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9 Attorneys for Plaintiff
 10 CHANEL, INC.

11
 12 **THE UNITED STATES DISTRICT COURT**
 13 **FOR THE DISTRICT OF NEVADA**

14	CHANEL, INC.,)	Case No.
15	a New York corporation,)	
)	
16	Plaintiff,)	
	v.)	COMPLAINT FOR TRADEMARK
17)	COUNTERFEITING AND
18	SUSAN FELUM a/k/a SANDY YE a/k/a)	INFRINGEMENT, FALSE
19	SANDY PAN d/b/a FELUM GARMENT,)	DESIGNATION OF ORIGIN AND
	INC., an individual and DOES 1-10,)	CYBERPIRACY
)	
20	Defendants.)	
)	
21)	

22
 23 Plaintiff Chanel, Inc., (“Chanel”) hereby sues Defendants Susan Felum a/k/a Sandy Ye
 24 a/k/a Sandy Pan d/b/a Felum Garment, Inc., an individually (the “Named Defendant”), and Does
 25 1-10 (collectively the “Defendants”), individually and jointly, d/b/a the domain names identified
 on Schedule “A” hereto (the “Subject Domain Names”) and alleges as follows:

JURISDICTION AND VENUE

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2 1. This is an action pursuant to 15 U.S.C. §§ 1114, 1116, 1121 and 1125(a).
3 Accordingly, this Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338. Venue
4 is proper in this Court pursuant 28 U.S.C. § 1391, and this Court may properly exercise personal
5 jurisdiction over Defendants since Defendants target a significant portion of their business
6 activities towards consumers in Nevada and elsewhere and intentionally cause harm to Chanel
7 within this District through and using at least the fully interactive Internet websites operating
8 under the Subject Domain Names.

THE PLAINTIFF

9
10 2. Chanel is a corporation duly organized under the laws of the State of New York
11 with its principal place of business in the United States located at Nine West 57th Street, New
12 York, New York 10019. Chanel is, in part, engaged in the business of manufacturing and
13 distributing throughout the world, including within this Judicial District, high quality luxury
14 goods under multiple world famous common law and Federally registered trademarks including
15 those identified in Paragraph 11 below. Chanel operates boutiques within this Judicial District.
16 Defendants’ sales of counterfeit Chanel branded products are causing damage to Chanel within
17 this Jurisdiction. Chanel regularly enforces its intellectual property rights and authorized that this
18 action be brought in its name.

THE DEFENDANTS

19
20 3. The Named Defendant is an individual who, upon information and belief, resides
21 in the People’s Republic of China and who conducts business throughout the United States,
22 including within this Judicial District through the operation of the fully interactive commercial
23 website operating under the Subject Domain Names. Defendant Does 1-10 are, upon information
24 and belief, individuals and/or business entities who likely reside in the Peoples Republic of China
25 and conduct substantial business within this Judicial District through their participation in the
operation of the fully interactive commercial websites operating under the Subject Domain
Names. Does 1-10 are directly and personally contributing, inducing and engaging in the sale of

1 counterfeit products as alleged herein as partners, co-conspirators or suppliers and/or successors-
2 in-interest to the Named Defendant. Plaintiff is presently unaware of the true names of Does 1-
3 10. Plaintiff will amend this Complaint upon discovery of the identities of such fictitious
4 Defendants.

5 4. Defendants are the past and present moving and conscious forces behind the
6 operation of the commercial Internet websites operating under the Subject Domain Names.

7 5. Upon information and belief, Defendants also jointly own and operate or control
8 additional Internet websites, under domain names currently unknown to Plaintiff, through which
9 the Defendants engage in the wrongful activities alleged herein.

10 6. Upon information and belief, Defendants are directly engaging in the sale of
11 counterfeit and infringing products within this District as alleged herein. Moreover, upon
12 information and belief, Defendants have conspired with each other to jointly engage in the
13 offering for sale and sale of counterfeit and infringing Chanel branded products within this
14 Judicial District through the fully interactive commercial websites operating under at least the
15 Subject Domain Names. Defendants, upon information and belief, also operate additional
16 websites which promote and offer for sale counterfeit and infringing goods under domain names
17 not yet known to Plaintiff. Defendants have advertised and offered to sell their counterfeit goods
18 in the State of Nevada.

19 7. Defendants' Internet-based website businesses amount to nothing more than a
20 massive illegal operation, infringing on the intellectual property rights of Plaintiff and others.








21 8. Upon information and belief, Defendants have registered, established or purchased
22 the Subject Domain Names. Upon information and belief, Defendants have used false or
23 misleading information for the registration of the Subject Domain Names.

24 9. Defendants' Subject Domain Names and any other domain names used in
25 connection with the promotion and sale of counterfeits bearing Chanel's marks are essential
components of Defendants' counterfeiting and infringing activities. The domain names
themselves are a significant part of the means by which Defendants further their counterfeiting

1 scheme and cause harm to Chanel. Moreover, the Defendants are using Chanel's famous name
 2 and trademarks to drive Internet consumer traffic to their websites operating under the Subject
 3 Domain Names, thereby creating and increasing the value of the Subject Domain Names.

4 COMMON FACTUAL ALLEGATIONS

5 10. Chanel is the owner of all rights in and to the following trademarks which are valid
 6 and registered on the Principal Register of the United States Patent and Trademark Office:

7 Mark	Reg. No.	Reg. Date
8 CHANEL	0,626,035	May 1, 1956
9 	1,314,511	January 15, 1985
10 CHANEL	1,347,677	July 9, 1985
11 	1,734,822	November 24, 1992
12 CHANEL	1,733,051	November 17, 1992
13 	3,022,708	December 6, 2005
14 	3,025,934	December 13, 2005
15 CHANEL	0,955,074	March 13, 1973
16 CHANEL	0,612,169	September 13, 1955
17 CHANEL	0,902,190	November 10, 1970
18 	1,501,898	August 30, 1988
19 CHANEL	0,915,139	June 15, 1971
20 	1,241,264	June 7, 1983
21 CHANEL	1,241,265	June 7, 1983
22 	1,271,876	March 27, 1984

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CHANEL

CHANEL

3,025,936

0,906,262

3,134,695

December 13, 2005

January 19, 1971

August 29, 2006

which are registered in International Classes 14, 18 and 25, and are used in connection with the manufacture and distribution of high quality luxury goods (the “Chanel Marks”).

1 11. The Chanel Marks have been used in interstate commerce to identify and
2 distinguish Chanel's high quality goods for an extended period of time.

3 12. The Chanel Marks have never been assigned or licensed to any of the Defendants
4 in this matter.

5 13. The Chanel Marks are symbols of Chanel's quality, reputation and goodwill and
6 have never been abandoned.

7 14. Further, Chanel has expended substantial time, money and other resources
8 developing, advertising and otherwise promoting the Chanel Marks. The Chanel Marks qualify
9 as famous marks as that term is used in 15 U.S.C. §1125(c)(1).

10 15. Chanel has extensively used, advertised and promoted the Chanel Marks in the
11 United States in association with the sale of high quality luxury goods and has carefully
12 monitored and policed the use of the Chanel Marks.

13 16. As a result of Chanel's efforts, members of the consuming public readily identify
14 merchandise bearing the Chanel Marks, as being high quality luxury goods sponsored and
15 approved by Chanel.

16 17. Accordingly, the Chanel Marks have achieved secondary meaning as identifiers of
17 high quality luxury goods.

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

21 19. Chanel has discovered Defendants are promoting and otherwise advertising,
22 distributing, selling and/or offering for sale counterfeit products, including at least handbags,
23 wallets, shoes, boots, gloves, outerwear, including coats and jackets, clothing, including skirts,
24 dresses, and shirts, keychains, swimwear, and costume jewelry including, but not limited to
25 bracelets, necklaces and earrings bearing trademarks which are exact copies of the Chanel Marks
(the "Counterfeit Goods"). Specifically, upon information and belief, Defendants are using the
Chanel Marks in the same stylized fashion, for different quality goods.

1 20. Upon information and belief, Defendants' Counterfeit Goods are of a quality
2 substantially different than that of Chanel's genuine goods. Despite the nature of their
3 Counterfeit Goods and the knowledge they are without authority to do so, Defendants, upon
4 information and belief, are actively using, promoting and otherwise advertising, distributing,
5 selling and/or offering for sale substantial quantities of their Counterfeit Goods with the
6 knowledge that such goods will be mistaken for the genuine high quality products offered for sale
7 by Chanel. The net effect of Defendants' actions will be to result in the confusion of the relevant
8 trade and consumers, both at the time of sale and in a post sale setting, who will believe
9 Defendants' Counterfeit Goods are genuine goods originating from, associated with, and
10 approved by Chanel.

11 21. Defendants advertise their Counterfeit Goods for sale to the consuming public. In
12 so advertising these products, Defendants improperly and unlawfully use the Chanel Marks.
13 Indeed, Defendants herein misappropriated Chanel's advertising ideas and entire style of doing
14 business with regard to the advertisement and sale of Chanel's genuine products. Upon
15 information and belief, the misappropriation of Chanel's advertising ideas in the form of the
16 Chanel Marks has occurred, in part, in the course of Defendants' advertising activities and has
17 been the proximate cause of damage to Chanel.

18 22. Upon information and belief, Defendants are conducting their counterfeiting and
19 infringing activities at least within this Judicial District and elsewhere throughout the United
20 States. As a result, Defendants are defrauding Chanel and the consuming public for Defendants'
21 own benefit. Defendants' infringement and disparagement of Chanel does not simply amount to
22 the wrong description of their goods or the failure of the goods to conform to the advertised
23 quality or performance.

24 23. Defendants' use of the Chanel Marks, including the promotion and advertisement,
25 reproduction, distribution, sale and offering for sale of their Counterfeit Goods, is without
Chanel's consent or authorization.

1 24. Further, Defendants are engaging in the above-described illegal counterfeiting and
2 infringing activities knowingly and intentionally or with reckless disregard or willful blindness to
3 Chanel's rights for the purpose of trading on the goodwill and reputation of Chanel.

4 25. Defendants' above-identified infringing activities are likely to cause confusion,
5 deception and mistake in the minds of consumers, the public and the trade. Moreover,
6 Defendants' wrongful use of the Chanel Marks is likely to create a false impression and deceive
7 customers, the public and the trade into believing there is a connection or association between
8 Chanel and Defendants' Counterfeit Goods.

9 26. Chanel has no adequate remedy at law.

10 27. Chanel is suffering irreparable injury and damages as a result of Defendants'
11 unauthorized and wrongful use of the Chanel Marks. If Defendants' counterfeiting and infringing
12 activities are not preliminarily and permanently enjoined by this Court, Chanel and the
13 consuming public will continue to be harmed.

14 28. The injuries and damages sustained by Chanel have been directly and proximately
15 caused by Defendants' wrongful reproduction, use, advertisement, promotion, offering to sell,
16 and sale of their Counterfeit Goods.

17 29. Chanel has retained the undersigned counsel to represent it in this matter and is
18 obligated to pay said counsel a reasonable fee for such representation.

19 **COUNT I - TRADEMARK COUNTERFEITING AND INFRINGEMENT**

20 30. Chanel hereby readopts and re-alleges the allegations set forth in Paragraphs 1
21 through 28 above.

22 31. This is an action for trademark counterfeiting and infringement against Defendants
23 based on their use of counterfeits of the Chanel Marks in commerce in connection with the
24 promotion, advertisement, distribution, sale and/or offering for sale of the Counterfeit Goods.

25 32. Specifically, Defendants are promoting and otherwise advertising, selling, offering
for sale and distributing counterfeit and infringing handbags, wallets, shoes, boots, gloves,
outerwear, including coats and jackets, clothing, including skirts, dresses, and shirts, keychains,

1 swimwear, and costume jewelry including, but not limited to bracelets, necklaces and earrings
2 bearing the Chanel Marks. Defendants are continuously infringing and inducing others to
3 infringe the Chanel Marks by using them to advertise, promote and sell at least counterfeit
4 handbags, wallets, shoes, boots, gloves, outerwear, including coats and jackets, clothing,
5 including skirts, dresses, and shirts, keychains, swimwear, and costume jewelry including, but not
6 limited to bracelets, necklaces and earrings.

7 33. Defendants' counterfeiting and infringing activities are likely to cause and, upon
8 information and belief, actually are causing confusion, mistake and deception among members of
9 the trade and the general consuming public as to the origin and quality of Defendants' Counterfeit
10 Goods bearing the Chanel Marks.

11 34. Defendants' unlawful actions have caused and are continuing to cause
12 unquantifiable damages to Chanel.

13 35. Defendants' above-described illegal actions constitute counterfeiting and
14 infringement of the Chanel Marks in violation of Chanel's rights under § 32 of the Lanham Act,
15 15 U.S.C. § 1114.

16 36. Chanel has suffered and will continue to suffer irreparable injury due to the above
17 described activities of Defendants if Defendants are not preliminarily and permanently enjoined.

18 **COUNT II - FALSE DESIGNATION OF ORIGIN**

19 **PURSUANT TO § 43(a) OF THE LANHAM ACT**

20 37. Chanel hereby readopts and re-alleges the allegations set forth in Paragraphs 1
21 through 28 above.

22 38. Defendants' Counterfeit Goods bearing and sold under the Chanel Marks have
23 been widely advertised and distributed throughout the United States.

24 39. Defendants' Counterfeit Goods bearing and sold under the Chanel Marks are
25 virtually identical in appearance to each of Chanel's respective genuine goods. However, the
Counterfeit Goods are different in quality. Accordingly, Defendants' activities are likely to cause

1 confusion in the trade and among the general public as to at least the origin or sponsorship of the
2 Counterfeit Goods.

3 40. Defendants, upon information and belief, have used in connection with their sale
4 of Counterfeit Goods, false designations of origins and false descriptions and representations,
5 including words or other symbols and trade dress which tend to falsely describe or represent such
6 goods and have caused such goods to enter into commerce with full knowledge of the falsity of
7 such designations of origin and such descriptions and representations, all to the detriment of
8 Chanel.

9 41. Specifically, Defendants have authorized an infringing use of the Chanel Marks, in
10 Defendants' advertisement and promotion of their counterfeit and infringing handbags, wallets,
11 shoes, boots, gloves, outerwear, including coats and jackets, clothing, including skirts, dresses,
12 and shirts, keychains, swimwear, and costume jewelry including, but not limited to bracelets,
13 necklaces and earrings. Defendants have misrepresented to members of the consuming public
14 that the Counterfeit Goods being advertised and sold by them are genuine, non-infringing
15 products.

16 42. Defendants' above-described actions are in violation of Section 43(a) of the
17 Lanham Act, 15 U.S.C. §1125(a).

18 43. Chanel has sustained injury and damage caused by Defendants' conduct, and
19 absent an entry of an injunction by this Court, Chanel will continue to suffer irreparable injury to
20 its goodwill and business reputation as well as monetary damages.

21 **COUNT III - CLAIM FOR RELIEF FOR CYBERPIRACY**
22 **UNDER §43(d) OF THE LANHAM ACTION (15 U.S.C. §1125(d))**

23 44. Chanel hereby readopts and re-alleges the allegations set forth in Paragraphs 1
24 through 28 above.

25 45. At all times relevant hereto, Chanel has been and still is the owner of the rights,
title and interest in and to the Chanel Marks.

46. Upon information and belief, Defendants have acted with the bad faith intent to
profit from the Chanel Marks and the goodwill associated with the Chanel Marks by registering

1 domain names, including at least chanel-vip.com, which is identical or confusingly similar to or
2 dilutive of the Chanel Marks.

3 47. Defendants have no intellectual property rights in or to the Chanel Marks.

4 48. Defendants' actions constitute cyberpiracy in violation of §43(d) of the Lanham
5 Act, 15 U.S.C. §1125(d).

6 49. Defendants' conduct is done with knowledge and constitutes a willful violation of
7 Chanel's rights in the Marks. At a minimum, Defendants' conduct is in reckless disregard of
8 Chanel's rights or demonstrates willful blindness to Chanel's rights.

9 50. The aforesaid conduct is causing Chanel immediate and irreparable injury. Chanel
10 has no adequate remedy at law.

11 **PRAYER FOR RELIEF**

12 51. WHEREFORE, Chanel demands judgment on all Counts of this Complaint and an
13 award of equitable relief and monetary relief, jointly and severally, against Defendants as follows:

14 a. Entry of preliminary and permanent injunction enjoining Defendants, their
15 agents, representatives, servants, employees, and all those acting in concert or participation
16 therewith, from manufacturing or causing to be manufactured, importing, advertising or
17 promoting, distributing, selling or offering to sell their Counterfeit Goods; from infringing,
18 counterfeiting, or diluting the Chanel Marks; from using the Chanel Marks, or any mark or trade
19 dress similar thereto, in connection with the sale of any unauthorized goods; from using any logo,
20 trade name or trademark or trade dress which may be calculated to falsely advertise the services
21 or products of Defendants as being sponsored by, authorized by, endorsed by, or in any way
22 associated with Chanel; from falsely representing themselves as being connected with Chanel,
23 through sponsorship or association, or engaging in any act which is likely to falsely cause
24 members of the trade and/or of the purchasing public to believe any goods or services of
25 Defendants, or in any way endorsed by, approved by, and/or associated with Chanel; from using
any reproduction, counterfeit, copy, or colorable imitation of the Chanel Marks in connection
with the publicity, promotion, sale, or advertising of any goods sold by Defendants, including,

1 without limitation, handbags, wallets, shoes, boots, gloves, outerwear, including coats and
2 jackets, clothing, including skirts, dresses, and shirts, keychains, swimwear, and costume jewelry
3 including, but not limited to bracelets, necklaces and earrings; from affixing, applying, annexing
4 or using in connection with the sale of any goods, a false description or representation, including
5 words or other symbols tending to falsely describe or represent Defendants' goods as being those
6 of Chanel, or in any way endorsed by Chanel and from offering such goods in commerce; and
7 from otherwise unfairly competing with Chanel.

8 b. Enter an Order that, upon Chanel's request, those in privity with
9 Defendants, and those with notice of the injunction, including any Internet search engines, Web
10 hosts, domain-name registrars and domain-name registries that are provided with notice of the
11 injunction, cease facilitating access to any or all websites through which Defendants engage in the
12 sale of counterfeit and infringing goods using the Chanel Marks.

13 c. Enter an Order that, upon Chanel's request, the top level domain (TLD)
14 Registry for the Subject Domain Names place the Subject Domain Names on Registry Hold
15 status, thus removing them from the TLD zone files maintained by the Registry which link the
16 Subject Domain Name to the IP address where the associated website is hosted.

17 d. Enter an order canceling or, at Chanel's election, transferring the Subject
18 Domain Names and any other domain names used by the Defendants to engage in their
19 counterfeiting of the Chanel Marks at issue to Chanel's control.

20 e. Enter an order requiring Defendants to account to and pay Chanel for all
21 profits and damages resulting from Defendants' trademark infringing and counterfeiting activities
22 and that the award to Chanel be trebled, as provided for under 15 U.S.C. §1117, or, at Chanel's
23 election with respect to Count I, that Chanel be awarded statutory damages from each Defendants
24 in the amount of two million dollars (\$2,000,000.00) per each counterfeit Chanel Mark used and
25 product sold, as provided by 15 U.S.C. §1117(c)(2) of the Lanham Act.

 f. Defendants be required to account to and pay Chanel for all profits and
damages resulting from Defendants' cyberpiracy activities and that the award to Chanel be

1 trebled, as provided for under 15 U.S.C. §1117, or, at Chanel's election with respect to Count III,
2 that Chanel be awarded statutory damages from Defendants in the amount of one hundred
3 thousand dollars (\$100,000.00) per pirated domain name used as provided by 15 U.S.C. §1117(d)
4 of the Lanham Act.

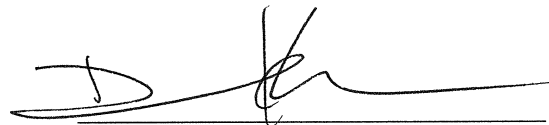
5 g. Enter an order awarding Chanel's costs and reasonable attorneys' fees and
6 investigative fees associated with bringing this action.

7 h. Enter an order awarding Chanel pre-judgment interest on the judgment
8 amount.

9 i. Other and further relief as the Court may deem just and proper.

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11 DATED: March 4th, 2010

12 Respectfully submitted,

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SCHEDULE "A" – SUBJECT DOMAIN NAMES

chanel-vip.com

felums.com

felumshop.com