

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

RW DBA RHM,

Plaintiff,

v.

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

Defendants.

Case No. 24-cv-01289

DEMAND FOR JURY TRIAL

COMPLAINT

 (“RHM”), (“Plaintiff”) by and through his undersigned counsel, hereby files this Complaint for copyright infringement under the Copyright Act, violation of the Illinois Deceptive Trade Practices Act, and civil conspiracy against the Partnerships and Unincorporated Associations Identified in Schedule “A” (“Defendants”). In support hereof, Plaintiff states 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 Copyright Act, 17 U.S.C. § 101, et seq. and 28 U.S.C. § 1338(a)-(b). This Court has jurisdiction over the claims in this action that arise under the laws of the State of Illinois pursuant to 28 U.S.C. § 1367(a) because the state law claims are so related to the federal claim that they form part of the same case or controversy and derive from a common nucleus of operative facts.

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 Defendant directly targets

business activities toward consumers in the United States, including Illinois, through their operation of or assistance in the operation of the fully interactive, commercial internet stores operating under the Defendant domain names and/or the Defendant Internet Stores identified in Schedule “A”. Specifically, each Defendant directly reaches out to do business with Illinois residents by operating or assisting in the operation of one or more commercial, interactive e-commerce stores that sell products using infringing versions of Plaintiff’s federally registered copyrighted works to Illinois consumers. In short, each Defendant is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Plaintiff substantial injury in the State of Illinois.

II. INTRODUCTION

3. Plaintiff files this action to combat online infringers and counterfeiters who trade upon Plaintiff’s reputation by using Plaintiff’s copyrighted works (U.S. Reg. Nos. [REDACTED], [REDACTED], and [REDACTED]) (the “RMH Works”) in connection with the sale and advertising of their products. *See Exhibit 1*. The Defendants created internet stores (the “Defendant Internet Stores” or the “Stores”) by the dozens and designed them to appear to be selling genuine RMH products when in fact the Stores are selling inferior versions to unknowing customers and/or making, using, offering for sale, selling, and/or importing into the United States for subsequent sale substandard products using Plaintiff’s federally protected works to unknowing consumers.

4. The Defendant Internet Stores share unique identifiers, such as similar design elements of the products they offer for sale and, on information and belief, these similarities suggest that the Defendant Internet Stores share common manufacturing sources, thus establishing that the Defendants’ infringing operations arise out of the same transaction, occurrence, or series

of transactions or occurrences. Defendants have gone to great lengths to avoid liability by concealing both their identities and the full scope and interworking of their counterfeit operation, including changing the names of their Stores multiple times, opening new Stores, helping their friends open Stores, and making subtle changes to their products. Plaintiff has been forced to file this action to combat Defendants' willful infringement of Plaintiff's copyrighted works as well as to protect unknowing consumers from purchasing inferior products over the Internet. Because of Defendants' actions, Plaintiff has been and continues to be irreparably damaged through his loss of his lawful right to exclude others from using his copyrighted work to market the Plaintiff's products. Accordingly, Plaintiff seeks injunctive and monetary relief.

III. PARTIES

Plaintiff [REDACTED]

5. Plaintiff is a [REDACTED] and is the creator and seller of high-quality,

[REDACTED]
[REDACTED] (the "RHM Products"). Plaintiff sells these designs through his RHM brand, which allows consumers to purchase the genuine product through the company's [REDACTED] storefront.¹ The RHM Products have become enormously popular and even iconic, driven by Plaintiff's exacting quality standards and innovative design. Among the purchasing public, genuine RHM Products are instantly recognizable as such in the United States and around the world.

6. Plaintiff launched his RHM Products in [REDACTED] through his [REDACTED]. Plaintiff created the unique RHM Product after observing [REDACTED]
[REDACTED]. Plaintiff's unique products have been

¹ [REDACTED]

advertised with his federally registered copyrighted works since [REDACTED]. Plaintiff continues to consistently utilize his copyrighted works to market his products to consumers.

7. Plaintiff is the manufacturer, distributor, and retailer of genuine RHM Products. He is engaged in the business of distributing and retailing these high-quality [REDACTED] within the Northern District of Illinois.

8. Plaintiff is the owner of three registered copyright registrations (U.S. Reg. Nos. [REDACTED], [REDACTED], and [REDACTED]). The registration information for the RHM Works and copies of the corresponding images are shown in **Exhibit 1** attached hereto. Upon information and belief, the copyright registrations have an effective date that predates the Defendants' acts of copyright infringement.

9. Since their first publication, RHM Works have been used to sell RHM Products. Plaintiff's products and its accompanying copyrighted works have been the subject of substantial and continuous marketing and promotion by Plaintiff throughout the United States and, due to its strong internet presence, throughout the entire world.

10. Among the exclusive rights granted to Plaintiff under the U.S. Copyright Act are the exclusive right to reproduce, distribute, and display RHM Works to the public. Defendants are irreparably harming the Plaintiff by violating those rights.

Defendants

11. Defendants are an interrelated group of infringers and counterfeiters who create numerous Defendant Internet Stores and design these stores to appear to be selling genuine RHM Products while in fact selling inferior imitations of Plaintiff's RHM Products. Defendants knowingly and willfully utilize Plaintiff's copyrighted works to market, distribute, offer for sale, and sell their products. The Defendant Internet Stores share unique identifiers, such as common

design elements, the same or similar second-rate products that they offer for sale, similar product descriptions, the same or substantially similar shopping cart platforms, accepted payment methods, check-out methods, lack of contact information, and identically or similarly priced products and volume sale discounts. As such, the Defendant Internet Stores establish a logical relationship between them and suggest that Defendants' illegal operations arise out of the same transaction or occurrence. The tactics used by Defendants to conceal their identities and the full scope of their counterfeiting operation make it virtually impossible for Plaintiff to learn the precise scope and the exact interworking of their counterfeit network. If Defendants provide additional credible information regarding their identities, Plaintiff will take appropriate steps to amend the Complaint.

12. The success of Plaintiff's product has resulted in significant infringement. Consequently, Plaintiff has identified numerous marketplace listings on e-commerce platforms such as, but not limited to, [REDACTED], [REDACTED], that include the Defendant Aliases and which have been offering for sale, completing sales, and exporting unauthorized products to consumers in this Judicial District and throughout the United States using Plaintiff's copyrighted works. Defendants have persisted in creating the Defendant Aliases. E-commerce sales, including e-commerce internet stores like those of Defendants, have resulted in a sharp increase in the shipment of unauthorized products into the United States. See Exhibit 2, U.S. Customs and Border Protection, *Intellectual Property Rights Seizure Statistics, Fiscal Year 2021*. According to Custom and Border Patrol's ("CBP") report, over 90% of all CBP intellectual property seizures were smaller international mail and express shipments (as opposed to large shipping containers). *Id.* Approximately 60% of CBP seizures originated from mainland China and Hong Kong. *Id.* Counterfeit and pirated products

account for billions of dollars in economic losses, resulting in tens of thousands of lost jobs for legitimate businesses and broader economic losses, including lost tax revenue.

13. Groups of counterfeiters, such as Defendants here, are typically in communication with each other. They regularly participate in QQ.com chat rooms and communicate through websites such as sellerdefense.cn, kaidianyo.com, and kuajingvs.com, where they discuss tactics for operating multiple accounts, evading detection, pending litigation, and potential new lawsuits.

14. Counterfeiting rings take advantage of the anonymity provided by the internet, which allows them to evade enforcement efforts to combat counterfeiting. For example, counterfeiters take advantage of the fact that marketplace platforms 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 Internet platforms.” See **Exhibit 3**, Daniel C.K. Chow, *Alibaba, Amazon, and Counterfeiting in the Age of the Internet*, 41 Nw. J. Int’l. L. & Bus. 24 (2020). Additionally, “Internet commerce platforms create bureaucratic or technical hurdles in helping brand owners to locate or identify sources of counterfeits and counterfeiters.” *Id.* at 25. Therefore, with the absence of regulation, Defendants may and do garner sales from Illinois residents by setting up and operating e-commerce internet stores that target United States consumers using one or more aliases, offer shipping to the United States, including Illinois, accept payment in U.S. dollars, and, on information and belief, have sold counterfeit products to residents of Illinois.

15. Upon information and belief, at all relevant times hereto, the Defendants in this action have had full knowledge of Plaintiff’s ownership of the RHM Works, including his exclusive right to use and license such works. Defendant Internet Stores nevertheless use the works

to advertise their products as the Plaintiff does on his storefront, sowing confusion among potential purchasers.

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

17. The infringing products for sale in the Defendants' 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.

18. Upon information and belief, Defendants are an interrelated group of infringers working in active concert to knowingly and willfully use Plaintiff's RHM Works in connection with the advertisement, distribution, offering for sale, and sale of their products over the internet in the same transaction, occurrence, or series of transactions or occurrences. Each e-commerce store operating under the Seller Aliases offers shipping to the United States, and Illinois, and, on information and belief, each Defendant has sold their products using the RHM Works without authorization in the United States and Illinois over the internet.

19. Upon information and belief, Defendants will continue to register or acquire listings for the purpose of selling products using infringing versions of Plaintiff's RHM Works unless preliminarily and permanently enjoined.

IV. DEFENDANTS' UNLAWFUL CONDUCT

COUNT I

COPYRIGHT INFRINGEMENT (17 U.S.C. § 501(a))

20. Plaintiff hereby realleges and incorporates by reference the allegations set forth in paragraphs 1 through 19.

21. Plaintiff's works have significant value and have been produced and created at considerable expense. Plaintiff is the owner of each original work, and all works at issue have been registered with the U.S. Copyright Office. *See Exhibit 1.*

22. Plaintiff, at all relevant times, has been the holder of the pertinent exclusive rights infringed by Defendants, as alleged hereunder, including, but not limited to, the Plaintiff's copyrighted works, including derivative works.

23. Upon information and belief, Defendants had access to the works through Plaintiff's normal business activities. After accessing Plaintiff's works, Defendants wrongfully created copies of the Plaintiff's copyrighted works without Plaintiff's consent and engaged in acts of widespread infringement through publishing and distributing the Plaintiff's works via online websites and digital markets in connection with the marketing of their counterfeit products. Indeed, every photograph used by Defendants is virtually identical to the Plaintiff's original works.

24. Plaintiff is informed and believes and thereon alleges that Defendants further infringed Plaintiff's copyrights by making or causing to be made derivative works from Plaintiff's works by producing and distributing reproductions without Plaintiff's permission.

25. Defendants, without the permission or consent of Plaintiff, have published online infringing derivative works of Plaintiff's works. Defendants have violated Plaintiff's exclusive rights of display, reproduction, and distribution. Defendants' actions constitute an infringement of Plaintiff's exclusive rights protected under the Copyright Act, 17 U.S.C. § 101, et seq.

26. Further, as a direct result of the acts of copyright infringement, Defendants have obtained direct and indirect profits they would not have otherwise realized but for their infringement of the copyrighted Plaintiff's works. Plaintiff is entitled to disgorgement of Defendants' profits directly and indirectly attributable to their infringement of Plaintiff's works.

27. The foregoing acts of infringement constitute a collective enterprise of shared, overlapping facts, and have been willful, intentional, and in disregard of and with indifference to the rights of Plaintiff.

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

29. The conduct of Defendants 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. Pursuant to 17 U.S.C. §§ 502-503, Plaintiff is entitled to injunctive relief prohibiting Defendants from further infringing Plaintiff's copyrights and ordering that Defendants take down and destroy all unauthorized copies. Defendants' copies, digital files, and other embodiments of Plaintiff's copyrighted works from which copies can be reproduced should be impounded and forfeited to Plaintiff as instruments of infringement, and all infringing copies created by Defendants should be impounded and forfeited to Plaintiff, under 17 U.S.C. § 503.

COUNT II

VIOLATION OF ILLINOIS UNIFORM DECEPTIVE TRADE PRACTICES ACT (815 ILCS § 510/2)

30. Plaintiff hereby realleges and incorporates by reference the allegations set forth in paragraphs 1 through 29.

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

32. Defendants knew, or by the exercise of reasonable care should have known, that their past, current, and continuing advertising, marketing, promotion, distribution, display, offering for sale, sale and/or otherwise dealing in their goods using unauthorized versions of the RHM Works has and will continue to cause confusion and mistake, or deceive purchasers, users, and the public.

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

COUNT III

CIVIL CONSPIRACY

34. Plaintiff hereby realleges and incorporates by reference the allegations set forth in paragraphs 1 through 33.

35. Plaintiff is informed and believes and thereon alleges that Defendants knowingly and voluntarily entered into a scheme and agreement to engage in a combination of unlawful acts

and misconduct including, without limitation, a concerted and collaborated effort to maintain the distribution, marketing, advertising, shipping, offer for sale, or sale of counterfeit products in violation of the Illinois Uniform Deceptive Trade Practices Act, 815 ILCS § 510, et seq.

36. The intent, purpose, and objective of the conspiracy and the underlying combination of unlawful acts and misconduct committed by the Defendants was to undermine Plaintiff and its business by unfairly competing against it as described above.

37. The Defendants each understood and accepted the foregoing scheme and agreed to do their respective part, to further accomplish the foregoing intent, purpose, and objective. Thus, by entering the conspiracy, each Defendant has deliberately, willfully, and maliciously permitted, encouraged, and/or induced all the foregoing unlawful acts and misconduct.

38. As a direct and proximate cause of the unlawful acts and misconduct undertaken by each Defendant in furtherance of the conspiracy, Plaintiff has sustained, and unless each Defendant is restrained and enjoined, will continue to sustain severe, immediate, and irreparable harm, damage, and injury for which Plaintiff has no adequate remedy at law.

V. PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

- A. That Defendants, their affiliates, officers, agents, employees, attorneys, and all other persons acting for, with, by, through, under, or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:
 - i. using the RHM Works or any reproductions, copies, or colorable imitations thereof in any manner with the distribution, marketing, advertising, offering for sale, or selling of any product that is not authorized by Plaintiff or is not authorized by Plaintiff to be sold in connection with the RHM Works;

- ii. passing off, inducing, or enabling others to sell or pass off any product not produced under the authorization, control, or supervision of Plaintiff and approved by Plaintiff for sale under the RMH Works;
 - iii. further infringing the RMH Works and damaging Plaintiff's reputation;
 - iv. 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 RMH Works and which are derived from Plaintiff's copyrights in the RMH Works; and
 - v. 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 copyrights in the RHM Works; and
- B. 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 such as: [REDACTED]
- [REDACTED]
- [REDACTED]; payment processors such as: PayPal, Stripe, Payoneer, and LianLian; social media platforms such as: Facebook, Instagram, Snapchat, TikTok, YouTube, LinkedIn, and X; internet search engines such as Google, Bing, and Yahoo; webhosts for the Defendants Domain Names; and domain name registrars, that are provided with notice of the injunction, cease facilitating access to any or all webstores through which Defendants engage in the sale of infringing products using the Plaintiff's copyrights; shall:

- i. disable and cease providing services for any accounts through which Defendants engage in the sale of products not authorized by Plaintiff which reproduce the RHM Works or are derived from the RHM Works, including any accounts associated with the Defendants listed on Schedule A;
 - ii. 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 RHM Works; and
 - iii. 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; and
- C. For Judgment in favor of Plaintiff against Defendants that they have: (a) willfully infringed Plaintiff's rights in his 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;
- D. 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;
- E. That Plaintiff be awarded its reasonable attorneys' fees and costs; and,
- F. That Plaintiff be awarded any and all other relief that this Court deems equitable and just.
- G. Plaintiff demands trial by jury as to all causes of action so triable.

Dated: February 15, 2024

Respectfully submitted,

/s/ James E. Judge

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