

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

SKECHERS U.S.A., INC. II,

Plaintiff,

Civil Action No.: 1:22-cv-05326

v.

THE PARTNERSHIPS AND UNINCORPORATED
ASSOCIATIONS d/b/a THE DOMAIN NAMES
IDENTIFIED ON SCHEDULE “A”,

Defendants.

COMPLAINT

Plaintiff, SKECHERS U.S.A, INC. II (“SKECHERS” or “Plaintiff”), hereby files this Complaint against the Partnerships and Unincorporated Associations d/b/a the Domain Names identified on Schedule “A” attached hereto (collectively, “Defendants”), and for its Complaint hereby 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 Lanham Act, 15 U.S.C. § 1051 et seq. 28 U.S.C. § 1338(a)–(b) and 28 U.S.C. § 1331.

2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over Defendants because each of the Defendants directly targets consumers in the United States, including Illinois, through at least the fully interactive commercial internet store operating under the Defendant Domain Names identified in Schedule “A” (collectively, the “Defendant Domain Names”). Specifically, Defendants are reaching out to do business with Illinois residents by operating commercial, interactive internet stores through

which Illinois residents can purchase products bearing counterfeit versions of Plaintiff's trademarks. Defendants have targeted sales from 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, has sold products bearing counterfeit versions of Plaintiff's federally registered trademarks to residents of Illinois. Each of the Defendants are committing tortious acts in Illinois, are engaging in interstate commerce, and has wrongfully caused Plaintiff substantial injury in the State of Illinois.

INTRODUCTION

3. This action has been filed by Plaintiff to combat online counterfeiters who trade upon Plaintiff's reputation and goodwill by selling and/or offering for sale unauthorized and unlicensed products in connection with Plaintiff's SKECHERS trademarks, which are covered by U.S. Trademark Registration Nos. 4,396,447; 3,881,672; 3,424,421; 3,158,807; 4,247,243; 6,185,622; 5,904,316; 4,400,511; 5,916,493; 6,251,910; 6,251,912; 6,251,913; 2,916,380; and 6,180,734 (collectively, the "SKECHERS Trademarks"). The registrations are valid, subsisting, unrevoked, and uncanceled. The registrations for the trademarks constitute prima facie evidence of validity and of Plaintiff's exclusive right to use the trademarks pursuant to 15 U.S.C. § 1057(b). The Trademark Registration Nos. 4,396,447; 4,247,243; 4,400,511; 3,424,421; 3,158,807; 3,881,672; and 2,916,380 are incontestable. Genuine and authentic copies of the U.S. federal trademark registration certificates for the SKECHERS Trademarks are attached as **Exhibit 1**. Plaintiff is forced to file this action to combat Defendants' counterfeiting of their registered trademarks, as well as to protect unknowing consumers from purchasing counterfeit products over the internet. Plaintiff has been and continue to be irreparably harmed through consumer confusion, dilution,

and tarnishment of its valuable trademarks as a result of Defendants' actions and seek injunctive and monetary relief.

THE PLAINTIFF

4. Plaintiff, SKECHERS U.S.A., INC. II, is a Virginia corporation that maintains its principal place of business at 228 Manhattan Beach Blvd., Manhattan Beach, California 90266. Plaintiff is engaged in the business of developing, selling, and distributing high-quality, comfortable, stylish, and innovative shoes, apparel and accessories, including within the Northern District of Illinois District (collectively, the "SKECHERS Products") under the federally registered SKECHERS Trademarks. Defendants' sale of Counterfeit Products is in violation of Plaintiff's intellectual property rights and is irreparably damaging Plaintiff and its affiliates.

5. Plaintiff's brand, symbolized by the SKECHERS Trademarks, is a recognized symbol of high-quality, comfortable, stylish, and innovative shoes, apparel, and accessories at reasonable prices.

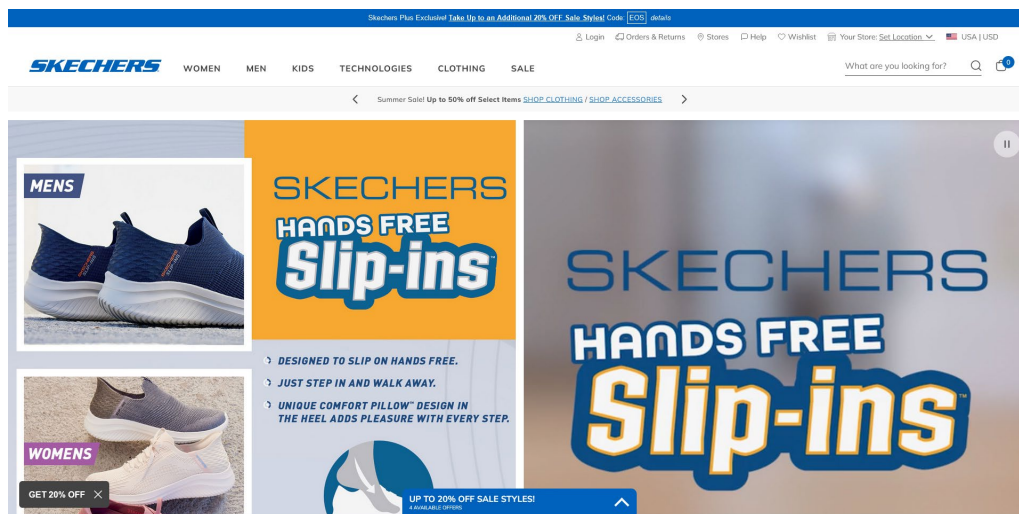
6. The SKECHERS Trademarks are distinctive and identify the merchandise as goods from Plaintiff. The registrations for the SKECHERS Trademarks constitute prima facie evidence of validity and of Plaintiff's exclusive right to use the trademarks pursuant to 15 U.S.C. § 1057(b). The SKECHERS Trademarks have been continuously used and never abandoned.

7. Plaintiff has expended substantial time, money, and other resources in developing, advertising, and otherwise promoting the SKECHERS Trademarks. Plaintiff's authentic SKECHERS Products feature unique designs that are instantly recognizable to consumers. Plaintiff has invested significant resources to market and promote SKECHERS Products around the world. As a result, products bearing the SKECHERS Trademarks are widely recognized and

exclusively associated by consumers, the public, and the trade as being products sourced from Plaintiff.

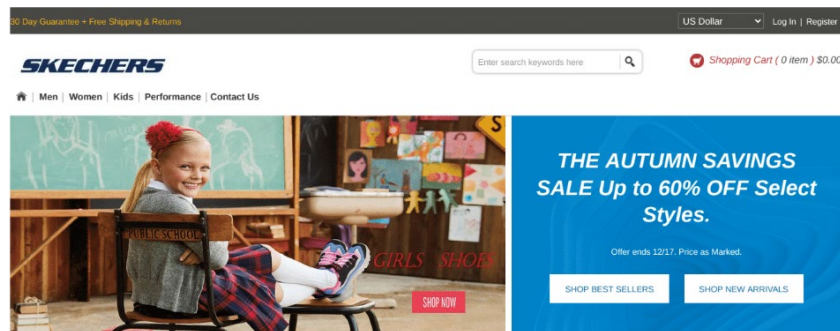
8. For many years, Plaintiff has operated the skechers.com website. Sales of Plaintiff's Products via this website are significant. The website features proprietary content, images, and designs exclusive to Plaintiff's brand.

ORIGINAL



<https://www.skechers.com/>

COUNTERFEIT



Featured Products



THE DEFENDANTS

9. Defendants are individuals and business entities who, upon information and belief, resides in the People's Republic of China or other another foreign jurisdiction. Defendants conduct business throughout the United States, including within Illinois and in this judicial district, through the operation of the fully interactive commercial websites operating under the Defendant Domain Names. Defendants facilitate sales by designing the websites operating under the Defendant Domain Names so they appear to unknowing consumers to be an authorized online retailer selling genuine SKECHERS Products. Defendants target the United States, including Illinois, and has offered to sell and, on information and belief, has sold and continues to sell counterfeit SKECHERS Products to consumers within the United States, including Illinois and in this judicial district.

THE DEFENDANTS' UNLAWFUL CONDUCT

10. The success of the SKECHERS brand has resulted in its counterfeiting. Defendants conduct their illegal operations through fully the interactive commercial websites operating under the Defendant Domain Names. 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 counterfeit products that violate Plaintiff's intellectual property rights ("Counterfeit Products") to consumers within the United States, including the State of Illinois.

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

12. Defendants without any authorization or license from Plaintiff has knowingly and willfully used and continue to use Plaintiff's SKECHERS Trademarks in connection with the advertisement, distribution, offering for sale, and sale of Counterfeit Products into the United States and Illinois over the internet.

13. Counterfeiters also typically ship products in small quantities via international mail to minimize detection by U.S. Customs and Border Protection. A 2020 U.S. Customs and Border Protection report on seizure statistics indicated that e-commerce sales have contributed to large volumes of low-value packages imported into the United States. U.S. Customs and Border Protection, *Intellectual Property Right Seizure Statistics, FY 2020* (https://www.cbp.gov/sites/default/files/assets/documents/2021-Sep/101808%20FY%202020%20IPR%20Seizure%20Statistic%20Book%2017%20Final%20spr eads%20ALT%20TEXT_FINAL%20%28508%29%20REVISED.pdf), at 15 attached hereto as **Exhibit 2**. In FY 2020, there were 184 million express mail shipments and 356 million international mail shipments. Over 90 percent of all intellectual property seizures occur in the international mail and express environments. *Id.* The ongoing e-commerce revolution drove a 28 percent increase in low-value shipments and 219 percent increase in air cargo in FY 2020. *Id.*

14. Further, counterfeiters such as Defendants, typically operate multiple credit card merchant accounts and third-party accounts, such as, but not limited to, PayPal, Inc. ("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 its 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 counterfeiters regularly move funds from U.S.-based PayPal accounts to China-based bank accounts outside the jurisdiction of this Court.

15. Upon information and belief, Defendants also deceives unknowing consumers by using the SKECHERS Trademarks without authorization within the content, text, and/or meta tags of their websites to attract various search engines crawling the internet looking for websites relevant to consumer searches for SKECHERS Products. Additionally, upon information and belief, Defendants use other search engine optimization (SEO) tactics so that the Defendant Domain Names show up at or near the top of relevant search results and misdirect consumers searching for genuine SKECHERS Products and/or use social media spamming that redirects consumers to the Defendant Domain Names where consumers could think they were purchasing from authentic websites.

16. Defendants' use of the SKECHERS Trademarks on or in connection with the advertising, marketing, distribution, offering for sale and sale of the Counterfeit Products is likely to cause and has caused confusion, mistake and deception by and among consumers and is irreparably harming Plaintiff. Defendants have manufactured, imported, distributed, offered for sale and sold Counterfeit Products using the SKECHERS Trademarks and continues to do so.

17. Defendants, without authorization or license from Plaintiff, knowingly and willfully used and continue to use the SKECHERS Trademarks in connection with the advertisement, offer for sale and sale of the Counterfeit Products through the websites operated at the Defendant Domain Names. The Counterfeit Products are not genuine SKECHERS Products. SKECHERS did not manufacture, inspect or package the Counterfeit Products and did not approve the Counterfeit Products for sale or distribution. The Defendants, through the websites operated at the Defendant Domain Names, offer shipping to the United States, including Illinois, and, on

information and belief, Defendants have sold Counterfeit Products into the United States, including Illinois.

18. Defendants' use of the SKECHERS Trademarks in connection with the advertising, distribution, offering for sale, and sale of counterfeit SKECHERS Products, including the sale of counterfeit SKECHERS Products into Illinois, is likely to cause and has caused confusion, mistake, and deception by and among consumers and is irreparably harming Plaintiff.

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

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

20. This is a trademark infringement action against Defendants based on their unauthorized use in commerce of counterfeit imitations of the registered SKECHERS Trademarks in connection with the sale, offering for sale, distribution, and/or advertising of infringing goods. The SKECHERS Trademarks are highly distinctive. Consumers have come to expect the highest quality from Plaintiff's products provided under the SKECHERS Trademarks.

21. Defendants have sold, offered to sell, marketed, distributed, and advertised, and are still selling, offering to sell, marketing, distributing, and advertising products in connection with the SKECHERS Trademarks without Plaintiff's permission.

22. Plaintiff is the exclusive owner of the SKECHERS Trademarks. The SKECHERS Trademarks (**Exhibit 1**) are in full force and effect. Upon information and belief, Defendants have knowledge of Plaintiff's rights in the SKECHERS Trademarks, and is willfully infringing and intentionally using counterfeits of the SKECHERS Trademarks. Defendants' willful, intentional and unauthorized use of the SKECHERS Trademarks is likely to cause and is causing confusion,

mistake, and deception as to the origin and quality of the counterfeit goods among the general public.

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

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

25. The injuries and damages sustained by Plaintiff have been directly and proximately caused by Defendants' wrongful reproduction, use, advertisement, promotion, offering to sell, and sale of counterfeit SKECHERS Products.

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

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

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

28. By using the SKECHERS Trademarks in connection with the sale of counterfeit SKECHERS Products, Defendants create a false designation of origin and a misleading representation of fact as to the origin and sponsorship of the counterfeit SKECHERS Products.

29. Defendants' false designation of origin and misrepresentation of fact as to the origin and/or sponsorship of the counterfeit SKECHERS Products to the general public is a willful violation of Section 43 of the Lanham Act, 15 U.S.C. § 1125.

30. 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 SKECHERS Trademarks or any reproductions, counterfeit copies, or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine SKECHERS Product or is not authorized by Plaintiff to be sold in connection with the SKECHERS Trademarks;
 - b. passing off, inducing, or enabling others to sell or pass off any product as a genuine SKECHERS Product or any other product produced by Plaintiff that is not Plaintiff's or not produced under the authorization, control, or supervision of Plaintiff and approved by Plaintiff for sale under the SKECHERS Trademarks;
 - c. committing any acts calculated to cause consumers to believe that Defendants' counterfeit SKECHERS Products are those sold under the authorization, control, or supervision of Plaintiff, or are sponsored by, approved by, or otherwise connected with Plaintiff;
 - d. further infringing the SKECHERS Trademarks and damaging Plaintiff's goodwill;
 - e. otherwise competing unfairly with Plaintiff in any manner;

- f. shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Plaintiff, nor authorized by Plaintiff to be sold or offered for sale, and which bear any Plaintiff trademarks, including the SKECHERS Trademarks, or any reproductions, counterfeit copies, or colorable imitations thereof; and
- g. using, linking to, transferring, selling, exercising control over, or otherwise owning the Defendant Domain Names or any other website that is being used to sell or is the means by which Defendants could continue to sell counterfeit SKECHERS Products.

2) Entry of an Order that, at Plaintiff's choosing, the registrants of the Defendant Domain Names shall be changed from the current registrants to Plaintiff, and that the domain name registries for the Defendant Domain Names, including, but not limited to, VeriSign, Inc., Neustar, Inc., Afiliat Limited, CentralNic, Nominet, and the Public Interest Registry, shall unlock and change the registrar of record for the Defendant Domain Names to a registrar of Plaintiff's selection, and that the domain name registrars, including, but not limited to, GoDaddy Operating Company, LLC ("GoDaddy"), Name.com, PDR LTD. d/b/a PublicDomainRegistry.com ("PDR"), and Namecheap, Inc. ("Namecheap"), shall take any steps necessary to transfer the Defendant Domain Names to a registrar account of Plaintiff's selection; or that the same domain name registries shall disable the Defendant Domain Names and make them inactive and untransferable;

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

- 4) In the alternative, that Plaintiff be awarded statutory damages pursuant to 15 U.S.C. § 1117(c)(2) of \$2,000,000 for each and every use of the SKECHERS Trademarks;
- 5) That Plaintiff be awarded its reasonable attorneys' fees and costs; and
- 6) Award any and all other relief that this Court deems just and proper.

DATED: September 29, 2022

Respectfully submitted,

/s/ Keith A. Vogt

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