

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

LOEWE S.A.,

Plaintiff,

v.

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

Defendants.

Case No. 23-cv-16270

COMPLAINT

Plaintiff Loewe S.A. (“Loewe”) hereby brings the present action against The Partnerships and Unincorporated Associations identified on Schedule A attached hereto (collectively, “Defendants”) and alleges as follows:

I. JURISDICTION AND VENUE

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

2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over Defendants since each of the Defendants directly targets business activities toward consumers in the United States, including Illinois, through at least the fully interactive, e-commerce stores¹ operating under the seller aliases identified in Schedule A attached hereto (the “Seller Aliases”). Specifically, Defendants have targeted sales to Illinois residents by setting up and operating e-commerce stores that target United States

¹ The e-commerce store URLs are listed on Schedule A hereto under the Online Marketplaces and Domain Names.

consumers using one or more Seller Aliases, offer shipping to the United States, including Illinois, accept payment in U.S. dollars and/or funds from U.S. bank accounts, and, on information and belief, have sold products using infringing and counterfeit versions of Loewe's trademarks to residents of Illinois. Each of the Defendants is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Loewe substantial injury in the State of Illinois.

II. INTRODUCTION

3. This action has been filed by Loewe to combat e-commerce store operators who trade upon Loewe's reputation and goodwill by offering for sale and/or selling unauthorized and unlicensed products, including leather goods, clothing, and other fashion accessories, using infringing and counterfeit versions of Loewe's federally registered trademarks (the "Counterfeit Loewe Products"). Defendants create e-commerce stores operating under one or more Seller Aliases that are advertising, offering for sale and selling Counterfeit Loewe Products to unknowing consumers. E-commerce stores operating under the Seller Aliases share unique identifiers establishing a logical relationship between them and that Defendants' counterfeiting operation arises out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid and mitigate liability by operating under one or more Seller Aliases to conceal both their identities and the full scope and interworking of their counterfeiting operation. Loewe is forced to file this action to combat Defendants' counterfeiting of its registered trademarks, as well as to protect unknowing consumers from purchasing Counterfeit Loewe Products over the Internet. Loewe has been and continues to be irreparably damaged through consumer confusion, dilution, and tarnishment of its valuable trademarks as a result of Defendants' actions and seeks injunctive and monetary relief.

III. THE PARTIES

Plaintiff

4. Loewe is organized and existing under the laws of Spain with its principal place of business in Madrid, Spain.

5. Loewe is a luxury fashion house founded in 1846 by a group of Spanish leather craftsmen, and the brand originated in 1876 when Enrique Loewe Roessberg, a German craftsman, joined the group. Loewe is a world-famous luxury brand engaged in the business of styling and selling a diverse portfolio of ready-to-wear collections, accessories, handbags, leather bags, sunglasses, and gifts for men and women (collectively, the “Loewe Products”) all of which prominently display its famous internationally-recognized and federally registered trademarks

including LOEWE and/or the abstract symbol consisting of four intertwined ‘L’s’  (the four L’s logo) that, since its creation in 1970, has been stamped on Loewe products as an emblem of material and technical excellence. In 1986, the Louis Vuitton Moët Hennessy (LVMH) group bought the rights to Loewe’s international distribution and in 1996, acquired Loewe completely.

6. Loewe makes all of its leather goods in Spain and is even a supplier to the royal court. Loewe has long been featured in Paris Fashion Week, in periodicals all over the world, and on fashion blogs and websites.

7. Loewe Products have become enormously popular and even iconic, driven by Loewe’s arduous quality standards and innovative designs. Among the purchasing public, genuine Loewe Products are instantly recognizable as such. In the United States and around the

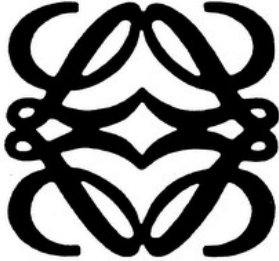
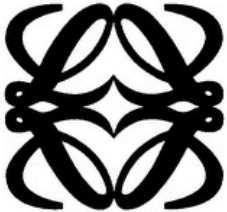
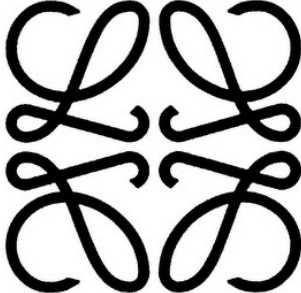
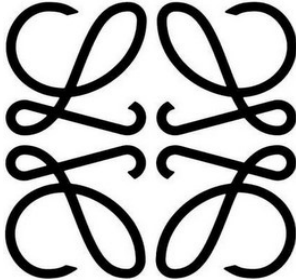
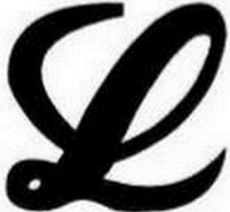
world, the Loewe brand has come to symbolize high quality, and Loewe Products are among the most recognizable of their kind in the world.

8. The Loewe brand has been under the creative direction of Northern Irish designer Jonathan Anderson since 2013. Anderson presented his first ready-to-wear collections for Loewe in 2014 and has also deployed a series of publicity campaigns by American fashion photographer Steven Meisel.

9. Loewe stores are located worldwide. In the United States, Loewe Products are distributed and sold to customers online at Loewe.com and in three stores located in Miami, Las Vegas, and New York.

10. Loewe incorporates a variety of distinctive marks in the design of its various Loewe Products. As a result of its long-standing use, Loewe owns common law trademark rights in its trademarks. Loewe has also registered its trademarks with the United States Patent and Trademark Office. Loewe Products typically include at least one of Loewe's registered trademarks. Often several Loewe marks are displayed on a single product. Loewe uses its trademarks in connection with the marketing of its Loewe Products, including the following marks which are collectively referred to as the "Loewe Trademarks."

REGISTRATION NUMBER	REGISTERED TRADEMARK
1122323 1513278 2698284 2770759 5477594	LOEWE
636670	<i>Loewe</i>

REGISTRATION NUMBER	REGISTERED TRADEMARK
5754088	 A stylized logo featuring a large 'L' on the left, a '@' symbol in the center, and 'WE' on the right, all rendered in a decorative, calligraphic script.
1328409	 A symmetrical, ornate logo consisting of interlocking loops and curves, resembling a stylized floral or knot design.
2655473	 A symmetrical, ornate logo consisting of interlocking loops and curves, resembling a stylized floral or knot design, similar to the one above but with slightly different proportions.
5047314	 A logo consisting of four stylized, calligraphic 'L' characters arranged in a 2x2 grid.
5343342	 A logo consisting of four stylized, calligraphic 'L' characters arranged in a 2x2 grid, identical to the one above.
4852854	 A large, bold, stylized 'L' character with a thick stroke and a decorative flourish at the bottom.

REGISTRATION NUMBER	REGISTERED TRADEMARK
5946699	

11. The Loewe Trademarks have been used exclusively and continuously in the U.S. by Loewe and have never been abandoned. The above U.S. registrations for the Loewe Trademarks are valid, subsisting, in full force and effect, and many are incontestable pursuant to 15 U.S.C. § 1065. Attached hereto as **Exhibit 1** are true and correct copies of the U.S. Registration Certificates for the Loewe Trademarks included in the above table. The registrations for the Loewe Trademarks constitute *prima facie* evidence of their validity and of Loewe's exclusive right to use the Loewe Trademarks pursuant to 15 U.S.C. § 1057(b).

12. The Loewe Trademarks are exclusive to Loewe and are displayed extensively on Loewe Products and in Loewe's marketing and promotional materials. Loewe Products have long been among the most famous and popular of their kind in the world and have been extensively promoted and advertised at great expense. In fact, Loewe has expended millions of dollars annually in advertising, promoting and marketing featuring the Loewe Trademarks. Because of these and other factors, the Loewe name and the Loewe Trademarks have become famous throughout the United States.

13. The Loewe Trademarks are distinctive when applied to the Loewe Products, signifying to the purchaser that the products come from Loewe and are manufactured to Loewe's quality standards. Whether Loewe manufactures the products itself or licenses others to do so,

Loewe has ensured that products bearing its trademarks are manufactured to the highest quality standards. The Loewe Trademarks have achieved tremendous fame and recognition, which has only added to the distinctiveness of the marks. As such, the goodwill associated with the Loewe Trademarks is of incalculable and inestimable value to Loewe.

14. Loewe operates an e-commerce website where it promotes Loewe Products at loewe.com. Loewe Products are featured and described on the website and are available for purchase. The loewe.com website features proprietary content, images, and designs exclusive to Loewe.

15. Loewe has expended substantial time, money, and other resources in developing, advertising and otherwise promoting the Loewe Trademarks. As a result, products bearing the Loewe Trademarks are widely recognized and exclusively associated by consumers, the public, and the trade as being high quality products from Loewe. Loewe is a multi-million-dollar operation, and Loewe Products have become among the most popular of their kind in the world.

The Defendants

16. Defendants are individuals and business entities of unknown makeup who own and/or operate one or more of the e-commerce stores under at least the Seller Aliases identified on Schedule A and/or other seller aliases not yet known to Plaintiff. On information and belief, Defendants reside and/or operate in the People's Republic of China or other foreign jurisdictions with lax trademark enforcement systems, or redistribute products from the same or similar sources in those locations. Defendants have the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b).

17. On information and belief, Defendants, either individually or jointly, operate one or more e-commerce stores under the Seller Aliases listed in Schedule A attached hereto. Tactics

used by Defendants to conceal their identities and the full scope of their operation make it virtually impossible for Loewe to discover Defendants' true identities and the exact interworking of their counterfeit network. If Defendants provide additional credible information regarding their identities, Loewe will take appropriate steps to amend the Complaint.

IV. DEFENDANTS' UNLAWFUL CONDUCT

18. The success of the Loewe brand has resulted in significant counterfeiting of Loewe's trademarks. In recent years, Loewe has identified many fully interactive, e-commerce stores offering counterfeit Loewe Products on online marketplace platforms such as Amazon, eBay, AliExpress, Alibaba, Wish.com, Walmart, Etsy.com, Temu, and DHgate, including the e-commerce stores operating under the Seller Aliases. The Seller Aliases target consumers in this Judicial District and throughout the United States. According a to U.S. Customs and Border Protection ("CBP") report, in 2021, CBP made over 27,000 seizures of goods with intellectual property rights ("IPR") violations totaling over \$3.3 billion, an increase of \$2.0 billion from 2020. *Intellectual Property Rights Seizure Statistics, Fiscal Year 2021*, U.S. Customs and Border Protection (**Exhibit 2**). Of the 27,000 in total IPR seizures, over 24,000 came through international mail and express courier services (as opposed to containers), most of which originated from China and Hong Kong. *Id.*

19. Third party service providers like those used by Defendants do not adequately subject new sellers to verification and confirmation of their identities, allowing counterfeiters to "routinely use false or inaccurate names and addresses when registering with these e-commerce platforms." **Exhibit 3**, Daniel C.K. Chow, *Alibaba, Amazon, and Counterfeiting in the Age of the Internet*, 40 NW. J. INT'L L. & BUS. 157, 186 (2020); *see also* report on "Combating Trafficking in Counterfeit and Pirated Goods" prepared by the U.S. Department of Homeland

Security's Office of Strategy, Policy, and Plans (Jan. 24, 2020), attached as **Exhibit 4** and finding that on "at least some e-commerce platforms, little identifying information is necessary for a counterfeiter to begin selling" and recommending that "[s]ignificantly enhanced vetting of third-party sellers" is necessary. Counterfeiters hedge against the risk of being caught and having their websites taken down from an e-commerce platform by preemptively establishing multiple virtual store-fronts. **Exhibit 4** at p. 22. Since platforms generally do not require a seller on a third-party marketplace to identify the underlying business entity, counterfeiters can have many different profiles that can appear unrelated even though they are commonly owned and operated. **Exhibit 4** at p. 39. Further, "E-commerce platforms create bureaucratic or technical hurdles in helping brand owners to locate or identify sources of counterfeits and counterfeiters." **Exhibit 3** at 186-87.

20. Defendants have targeted sales to Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more Seller Aliases, offer shipping to the United States, including Illinois, accept payment in U.S. dollars and/or funds from U.S. bank accounts, and, on information and belief, have sold Counterfeit Loewe Products to residents of Illinois.

21. Defendants concurrently employ and benefit from substantially similar advertising and marketing strategies. For example, Defendants facilitate sales by designing the e-commerce stores operating under the Seller Aliases so that they look to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers. E-commerce stores operating under the Seller Aliases appear sophisticated and accept payment in U.S. dollars and/or funds from U.S. bank accounts via credit cards, Alipay, Amazon Pay, and/or PayPal. E-commerce stores operating under the Seller Aliases often include content and images that make it very difficult for

consumers to distinguish such stores from an authorized retailer. Loewe has not licensed or authorized Defendants to use any of the Loewe Trademarks, and none of the Defendants are authorized retailers of genuine Loewe Products.

22. Many Defendants also deceive unknowing consumers by using the Loewe Trademarks without authorization within the content, text, and/or meta tags of their e-commerce stores to attract various search engines crawling the Internet looking for websites relevant to consumer searches for Loewe Products. Other e-commerce stores operating under the Seller Aliases omit using the Loewe Trademarks in the item title to evade enforcement efforts while using strategic item titles and descriptions that will trigger their listings when consumers are searching for Loewe Products.

23. E-commerce store operators like Defendants commonly engage in fraudulent conduct when registering the Seller Aliases by providing false, misleading and/or incomplete information to e-commerce platforms to prevent discovery of their true identities and the scope of their e-commerce operation.

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

25. Even though Defendants operate under multiple fictitious aliases, the e-commerce stores operating under the Seller Aliases often share unique identifiers, such as templates with common design elements that intentionally omit any contact information or other information for identifying Defendants or other Seller Aliases they operate or use. E-commerce stores operating

under the Seller Aliases include other notable common features such as use of the same registration patterns, accepted payment methods, check-out methods, keywords, advertising tactics, similarities in price and quantities, the same incorrect grammar and misspellings, and/or the use of the same text and images. Additionally, Counterfeit Loewe Products for sale by the Seller Aliases bear similar irregularities and indicia of being counterfeit to one another, suggesting that the Counterfeit Loewe Products were manufactured by and come from a common source and that Defendants are interrelated.

26. E-commerce store operators like Defendants are in constant communication with each other and regularly participate in QQ.com chat rooms and through websites such as sellerdefense.cn and kuajingvs.com regarding tactics for operating multiple accounts, evading detection, pending litigation, and potential new lawsuits.

27. Counterfeiters such as Defendants typically operate under multiple seller aliases and payment accounts so that they can continue operation in spite of Loewe's enforcement. E-commerce store operators like Defendants maintain off-shore accounts and regularly move funds from their financial accounts to off-shore accounts outside the jurisdiction of this Court to avoid payment of any monetary judgment awarded to Plaintiff. Indeed, analysis of financial account transaction logs from previous similar cases indicates that off-shore counterfeiters regularly move funds from U.S.-based financial accounts to off-shore accounts outside the jurisdiction of this Court.

28. Defendants are working in active concert to knowingly and willfully manufacture, import, distribute, offer for sale, and sell Counterfeit Loewe Products in the same transaction, occurrence, or series of transactions or occurrences. Defendants, without any authorization or license from Plaintiff, have jointly and severally, knowingly and willfully used and continue to

use the Loewe Trademarks in connection with the advertisement, distribution, offering for sale, and sale of Counterfeit Loewe Products into the United States and Illinois over the Internet.

29. Defendants' unauthorized use of the Loewe Trademarks in connection with the advertising, distribution, offering for sale, and sale of Counterfeit Loewe Products, including the sale of Counterfeit Loewe Products into the United States, including Illinois, is likely to cause and has caused confusion, mistake, and deception by and among consumers and is irreparably harming Loewe.

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

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

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

32. Defendants have sold, offered to sell, marketed, distributed, and advertised, and are still selling, offering to sell, marketing, distributing, and advertising products using counterfeit reproductions of the Loewe Trademarks without Loewe's permission.

33. Loewe is the exclusive owner of the Loewe Trademarks. Loewe's United States Registrations for the Loewe Trademarks (**Exhibit 1**) are in full force and effect. On information and belief, Defendants have knowledge of Loewe's rights in the Loewe Trademarks, and are willfully infringing and intentionally using counterfeits of the Loewe Trademarks. Defendants'

willful, intentional and unauthorized use of the Loewe Trademarks is likely to cause and is causing confusion, mistake, and deception as to the origin and quality of the Counterfeit Loewe Products among the general public.

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

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

36. The injuries and damages sustained by Loewe have been directly and proximately caused by Defendants' wrongful reproduction, use, advertisement, promotion, offering to sell, and sale of Counterfeit Loewe Products.

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

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

38. Defendants' promotion, marketing, offering for sale, and sale of Counterfeit Loewe 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 Loewe or the origin, sponsorship, or approval of Defendants' Counterfeit Loewe Products by Loewe.

39. By using the Loewe Trademarks on the Counterfeit Loewe Products, Defendants create a false designation of origin and a misleading representation of fact as to the origin and sponsorship of the Counterfeit Loewe Products.

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

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

PRAYER FOR RELIEF

WHEREFORE, Loewe prays for judgment against Defendants as follows:

- 1) That Defendants, their affiliates, officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, under, or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:
 - a. using the Loewe 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 Loewe Product or is not authorized by Loewe to be sold in connection with the Loewe Trademarks;
 - b. passing off, inducing, or enabling others to sell or pass off any product as a genuine Loewe Product or any other product produced by Loewe, that is not Loewe's or not produced under the authorization, control, or supervision of Loewe and approved by Loewe for sale under the Loewe Trademarks;
 - c. committing any acts calculated to cause consumers to believe that Defendants' Counterfeit Loewe Products are those sold under the authorization, control or supervision of Loewe, or are sponsored by, approved by, or otherwise connected with Loewe;

- d. further infringing the Loewe Trademarks and damaging Loewe'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 Loewe, nor authorized by Loewe to be sold or offered for sale, and which bear any of Loewe's trademarks, including the Loewe Trademarks, or any reproductions, counterfeit copies or colorable imitations thereof;
- 2) Entry of an Order that at Loewe's choosing, the registrant of the Domain Names shall be changed from the current registrant to Loewe, and that the domain name registries for the Domain Names, including, but not limited to, VeriSign, Inc., GoDaddy Registry, Afiliast Limited, CentralNic, Nominet, and the Public Interest Registry, shall unlock and change the registrar of record for the Domain Names to a registrar of Loewe's selection, and that the domain name registrars, including, but not limited to, GoDaddy.com, LLC ("GoDaddy"), Name.com, PDR LTD. d/b/a PublicDomainRegistry.com ("PDR"), and Namecheap Inc. ("Namecheap"), shall take any steps necessary to transfer the Domain Names to a registrar account of Loewe's selection; or that the same domain name registries shall disable the Domain Names and make them inactive and untransferable;
- 3) Entry of an Order that, upon Loewe's request, those with notice of the injunction, including, without limitation, any online marketplace platforms such as eBay, AliExpress, Alibaba, Amazon, Wish.com, Walmart, Etsy, Temu, and DHgate (collectively, the "Third Party Providers") shall disable and cease displaying any advertisements used by or associated with Defendants in connection with the sale of counterfeit and infringing goods using the Loewe Trademarks;

- 4) That Defendants account for and pay to Loewe all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of damages for infringement of the Loewe Trademarks be increased by a sum not exceeding three times the amount thereof as provided by 15 U.S.C. § 1117;
- 5) In the alternative, that Loewe be awarded statutory damages for willful trademark counterfeiting pursuant to 15 U.S.C. § 1117(c)(2) of \$2,000,000 for each and every use of the Loewe Trademarks;
- 6) That Loewe be awarded its reasonable attorneys' fees and costs; and
- 7) Award any and all other relief that this Court deems just and proper.

Dated this 28th day of November 2023.

Respectfully submitted,

/s/ Justin R. Gaudio

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