a case against non-U.S. based Defendants in any judicial district in any state to which it is subject to personal jurisdiction.

6. This Court has personal jurisdiction over Defendants and venue is proper pursuant to Va. Code Ann. § 8.01-328.1 (1950). Personal jurisdiction exists over the Defendants because they have minimum contacts with this forum as a result of business regularly conducted within the Commonwealth of Virginia and within this district, and, on information and belief, specifically as a result of, at least, committing the tort of trademark infringement within Virginia and this District. This Court has personal jurisdiction over the Defendants, in part, because they do continuous and

systematic business in this District, including by providing Counterfeit COZYPHONES Products to the residents of the Virginia through fully interactive websites that allow Counterfeit COZYPHONES Products to be purchased by Virginia residents and shipped to addresses in Virginia. The Defendants knew the Counterfeit COZYPHONES Products would be used within this District, and have solicited business from the residents of Virginia using at least the Amazon.com e-commerce platform.

PARTIES

Plaintiff

7. Plaintiff Halo is a Virginia Limited Liability Company that maintains a principal place of business at 42770 Hollowind Court, Ashburn, VA, 20148.

8. Halo is a leading developer, producer, marketer, and distributor of quality, innovative consumer products since 2016.

9. Halo promotes and sells its products online through its own website <<https://www.cozyphones.com/>> , its own Amazon.com storefront, and through resellers.

10. Halo is the owner of distinctive trademarks, including the COZYPHONES Trademark, which is associated with Halo's successful adult and children's audio headphones embedded in hats and headbands. Halo's trademarks symbolize the brand's marketability, reputation, and goodwill. Consumers have long associated the Halo brand with a variety of CozyPhones products. Indeed, the CozyPhones brand is one of the most well-recognized brands in the world for headphones embedded within headbands or beanie hats. For example, a recent article published by Yahoo! Lifestyle lauded CozyPhones as "There are a lot of people who like background sound while they wait for the Sandman, whether it's music, the TV or one of those weird ASMR videos on YouTube. If your spouse isn't a fan of such ambient noise (and/or if you

snore like a bear, as I'm prone to do), have a look at these CozyPhones Sleep Headphones, on sale for \$16 for Prime members.”²

11. Halo owns the following federally registered trademark for the COZYPHONES product (the “COZYPHONES Trademark”):

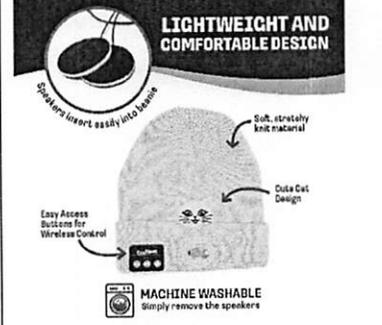
Reg. No.	Mark	Reg. Date	First Use in Commerce	Goods
5486943	COZYPHONES	Jun. 5, 2018	Jan. 9, 2016	Headphones; Audio headphones; Personal headphones for sound transmitting apparatuses

12. The COZYPHONES Trademark has been used exclusively and continuously by Halo and has never been abandoned. The above U.S. registration for the COZYPHONES Trademark is valid and subsisting in full force and effect. A true and correct "status" copy of this registration, obtained from the Trademark Status Document Retrieval ("TSDR") database of the United States Patent and Trademark Office, is attached hereto as Exhibit 1. The registration for the COZYPHONES Trademark constitutes prima facie evidence of its validity and of Halo's exclusive right to use the trademark pursuant to 15 U.S.C. § 1057(b).

13. The COZYPHONES Trademark performs an important source-identifying function for Halo's personal headband and beanie hat embedded with headphones, signifying to purchasers

² See Yahoo! Life, “Trouble Snoozing? These ‘amazingly comfortable’ sleep headphones are down to \$16.” December 1, 2023, <https://www.yahoo.com/lifestyle/trouble-snoozing-these-amazingly-comfortable-sleep-headphones-are-down-to-16-210652826.html> (last accessed May 17, 2024).

that the products come from Halo and are manufactured according to Halo’s high-quality standards. Some examples of COZYPHONE headband and beanie hat products are presented below:

<p>CozyPhones Sleep Headphones - Wireless Over Ear Headphones from Ultra Thin Cool Mesh Chordless Head Phones for Side Sleepers, Meditation, Running, Laptop, and Phone - Gray Lycra³</p>	<p>CozyPhones Sleep Headphones - Wireless Over Ear Headphones from Ultra Thin Cool Mesh Chordless Head Phones for Side Sleepers, Meditation, Running, Laptop, and Phone - Black Lycra⁴</p>	<p>CozyPhones Wireless Over-Ear Headphones Beanie for Kids & Teenagers - Warm & Comfy Travel Accessories for Cold Weather - Pink White Cat⁵</p>
		

14. The COZYPHONES Trademark is inherently distinctive, and has acquired considerable brand loyalty through Halo’s sales and promotion, and via direct word-of-mouth promotion by consumers. In addition, Halo has expended significant resources in developing and marketing the COZYPHONES Trademark in the United States. The market reputation and consumer goodwill associated with the COZYPHONES Trademark are of incalculable and inestimable value to Halo.

³ Image and text copied from Halo’s Amazon.com CozyPhones Store, ASIN B08B1VNTNH (last accessed on May 29, 2024).

⁴ Image and text copied from Halo’s Amazon.com CozyPhones Store, ASIN B08B1V8MDR (last accessed on May 29, 2024).

⁵ Image and text copied from Halo’s Amazon.com CozyPhones Store, ASIN B0BY9G2RPR (last accessed on May 29, 2024).

Defendants

15. Defendants are individuals and business entities that, upon information and belief, reside in China, and elsewhere outside the United States. Defendants conduct business throughout the United States, including within the State of Virginia and this Judicial District, through the operation of online marketplaces such as Amazon.com. Each Defendant targets the United States, including Virginia, and has offered to sell, has sold and, on information and belief, continues to sell Counterfeit COZYPHONES Products to consumers within the United States, including the State of Virginia and this District.

16. On information and belief, Defendants knowingly and willfully manufacture, import, distribute, offer for sale, and sell products using counterfeit versions of the COZYPHONES Trademark in the same transaction, occurrence, or series of transactions or occurrences. Defendants each use similar or the same pictures and descriptions of the Counterfeit COZYPHONES Products in their Online Marketplaces. Tactics used by Defendants to conceal their identities and the full scope of their counterfeiting operation make it virtually impossible for Halo to learn Defendants' true identities and the exact interworking of their counterfeit network.

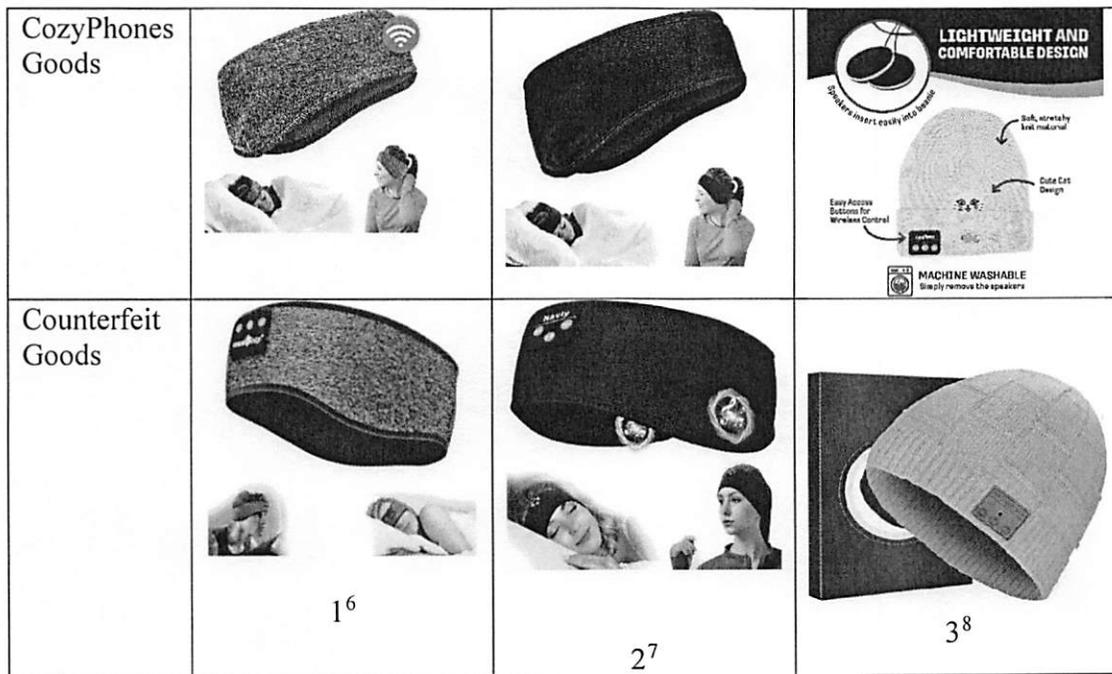
17. Defendants from outside the United States have the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b).

DEFENDANTS' UNLAWFUL CONDUCT

18. The success of the Halo's COZYPHONES brand has resulted in significant counterfeiting of its COZYPHONES products. To combat that unfortunate but predictable reality, Halo was forced to initiate a worldwide anti-counterfeiting program designed to regularly

investigate suspicious websites and online marketplace listings identified in proactive Internet sweeps and reported by consumers. Despite Halo's enforcement efforts, Defendants have persisted in creating the Defendant Internet Stores. The Defendant Internet Stores are estimated to receive millions of visits per year and generate millions in online sales annually.

19. Recently, Halo became aware of Defendants' online sales of COZYPHONES products, and strongly suspected such goods were counterfeit. Defendants were selling these counterfeit goods by the thousands. Many of the Amazon.com listings for the goods stated the goods were "COZY" "HEADPHONES" branded products in their titles or descriptions emphasizing the strong portion of the COZYPHONES Trademark, and included images of what appeared to be copies of COZYPHONES products. Halo reviewed offerings from each of the Defendant Internet Stores to determine their authenticity. This review led to the determination that the products offered by the Defendant Internet Stores were, in fact, Counterfeit COZYPHONES Products. Copies of the counterfeit product offerings from the Defendants' Amazon.com Internet store pages are attached as Exhibit 2. The table below compares a sample of the counterfeit goods with the authentic CozyPhones goods above:



20. The Defendants here primarily conduct their operations through fully interactive commercial websites hosted on Amazon.com. Each Defendant targets consumers in the United States, including the State of Virginia, and has offered to sell and, on information and belief, has sold and continues to sell infringing products that violate Halo’s intellectual property rights to consumers within the United States, including the State of Virginia and Eastern District of Virginia. For example, the counterfeit products may be purchased by Virginia residents using the Amazon “Prime” online order system and delivered by an Amazon Prime delivery vehicle in this district.

21. On information and belief, Defendants reside primarily in China or other foreign countries, and utilize Defendant Internet Stores to sell Counterfeit COZYPHONES Products by

⁶ Image copied from MUSICOZY store page for ASIN B082NZCHD3, Defendant No. 1

⁷ Image copied from Navly store page for ASIN B0BY2Q4979, Defendant No. 72.

⁸ Image copied from the Fulllight Tech store page for ASIN B0995L88SH, Defendant No. 91.

the thousands.

22. On information and belief, Defendants act in concert to make and distribute the Counterfeit COZYPHONES Products to the United States. These tactics include similar pricing structures, similar descriptions of the Counterfeit COZYPHONES Products, similar product sourcing, similar photos, similar packaging, and similar payment methods.

23. On information and belief, select Defendants act in concert to supply Counterfeit COZYPHONES Products using Amazon “stores” where multiple sellers (or the same seller using multiple fictitious Amazon Seller ID’s) conglomerate into a single store page, where one or two of the individual Seller pages out of fifteen or twenty goods (for example) uses the COZYPHONES trademark either, alone or separate as “COZY” and “HEADPHONES” for example, and by other terms, as a trademark in the product descriptions. This allows the Amazon search engine to memorize and index the search terms so that a customer would be directed to the store pages copying the COZYPHONE Trademark but would then have choices of the same product in other colors or models to choose from. This transparent scheme by Amazon Sellers was executed in a transparent attempt to thwart U.S. trademark laws, specifically Halo’s trademark rights. The scheme allows the multiple Seller IDs to misuse Halo’s trademark without all of the store pages containing the COZYPHONES Trademark - the multiple store pages of multiple colors and models of the counterfeit products simply ride on the coattails of the store page(s) that contains the counterfeit COZYPHONES trademark.

24. In the example below for the “Perytong Store,” a “Perytong” Amazon Seller ID does not actually exist. Nearly all of the individual Counterfeit COZYPHONES Products in this store are offered by different Amazon Seller ID’S. A marked-up copy of a “Perytong” store page is shown below, in this case offering counterfeit COZYPHONES Products sold by the seller “DS Shopping

Mall.”⁹ The trademark “COZY” is listed as “Cozy Wireless Headband Headphones,” which merely adds filler words for “COZY. . . PHONES.” The COZYPHONES mark is used in the title of this “Grape Purple” headband on the Perytong store page, in an attempt to confuse the customer into thinking he or she is purchasing an authentic Halo COZYPHONES product.

Electronics › Headphones, Earbuds & Accessories › Headphones & Earbuds › On-Ear Headphones

Sleep Headphones Bluetooth Headband - Sleeping Headphones for Side Sleeper Music Sleep Symphony Band Earbuds Cozy Wireless Headband Headphones Birthday for Women Men

Visit the Perytong Store
4.2 ★★★★★ 1,004 ratings | Search this page
300+ bought in past month

\$19.99

Get Fast, Free Shipping with Amazon Prime
FREE Returns

Color: **Grape Purple**

- 2 in 1 Sleep Headphones & Sports Headband - The Bluetooth Headband enables you to enjoy music without wearing extra headphones, while keeping your hair and sweat from tidy. It further features a built-in microphone to prevent missed calls. The headband headphones is suitable for outdoor activities such as gym workouts, jogging, yoga, and other outdoor activities. Additionally, it can assist with relaxation, meditation, travel, insomnia, and more.
- Bluetooth Music Headband - Perytong Sleep Headphones offer Bluetooth and immersive stereo sound. With advanced Bluetooth technology, the Bluetooth Headband is more compatible with electronic devices. Alongside 40mm composite drivers, these wireless music headband headphones deliver pure and balanced audio output with loud sound, rich bass, clear midrange, and balanced treble. This results in extraordinary clarity and detail for all music genres.
- Extended Playtime Wireless Headband - Perytong Sleep Headphones boast a powerful rechargeable lithium battery, offering up to 10 hours of continuous playtime on a single 2-2.5 hour charge. Enjoy uninterrupted listening pleasure throughout your day, without missing a beat. Thanks to its advanced battery technology, our product provides a longer lifespan, lasting up to 1 year. This guarantees extended enjoyment of your music, even after continuous use.
- Comfy Headband Material - Perytong Bluetooth Headband Headphones are constructed using highly elastic and breathable materials, including durable braided cord, high elastic lining, and a sweat-resistant fabric. These features result in a comfortable, breathable headband that is perfect for...

Roll over image to zoom in

prime
Enjoy fast, free delivery, exclusive deals, and award-winning movies & TV shows with Prime
Try Prime and start saving today with fast, free delivery

Delivery	Pickup
----------	--------

\$19.99

Get Fast, Free Shipping with Amazon Prime
FREE Returns

FREE delivery **Thursday, May 30** on orders shipped by Amazon over \$35

Or fastest delivery **Overnight 4 AM - 8 AM**. Order within 9 hrs 7 mins

Delivering to Falls Church 22043
- Update location

In Stock

Quantity: 1

Add to Cart

Buy Now

Ships from Amazon
Sold by DS Shopping Mall
10-day
Return Policy: Full refund/replacement
Payment: Secure transaction

However, if the customer decides he or she prefers the color Black, for example, for a headband instead of Grape Purple, and selects the thumbnail of the black headband just above the Grape Purple, the title of the product page changes to one that removes the COZYPHONES trademark and the Seller ID changes to “LEISHI-USA”¹⁰ even though the customer is still shopping within the “Perytong” store for the same headband but in a different color:

⁹ DS Shopping Mall is Defendant No. 4. See Schedule A.

¹⁰ LEISHI-USA is Defendant No. 115. See Schedule A.

Sleep Headphones Wireless, Bluetooth Sports Headband Headphones with Ultra-Thin HD Stereo Speakers, unisex, Perfect for Sleeping, Workout, Jogging, Yoga, Insomnia, Air Travel, Meditation

Visit the Perytong Store

4.5 out of 5 stars (14,504 ratings) | Search this page

1 sustainability feature

1K+ bought in past month

-33% \$19.99
List Price: ~~\$29.99~~

Get Fast, Free Shipping with Amazon Prime
FREE Returns

Coupon: Apply 20% coupon Shop items > | Terms

Sign in to redeem: **Save 30%** promo code: H404D6MG Terms

Available at a lower price from other sellers that may not offer free Prime shipping.

With Savings Save 30% promo code: LDR2D8GT 1 Applicable Promotion

Color: Black

Sport	Running, Yoga
Brand	Perytong
Band Width	9.8 inches
Band Length	10.6 inches
Band Size	10.6 inches

About this item

- [Sleep Headphones & Sports Headband 2 in 1] Perytong Bluetooth headband allows you to listen to music without having to wear additional headphones, and protect you from being disturbed by

prime
Enjoy fast, free delivery, exclusive deals, and award-winning movies & TV shows with Prime
Try Prime and start saving today with fast, free delivery

Delivery | Pickup

Buy new:
\$19.99

Get Fast, Free Shipping with Amazon Prime
FREE Returns

FREE delivery **Thursday, May 30** on orders shipped by Amazon over \$35

Or fastest delivery **Tomorrow, May 25**. Order within 3 hrs 13 mins

Delivering to Alexandria 22314 - Update location

In Stock

Quantity: 1

Add to Cart

Buy Now

Ships from **Amazon**
Sold by **LEISHI-USA**
30-day return/replacement
Secure transaction

The “LEISHI-USA” page for the same product uses the term “cozy” as “a cozy experience” in its product description lower on the page instead of in the title. These product descriptions are still indexed by the Amazon.com search engine. Thus “COZY” and “HEADPHONES” will be indexed from this LEISHI-USA page in the same Perytong store as the former product, even though the COZYPHONES trademark is not in the title. This scheme is used by most sellers for the counterfeit COZYPHONES products. There are 27 different colors of the same counterfeit headband offered on the Perytong store and 21 different Amazon Seller IDs selling those products. All of the counterfeit COZYPHONES products can be seen offered for sale on the Grape Purple page above as color variants in the thumbnails. Whether these are actually different Amazon sellers or different shells of Amazon Seller IDs registered by the same entity cannot be determined until discovery is requested and received from Amazon.com. Regardless, all of the Amazon sellers in these types of schemes are profiting from abusing Halo’s trademark rights and are liable for infringement, counterfeiting, and unfair competition.

25. Halo has inspected physical samples of the goods offered by some Defendants with the highest volume of sales and also determined they are counterfeit. Upon information and belief, the products sold by Defendants all come from the same factories in China. Almost all of Defendants' Counterfeit COZYPHONES Products are nothing more than cheap, low-quality imitations of genuine COZYPHONES products.

26. Defendants drive sales by designing the Defendant Internet Stores so that they appear to unknowing consumers to be Halo authorized online retailers, outlet stores, or wholesalers. Defendants further perpetuate the illusion of legitimacy by using indicia of authenticity that consumers have come to associate with Halo's store, including using images and descriptions that copy the uses and words of the authentic Halo store products. The Defendants' Amazon.com Stores share unique identifiers, such as design elements, trade channels, similarities in price, similarities in the description of the goods offered, and similarities of the Counterfeit COZYPHONES Products offered for sale. Halo has not licensed or authorized Defendants to use its COZYPHONES Trademark, and none of the Defendants are authorized retailers of genuine COZYPHONES products.

27. Defendants also deceive unknowing consumers by using Halo's COZYPHONES Trademark without authorization with the content, text, and/or meta tags of their websites in order to attract the Amazon.com search engine when searching for authentic COZYPHONES products as well as for various search engines crawling the Internet looking websites relevant to consumer searches for COZYPHONES products. On information and belief, Defendants use the COZYPHONES trademark and colorable imitations thereof as part of their product listings while using strategic item titles and descriptions that will trigger their listings when consumers are searching for COZYPHONES products. In this view, the table below lists the Defendants and a

summary of their usage of the COZYPHONES Trademark on their Amazon.com stores:

28. Defendants' brands all were launched after Plaintiff's first use of its COZYPHONES Trademark in commerce and, upon information and belief, Defendants' brands have no notoriety or recognition in the United States.

29. The marks are similar and as alleged herein, Defendants' marks arise to being counterfeit. The Defendants primary use the term "COZY" and "HEADPHONES" or "EARPHONES" in their trademarks and search term/SEO descriptions in order to intentionally confuse consumers. The Defendants' marks and keyword inclusions of the stronger "COZY" portion of Halo's COZYPHONES Trademark along with "HEADPHONES" OR "EARPHONES" are intended to produce confusion in the minds of consumers about the origin of their counterfeit goods.

30. The goods sold by the Defendants are the same type of goods sold by Halo: children's and adult headbands with earphones embedded in the headbands, making the Defendants direct competitors of Halo. The facilities used by the markholders are the same. The Defendants' goods are sold in the same channels and the same facilities as Halo's goods: Amazon.com.

31. The advertising used by Defendants is similar to the advertisements created by and used by Halo for its goods. Defendants use the same terms, such as "Sleep headphones," "over the ear headband," "perfect for sleeping," and many more that were coined and are continuously by Halo. Images used by the markholders are similar as well that include photos of children and adults in similar positions and with similar graphics wearing the goods.

32. Defendants intended to copy and counterfeit Halo's trademark and goods. Plaintiff was the first in the marketplace to combine the terms "COZY" and "PHONES" associated with

children's headband headphones, which became a top selling product on Amazon.com. Since 2016, hundreds of cheap knockoff goods have appeared online incorporating the COZYPHONES Trademark.

33. Plaintiff has evidence of actual confusion in the marketplace.

34. Plaintiff has ordered samples of some Defendants' products to inspect them. The counterfeit goods were of a lower quality than that produced by Plaintiff. On information and belief, Defendants order their goods from the same factories in China. Thus, a sample inspection of Defendants' goods provides confidence of the quality of all of the Defendants' goods.

35. The sophistication of the consuming public is the average consumer purchasing clothing or audio headphones from the Internet. Thus, consumers would be easily confused about the source of counterfeit goods bearing the COZYPHONES Trademark.

36. Further, on information and belief, Defendants have gone to great lengths to conceal their identities and often use multiple fictitious names, business names, and addresses to register and operate their network of Defendant Internet Stores on Amazon.com. Amazon.com does not require merchants to use their authentic names and contact information on publicly-available web pages. The only way to obtain such information is from Amazon.com itself. And, so far, these actions have been successful because, despite Halo's good faith attempts to identify Defendants, Halo is unable to reliably determine any of the Defendants' identities. On 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 Defendants to conceal their identities, the full scope and interworking of their counterfeiting operations, and to avoid being shut down.

37. In addition to operating under multiple fictitious names, Defendants in this case, and defendants in other similar cases against online counterfeiters, use a variety of other common tactics to evade enforcement efforts. For example, counterfeiters like Defendants will often register new online marketplace accounts under new aliases once they receive notice of a lawsuit. On information and belief, Defendants maintain offshore bank accounts and regularly move funds from their accounts to offshore bank accounts outside the jurisdiction of this Court.

38. Finally, Defendants also regularly falsely describe their products to evade detection by Halo and the authorities, and to circumvent controls on these types of products implemented by the online marketplaces.

39. Defendants, without any authorization or license from Halo, have knowingly and willfully used and continue to use Halo's COZYPHONES Trademark in connection with the advertisement, distribution, offering for sale, and sale of Counterfeit COZYPHONES Products into the United States, including Virginia, over the Internet. The Defendant Internet Stores offer shipping to the United States, including Virginia, and each Defendant has sold Counterfeit COZYPHONES Products in the United States, including Virginia and this District.

40. Defendants' use of Halo's COZYPHONES Trademark in connection with the advertising, distribution, offering for sale, and sale counterfeit COZYPHONES products, including the sale of counterfeit COZYPHONES products in the United States and Virginia, is likely to cause and has caused confusion, mistake, and deception by and among consumers and is irreparably harming Halo.

JOINDER IS APPROPRIATE

41. Joinder is appropriate because, on information and belief, Defendants sale of Counterfeit COZYPHONES Products gives rise to a plausible expectation that discovery will

reveal that Defendants' actions all arise from the same transaction, occurrence, or series of transactions or occurrences. On information and belief, Defendants are an inter-related group of counterfeiters who have profited through the sale of Counterfeit COZYPHONES Products that infringe upon Halo's COZYPHONES Trademark. Specifically, on information and belief, Defendants are actively participating in a conspiracy to distribute and sell Counterfeit COZYPHONES Products. For example, Defendants, on information and belief, are working together to manufacture, arrange the manufacture of, and/or sell and otherwise distribute the Counterfeit COZYPHONES Products. Moreover, the Counterfeit COZYPHONES Products share similar characteristics, including, for example, similar product listings, incorrect packaging, and shapes and sizes.

42. It is also well recognized that China-based counterfeiters typically work in a conspiracy to achieve larger market shares and faster production. For example, one recent Forbes article explained that "the whole [Chinese counterfeiting] system is cooperative, based on the concept of gongban, which roughly translates to a public bowl. Meaning, people want to share. So, people are starting to share and that turns out to drive the whole industry to move so fast."¹¹

43. In this case, Defendants sell the Counterfeit COZYPHONES Products using the same Internet platform, Amazon.com. The Defendant Internet Stores also describe the Counterfeit COZYPHONES Products using similar descriptions and pictures.

44. The Defendants have continued their infringement.

45. Halo has no adequate remedy at law.

¹¹ Wade Shepard, "Amazon And Ebay Opened Pandora's Box Of Chinese Counterfeits And Now Don't Know What To Do," Oct 28, 2017, available at <https://www.forbes.com/sites/wadeshepard/2017/10/28/amazon-and-ebay-opened-pandoras-box-of-chinese-counterfeits-and-now-dont-know-what-to-do/#24b855c46a25>

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

46. Halo hereby re-alleges and incorporates by references the allegations above as if fully set forth herein.

47. This is a trademark infringement action against Defendants based on their unauthorized use in commerce of counterfeit imitations of Halo's federally-registered COZYPHONES trademark in connection with the sale, offering for sale, distribution, and/or advertising of infringing goods. Halo's Trademark is a distinctive mark.

48. 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 Halo's COZYPHONES Trademark without Halo's permission.

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

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

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

52. The injuries and damages sustained by Halo has been directly and proximately

caused by Defendants' wrongful reproduction, use, advertisement, promotion, offering to sell, and sale of Counterfeit and infringing COZYPHONES Products.

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

53. Halo hereby re-alleges and incorporates by references the allegations above as if fully set forth herein.

54. Defendants' promotion, marketing, offering for sale, and sale of Counterfeit COZYPHONES 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 Halo or the origin, sponsorship, or approval of Defendants' Counterfeit COZYPHONES products by Halo.

55. By using Halo's Trademark on the Counterfeit COZYPHONES Products, Defendants create a false designation of origin and a misleading representation of fact as to the origin and sponsorship of the Counterfeit COZYPHONES Products.

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

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

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests entry of judgment against Defendants as follows:

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests entry of judgment against Defendants as follows:

A. 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 Halo's Trademark 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 Halo COZYPHONES Product or is not authorized by Halo to be sold in connection with Halo's Trademark;

b. passing off, inducing, or enabling others to sell or pass off any product as a genuine Halo COZYPHONES product or any other product produced by Halo, that is not Halo's or not produced under the authorization, control, or supervision of Halo and approved by Halo for sale under Halo's Trademark;

c. committing any acts calculated to cause consumers to believe that Defendants' Counterfeit COZYPHONES Product are those sold under the authorization, control or supervision of Halo, or are sponsored by, approved by, or otherwise connected with Halo;

d. further infringing Halo's Trademark and damaging Halo's goodwill; and

e. manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Halo, nor authorized by Halo to be sold or offered for sale, and which bear the COZYPHONES Trademark, or any reproductions, counterfeit copies, or colorable imitations thereof.

B. Entry of an Order that, upon Halo's request, those in privity with Defendants and those with notice of the injunction, including, without limitation, any online marketplace platforms

such as eBay, Amazon, web hosts, sponsored search engine or ad-word providers, credit cards, banks, merchant account providers, third-party processors and other payment processing service providers, Internet search engines such as Google, Bing, and Yahoo (collectively, the "Third Party Providers") shall:

a. disable and cease providing services being used by Defendants, currently or in the future, to engage in the sale of goods using the Halo's Trademark; and

b. disable and cease displaying any advertisements used by, or associated with, Defendants in connection with the sale of counterfeit and infringing goods using the Halo's Trademark.

C. That Defendants account for, and pay to Halo, all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of damages for infringement of Halo's Trademark be increased by a sum not exceeding three times the amount thereof as provided by 15 U.S.C. § 1117.

D. In the alternative, that Halo 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 Halo's Trademark.

E. That Halo be awarded its reasonable attorneys' fees and costs.

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

DEMAND FOR JURY TRIAL

Pursuant to the Federal Rules of Civil Procedure Rule 38(b), Plaintiff hereby demands trial by jury as to all claims in this litigation.

Date: May 29, 2024

Respectfully submitted,

/s/ Kendal M. Sheets

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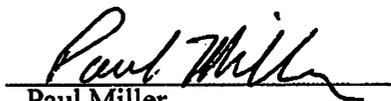
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