1 2	J. Andrew Coombs (SBN 123881) Annie S. Wang (SBN 243027) J. Andrew Coombs, A Prof. Corp.	
3	517 E. Wilson Ave., Suite 202 Glendale, California 91206	
4	Telephone: (818) 500-3200 Facsimile: (818) 500-3201	
5	andy@coombspc.com	
6	annie@coombspc.com	
7	Attorneys for Plaintiff Louis Vuitton Malletier, S.A.	
8	UNITED STATE	ES DISTRICT COURT
9	NORTHERN DISTRICT	OF CALIFORNIA (SAN JOSE)
10	Louis Vuitton Malletier, S.A.,	) ) Case No. C 07 3952 JW
11	Plaintiff,	) ) ) PLAINTIFF'S MOTION FOR LEAVE
12	V.	) TO FILE A FIRST AMENDED ) COMPLAINT; DECLARATION IN
13	Akanoc Solutions, Inc., et al.	) SUPPORT
14 15	Defendants.	<ul> <li>Date: September 8, 2008</li> <li>Time: 9:00 a.m.</li> <li>Court: Hon. James Ware</li> </ul>
16 17	TO THE COURT AND TO THE DEFENDAN	ITS:
18	PLEASE TAKE NOTICE that on Septe	ember 8, 2008 at 9:00 a.m., or as soon thereafter as
19	the matter may be heard in the Courtroom of th	e Hon. James Ware, United States District Judge,
20	located at Courtroom 8, 4 <sup>th</sup> Floor of the United	States District Courthouse, 280 South 1st Street, San
21	Jose, California 95113, Plaintiff Louis Vuitton	Malletier, S.A. ("Plaintiff" or "Louis Vuitton") will
22	and hereby does move the Court for leave to fil	e a First Amended Complaint a redline version of
23	which is attached hereto as Exhibit A.	
24	This motion is based on this Notice of M	Motion, Motion for Leave to File a First Amended
25 26	Complaint and accompanying Memorandum of	f Points and Authorities, the Declarations and
27	exhibits attached thereto, the exhibits and evide	ence to be presented at the hearing hereon, the
28		
	Louis Vuitton v. Akanoc, et al.: Motion for Leave to File First	-i-

1	pleadings, records and papers on file here	ein and such other matters and evidence as may be
2	presented at or before the hearing.	
3		
4	Dated: July 15, 2008	J. Andrew Coombs, A Professional Corp.
5		/s/ J. Andrew Coombs
6		By: J. Andrew Coombs Annie S. Wang Attorneys for Plaintiff Louis Vuitton Malletier, S.A.
7		Attorneys for Plaintiff Louis Vuitton Malletier, S.A.
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	Louis Vuitton v. Akanoc, et al.: Motion for Leave to File First Amended Complaint	- ii -

1	<b>INTRODUCTION</b>
2	Plaintiff Louis Vuitton Malletier, S.A. ("Louis Vuitton" or "Plaintiff") brings this motion
3	for leave to file its First Amended Complaint, the purpose of which is to specify the names of some
4 5	of the websites at issue. An amendment will address Defendants Akanoc Solutions, Inc., Managed
6	Solutions Group, Inc. and Steven Chen's (collectively "Defendants") concern that websites relating
7	to this matter be listed in the Complaint, though Plaintiff does not waive its position that these
8	specifically named websites were already at issue under the original complaint. In view of the
9	nature of the amendment and the absence of any prejudice or delay in granting the requested leave,
10	Plaintiff submits leave be freely granted as contemplated by the applicable rules.
11	STATEMENT OF FACTS
12 13	Louis Vuitton alleges claims for infringement of valuable intellectual property rights arising
14	out of systematic and extensive online sales of pirated goods through websites hosted by
15	Defendants despite notice of such infringement.
16	Plaintiff independently identified the websites listed in the amendment as Defendants have
17	never produced any data from any webpage hosted by them, stating the lack of information was
18	partly due to a "crash" which occurred in or around June of 2007. Declaration of J. Andrew
19 20	Coombs ("Coombs Decl.") at ¶ 4. Plaintiff is also awaiting the order on its motion to compel or, in
20	the alternative, inspect electronic records due to a continued default in the discovery process by
22	Defendants. Id. Defendants have been notified since as early as November of 2007, of these
23	specified websites, most of which were the subject of discovery requests to and from Defendants
24	and deposition questions by Defendants. <u>Id.</u> at ¶ 3. No website in the amendment has not been
25	previously brought to Defendants' attention through counsel. Id.
26	Recently, Defendants claimed that only five (5) websites were at issue despite the
27 28	notification letters, discovery history, and clear language of the Complaint which states, "The

Louis Vuitton v. Akanoc, et al.: Motion for Leave to File First - 1 -Amended Complaint

websites hosted by servers maintained by the ISP Defendants include but are not limited to..."

Compl. p. 10, ¶ 31; Coombs Decl. at ¶¶ 3-5. As the amendment does not require any change to any preliminary pre-trial date set by the Court pursuant to the Scheduling Order, is requested due to the position taken by Defendants, and does not prejudice the Defendants, Plaintiff respectfully requests that the Court grant this motion for leave to file a First Amended Complaint.

## ARGUMENT

Fed. R. Civ. P. 15(a) provides that "leave [to amend the pleadings] shall be freely given when justice so requires" and lies "within the sound discretion of the trial court." DCD Programs, Ltd. V. Leighton, 833 F.2d 183, 185 (9th Cir. 1987) (quoting United States v. Webb, 655 F.2d 977, 979 (9<sup>th</sup> Cir. 1981).

In exercising its discretion, "leave to amend should be granted unless amendment would cause undue prejudice to the opposing party, is sought in bad faith, is futile, or creates undue delay." Martinez v. Newport Beach City, 125 F.3d 777, 785 (9th Cir. 1997); see also Foman v. Davis, 371 U.S. 178, 182 (1962). In making this determination, "a court must be guided by the underlying purpose of Rule 15, -- to facilitate decision on the merits rather than on the pleadings or technicalities." DCD Programs, 833 F.2d at 186 (quoting Webb, 655 F.2d at 979). "In adhering to Rule 15's policy favoring amendment, the court should apply that policy with 'extreme liberality.'" Id.; Imax Corporation, et al v. In-Three, Inc., 2005 U.S. Dist. Court 24198, at \*3-4 (C.D. Cal. July 8, 2005).

#### I. Plaintiff's Motion Merely Identifies the Minimum Websites at Issue in Response to Defendants' Concerns of the Scope of the Original Complaint.

The proposed First Amended Complaint merely specifies websites which have been the subject of numerous cease and desist letters on behalf of Plaintiff to Defendants. Coombs Decl. at ¶ 3. The specifically listed websites have been identified by Plaintiff as selling counterfeit Louis

-2-

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Vuitton branded goods while hosted by Defendants. No claims are added or changed as to Defendants.

II.

Factors Against Granting Leave to Amend are Absent in this Case.

Defendants are not prejudiced by the proposed amendment because the underlying claims remain unchanged and Defendants have been notified of the names of the specified websites postfiling of the Complaint through letters from Plaintiff dated as early as November of 2007. Coombs Decl. at ¶ 3. Defendants have conducted discovery as to most of the websites listed in the amendment and in any event, have claimed they lack associated data which was the subject of Plaintiff's motion to compel. Id. at ¶ 4. The proposed amendment will make the Complaint more clear given Defendants' position on the websites at issue. Id. at ¶ 5. Only after Defendants stated that they did would not change their position on this issue and that they would not stipulate to the proposed leave, did Plaintiff file the present motion.

Second, Plaintiff's proposed amendment is not made in bad faith as Plaintiff merely attempts to clarify the scope of the claim in response to Defendants' concerns and the websites were identified as quickly as possible without the aid of Defendants. Defendants have not provided any webpage data of any websites they host despite repeated requests which prompted Plaintiff's Motion to Compel. Id. at  $\P$  4.

Third, Plaintiff's proposed amendment would not be futile as it would more correctly clarify the websites at issue. The amendment better states the scope of Plaintiff's claims and facilitates a more complete resolution of the action.

Lastly, Plaintiff's proposed amendment does not create undue delay as it comes before the court far in advance of the preliminary pre-trial conference which is set for September 8, 2008. The hearing for the present motion will occur concurrently with the currently set preliminary pre-trial conference in this matter.

1	<u>CC</u>	DNCLUSION
2	For the foregoing reasons, Plaintiff r	espectfully requests that the Court grant its motion for
3	leave to file a first amended complaint, a co	py of which is attached hereto as Exhibit B and
4		
5	separately lodged.	
6	Dated: July 15, 2008	J. Andrew Coombs, A Professional Corp.
7		/s/ I. Androw Coomba
8		/s/ J. Andrew Coombs By: J. Andrew Coombs Annie Wang Attorneys for Plaintiff Louis Vuitton Malletier, S.A.
9		Attorneys for Plaintiff Louis Vuitton Malletier, S.A.
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	Louis Vuitton v. Akanoc, et al.: Motion for Leave to File First Amended Complaint	- 4 -

## **DECLARATION OF J. ANDREW COOMBS**

I, J. Andrew Coombs, declare as follows:

1. I am an attorney at law duly admitted to practice before the Courts of the State of California and the United States District Court for the Northern District of California. I am counsel of record for Plaintiff Louis Vuitton Malletier, S.A. ("Plaintiff" or "Louis Vuitton") in an action styled Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc., et al., Case No. C 07 3952 JW. I submit this declaration in support of Plaintiff's motion for leave to file a First Amended Complaint in this matter. Except as otherwise stated to the contrary, I have personal knowledge of the following facts and, if called as a witness, I could and would competently testify as follows.

2. A redlined copy of the proposed First Amended Complaint is attached hereto as Exhibit A, and a clean copy is attached hereto as Exhibit B. Like the initial Complaint filed in this matter, the First Amended Complaint pleads causes of action for contributory and vicarious infringement of valuable intellectual properties owned by Plaintiff. The First Amended Complaint expressly identifies websites hosted by Defendants which were selling counterfeit Louis Vuitton branded goods.

3. Starting on or about November 26, 2007, my office began sending letters to Defendants' counsel identifying more specifically websites which were hosted by Defendants and selling counterfeit Louis Vuitton merchandise. Most of the websites identified in the amendment were the subject of discovery requests to and from Defendants and were touched upon in deposition questions by Defendants. Letters of notice of infringements continued to be sent to Defendants in March, April, and June and I am informed and believe notification on one occasion was completed by telephone. The specified websites in the amendment are all those which Defendants have been previously notified as infringing.

4.	I am informed and believe Defendants have provided no webpage data concerning
any websites	s hosted by them due to a "crash" of their equipment they contend occurred in or about
June of 2007	7. This lack of discovery as to the websites, in part, prompted Plaintiff's filing of its
Motion For	an Order Compelling Production, or in the Alternative, Inspection of Electronic
Records.	
5.	I am informed and believe that beginning in or about the end of April 2008,
Defendants	suggested that the only websites at issue were the five (5) websites listed in the
Complaint.	As of June 6, 2008, Defendants made clear that this was going to be their position in
the litigation	1.
I dec	clare under penalty of perjury under the laws of the United States that the foregoing is
true and corr	rect.
Exec	cuted this 15 <sup>th</sup> day of July, 2008, at Glendale, California.
	<u>/s/ J. Andrew Coombs</u> J. ANDREW COOMBS
Louis Vuitton v. A Amended Compla	Akanoc, et al.: Motion for Leave to File First - 6 -

		1
1	J. Andrew Coombs (SBN 123881) Annie S. Wang (SBN 243027)	
2	J. Andrew Coombs, A Prof. Corp.	
3	517 East Wilson Avenue, Suite 202 Glendale, California 91206	<b>Deleted:</b> 450 North Brand Blvd., Suite 600¶
4	Telephone: $(818) \frac{500-3200}{500-3201}$ Facsimile: $(818) \frac{500-3201}{500-3201}$	Deleted: 91203-2349¶
4	Facsimile: (818) <u>500-3201</u>	Deleted: 291-6444¶
5	andy@coombspc.com annie@coombspc.com	<b>Deleted:</b> 291-6446
6		
7	Attorneys for Plaintiff Louis Vuitton Malletier, S.A.	
8	UNITED STATES DISTRICT COURT	
9	NORTHERN DISTRICT OF CALIFORNIA <u>(SAN JOSE)</u>	
10	) Louis Vuitton Malletier, S.A., ) Case No.: <u>CV07-3952 JW</u>	
11		
12	Plaintiff, ) <u>First Amended</u> Complaint For: ) Contributory and Vicarious Trademark	
13	v. ) Infringement; Contributory and ) Vicarious Copyright Infringement	
	Akanoc Solutions, Inc., Managed Solutions	
14	Group, Inc., Steven Chen and Does 1 through 10,) inclusive,	
15	)	
16	Defendants)	
17	Plaintiff Louis Vuitton Malletier, S.A. ("Louis Vuitton" or "Plaintiff") for its first amended	
18	complaint alleges as follows:	
19 20	I. Jurisdiction and Venue	
20	1. The claims alleged herein arise under the Trademark Act, 15 U.S.C. § 1051, et seq.,	
22	and under the Copyright Act of 1976, 17 U.S.C. § 101, et seq., for (i) contributory and vicarious	
23	liability for trademark infringement; and (iii) contributory and vicarious liability for copyright	
24	infringement.	
25	2. This Court has original jurisdiction over the subject matter of this action pursuant to	
26	15 U.S.C. § 1121, 28 U.S.C. §§ 1331, 1332 and 1338.	
27		
28		
	Louis Vuitton v Akanoc, et al.: First Amended Complaint - 1 -	

3. This Court has personal jurisdiction over the Defendants because they do business and/or reside in the State of California and, as to the entities, do business, are incorporated, and/or are authorized to do business in the State of California.

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Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391.

### II. Introduction

4.

5. The substantial profits to be reaped from piracy and counterfeiting have led to the creation, development and proliferation of business models, the object of which is to capitalize on world famous trademarks and copyrights owned by others, including those owned by Plaintiff. The opportunities created by the Internet have led to a dramatic increase in the opportunities to profit from such activity. These opportunities rely upon the active participation and contribution of third parties which make such illegal activities possible.

In particular, the promotion of infringing product and the offer of product for sale
 occurs through communications published on the Internet. These promotions, advertisements and
 offers are often published on websites which can be accessed by entering Internet addresses or
 through hypertext links which direct Internet users to websites containing such offers.
 Communications designed to complete sales of such infringing merchandise are transmitted over
 servers which host these same websites.

7. Defendants Akanoc Solutions Inc. ("Akanoc") and Managed Solutions Group, Inc. 21 ("MSGI") operate servers hosting websites. Louis Vuitton is informed and believes that Defendant 22 23 Steven Chen is an individual with responsibility for the operation and management of Akanoc and 24 MSGI and that Akanoc and MSGI are under common control and ownership. Louis Vuitton is 25 further informed and believes that Akanoc and MSGI were formed for and exist primarily to 26 facilitate the promotion and advertisement of offers for counterfeit and infringing merchandise. 27 Akanoc and MSGI aid and abet the distribution and sale of counterfeit and infringing merchandise 28 Louis Vuitton v Akanoc, et al.: First Amended Complaint - 2 -

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through the provision of Internet hosting services and they do so knowingly and despite having been provided with full notice of such conduct. Louis Vuitton is informed and believes that Akanoc, MSGI and Chen benefit financially from the services they render hosting website which offer counterfeit Louis Vuitton merchandise and through which sales of such merchandise are consummated.

### III. The Parties: Plaintiff

8. Plaintiff is organized and existing under the laws of the Republic of France, with its principal place of business in Paris, France. Plaintiff owns the trademarks and trade names "LOUIS VUITTON", "VUITTON" and "LV" (hereinafter collectively referred to as "Plaintiff's Trademarks"). Plaintiff has engaged in services using Plaintiff's Trademarks and Plaintiff is the exclusive distributor in the United States of handbags, luggage and accessories, all of which bear one or more of Plaintiff's Trademarks. Plaintiff distributes authentic product online through www.eluxury.com.

9. Plaintiff is the sole and exclusive distributor in the United States of leather goods 17 bearing Plaintiff's Trademarks, which are exclusively manufactured in France, Spain and San Dimas, California. Plaintiff is engaged in the manufacture, sale and distribution in interstate and foreign commerce of prestigious high-quality, luxury merchandise, including a wide variety of luggage, handbags, trunks, garment bags, wallets, small leather goods, apparel and other similar items sold throughout the United States in Louis Vuitton boutiques, and high quality retail stores 22 23 such as Saks Fifth Avenue, Neiman Marcus and Bloomingdale's that contain departments operated by Plaintiff and staffed by Plaintiff's personnel.

10. Plaintiff is responsible for assembling, finishing, marketing and selling in interstate commerce high quality handbags, luggage, accessories and related products and/or services for men and women. Plaintiff has acquired an outstanding reputation because of the uniform high Louis Vuitton v Akanoc, et al.: First Amended Complaint - 3 -

quality of its ha	ndbags, luggage a	nd accessories and the boutiques the	nrough which Plaintiff s
these products.			
11. A	As a result of the L	ouis Vuitton boutiques, extensive	advertising of Louis Vu
connection with	Plaintiff's intelled	ctual properties, the widespread sa	le of Louis Vuitton
merchandise and	d the celebrity that	Plaintiff and Plaintiff's intellectua	al properties have achie
Louis Vuitton b	outiques, handbag	s, luggage and accessories, all util	izing and/or bearing one
more of Plaintif	f's intellectual pro	perties have been and are now rec	ognized by the public a
trade as originat	ing from Plaintiff.		
12. 0	Commencing at lea	st as early as 1932, Plaintiff adopt	ted one or more of Plain
Trademarks for	handbags, luggage	e, accessories and related products	and caused said tradem
		-	and caused said tradem
be registered in	the United States	Patent and Trademark Office.	
be registered in 13. F	the United States I	Patent and Trademark Office. er of all rights in and to numerous	trademarks including, l
be registered in 13. F limited to, Plain	the United States Plaintiff is the own	Patent and Trademark Office. er of all rights in and to numerous that are the subject of the followin	trademarks including, l
be registered in 13. F	the United States I	Patent and Trademark Office. er of all rights in and to numerous	trademarks including, l
be registered in 13. F limited to, Plain <b>TRADEMARK</b> Louis Vuitton (Interlocked Letters) in a Circle	the United States Plaintiff is the own tiff's Trademarks	Patent and Trademark Office. er of all rights in and to numerous that are the subject of the followin	trademarks including, l g trademark registration CLASS OF
be registered in 13. F limited to, Plain <b>TRADEMARK</b> Louis Vuitton (Interlocked Letters) in a	the United States Plaintiff is the own tiff's Trademarks REGISTRATION NUMBER	Patent and Trademark Office. er of all rights in and to numerous that are the subject of the followin	trademarks including, l ng trademark registration CLASS OF GOODS
be registered in 13. F limited to, Plain <b>TRADEMARK</b> Louis Vuitton (Interlocked Letters) in a Circle Design Louis Vuitton (Interlocked Letters) and Monogram Canvas Design LOUIS	the United States Plaintiff is the own tiff's Trademarks REGISTRATION NUMBER 286,345	Patent and Trademark Office. er of all rights in and to numerous that are the subject of the followin	trademarks including, b ng trademark registration CLASS OF GOODS 18
be registered in 13. F limited to, Plain <b>TRADEMARK</b> Louis Vuitton (Interlocked Letters) in a Circle Design Louis Vuitton (Interlocked Letters) and Monogram Canvas Design	the United States Plaintiff is the own tiff's Trademarks <b>REGISTRATION</b> 286,345 297,594	Patent and Trademark Office. er of all rights in and to numerous that are the subject of the followin <b>TRADEMARK PICTURE</b>	trademarks including, b ig trademark registration CLASS OF GOODS 18 18

TRADEMARK	<b>REGISTRATION</b> <b>NUMBER</b>	TRADEMARK PICTURE	CLASS OF GOODS
Louis Vuitton (Interlocked Letters) Design	1,519,828	X	18
LOUIS VUITTON MALLETIER A PARIS in	1,615,681	LOUIS VUITTON MAILETIERA PARIS	16, 18
Rectangle Louis Vuitton (Interlocked Letters) on Epi Leather Design	1,655,564		18
Louis Vuitton (Interlocked Letters) and Monogram Canvas Pattern Design	1,770,131	<sup>★</sup> ℤ <sup>+</sup> ◇ <sup>+</sup> ℤ <sup>+</sup> ◇ ◇ ◇ ◇ <sup>+</sup> ℤ <sup>*</sup> ◇ ↓ℤ <sup>+</sup>	25
Louis Vuitton (Interlocked Letters) Design	1,794,905	X	16, 25
Louis Vuitton (Interlocked Letters) and Monogram Canvas Design	1,875,198		16

TRADEMARK	<b>R</b> EGISTRATION NUMBER	TRADEMARK PICTURE	CLASS OF GOODS
Louis Vuitton (Interlocked Letters)	1,938,808	X	14, 24
LOUIS VUITTON World Mark	1,990,760	LOUIS VUITTON	16, 18, 24, 2
Louis Vuitton (Interlocked Letters) Design	2,291,907	X	34
LOUIS VUITTON	2,303,212	LOUIS VUITTON	34
Louis Vuitton (Interlocked Letters) Design	2,361,695	V	25
LOUIS VUITTON PARIS and Damier (pattern design)	2,378,388		18
		arks are in full force and effect, and a	
		ntinue to preserve and maintain its r	ights with respect to
Plaintiff's Trade	emarks.		

15. Plaintiff's products utilizing and/or bearing one or more of Plaintiff's Trademarks, by reason of their style, distinctive designs and quality have come to be known by the purchasing public throughout the United States as being of the highest quality. As a result thereof, Plaintiff's Trademarks and the goodwill associated therewith are of inestimable value to Plaintiff.

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16. Based on the Louis Vuitton boutiques and the extensive sales of Plaintiff's products
and their wide popularity, Plaintiff's Trademarks have developed a secondary meaning and
significance in the minds of the purchasing public, and the services and products utilizing and/or
bearing such marks and names are immediately identified by the purchasing public with Plaintiff.

17. Those trademarks are vital to Plaintiff, and Plaintiff will suffer irreparable harm if any third parties, including Defendants herein, are allowed to continue engaging in services and selling infringing goods utilizing and/or bearing identical or substantially similar trademarks.

18. Louis Vuitton has also registered its copyrights in the United States Copyright Office and uses those copyrights in connection with its sale of luxury products. A significant aspect of Louis Vuitton's business is the merchandising of product incorporating the distinctive elements associated with its luxury goods.

19. The revenue from products that bear Louis Vuitton designs and are sold in the United States is substantial. The appearance and other features of the Louis Vuitton designs are inherently distinctive. The design, configuration, and distinctive features of the Louis Vuitton copyrighted works, and of works related thereto (hereinafter collectively, the "Louis Vuitton Copyrighted Designs"), are wholly original with Louis Vuitton and, as fixed in various tangible media, including merchandise, are copyrightable subject matter under the United States Copyright Act, 17 U.S.C., Sections 101 <u>et seq</u>. Louis Vuitton is the owner of the Louis Vuitton Copyrighted Designs, which, as featured in connection with various merchandise, are copyrightable subject matter under the Copyright Act of 1976, 17 U.S.C. § 101, <u>et seq</u>. (The Plaintiff's Trademarks and Louis Vuitton v Akanoc, et al.: First Amended Complaint -7-

the Louis Vuitton Copyrighted Designs are hereinafter collectively referred to as the "Louis Vuitton Intellectual Properties").

20. Louis Vuitton has complied in all respects with the laws governing copyright and has secured the exclusive rights and privileges in and to the copyrights to Louis Vuitton Copyrighted Designs. Louis Vuitton owns certificates of registration for works in which the Louis Vuitton Copyrighted Designs appear. Copyright registrations secured by Louis Vuitton for the Louis Vuitton Copyrighted Designs include:

<b>Copyright</b>	Reg. No.	Date Published	<u>Date</u> <u>Registered</u>
Multicolor Mon Black Print	ogram – VA 1-250-121	12/18/02	06/24/04
Multicolor Mon White Print	ogram – VA 1-250-120	12/18/02	06/24/04

21. Products featuring the Louis Vuitton Copyrighted Designs that are manufactured, sold, and distributed by Louis Vuitton or under its authority have been manufactured, sold, and distributed in conformity with the provisions of the copyright laws. Louis Vuitton and those acting under its authority have complied with their obligations under the copyright laws and Louis Vuitton, in its own right or as successor-in-interest, has at all times been the sole proprietor or otherwise authorized to enforce all right, title, and interest in and to the copyrights in the Louis Vuitton Copyrighted Designs.
22. Louis Vuitton maintains strict quality control standards for all its products. All genuine Louis Vuitton products are inspected and approved by Louis Vuitton prior to distribution and sale and are sold only through Louis Vuitton stores and Louis Vuitton boutiques within department stores such as Saks Fifth Avenue, Neiman Marcus, and Bloomingdales, and

 ELuxury.com. No Louis Vuitton product is sold by anyone other than Louis Vuitton. By

 Louis Vuitton v Akanoc, et al.:

 First Amended Complaint

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1	definition, any new (i.e. unused) product bearing any of the Louis Vuitton Intellectual Properties
2	that is sold anywhere other than at a Louis Vuitton store (or ELuxury.com) is not a genuine Louis
3	Vuitton product but rather a counterfeit product. Plaintiff does not sell its high-end products
5	through licensees or franchisees and Plaintiff has not authorized independent retail vendors to
6	engage in services and advertising utilizing and/or displaying the Louis Vuitton Intellectual
7	Properties
8	23. At great expense, Louis Vuitton has created, developed, manufactured, advertised,
9	and marketed its products in such a way that they convey and are associated with luxury products
10	that meet the highest standards and are used by celebrities and dignitaries around the world.
11	24. Louis Vuitton's goods, so marked, continue to be recognized by the fashion industry
12 13	and public as those of Louis Vuitton.
13	25. The Louis Vuitton Intellectual Properties and the goodwill of Louis Vuitton's
15	business in connection with its trademarks and copyrights are continuously used and have never
16	been abandoned.
17	IV. <u>The Parties: Defendants</u>
18	26. Louis Vuitton is informed and believes that Akanoc is a California corporation with
19	its principal office in Fremont, California. Akanoc is an internet service provider which, among
20 21	other things, hosts commercial websites.
22	27. Louis Vuitton is informed and believes that MSGI is a California corporation with
23	its principal office in Fremont, California. MSGI is an internet service provider which, among
24	other things, hosts commercial websites. Akanoc and MSGI are collectively referred to herein as
25	the "ISP Defendants".
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	Louis Vuitton v Akanoc, et al.: <u>First Amended</u> Complaint - 9 -

28. Louis Vuitton is informed and believes that Steve Chen is an individual resident in the City of Fremont and State of California. Louis Vuitton is further informed and believes that Steve Chen is an officer, owner and/or managing employee of Akanoc and MSGI.

29. Plaintiff is informed and believes, and upon that basis alleges, that at all relevant times each of the defendants Does 1 through 10, inclusive, are unknown to Plaintiff, who therefore sues such Doe defendants as individuals and/or business entities, agents, partners, and/or employees of the named Defendants, which, in taking the actions alleged in this Complaint, were acting within the scope of such agency, partnership, and/or employment.

### V. <u>The Infringing Activities</u>

Louis Vuitton v Akanoc, et al.: First Amended Complaint

30. The ISP Defendants host websites (the "Counterfeiting Websites") and facilitate communications between the sellers of counterfeit product who operate the Counterfeiting Websites and their customers. The Counterfeiting Websites offer, promote, advertise and facilitate the offer and sale of counterfeit merchandise which infringes the intellectual property rights of Louis Vuitton, among others. The Counterfeiting Websites publish unauthorized reproductions of the Louis Vuitton Copyrighted Designs to promote the sale of counterfeit merchandise. Louis Vuitton is informed and believes that the servers upon which the Counterfeiting Websites are hosted are also used to transmit communications by and between the operators of the Counterfeiting Websites and their customers.

31. The websites hosted by servers maintained by the ISP Defendants include but are
not limited to the following: 315EC.com, Ape168.com, Atozbrand.com, At88.com, Bag1881.net
Bag4Sell.com, Bag925.com, BigWorldShoes.com, Bizyao.com, BrandFashioner.com,
Brandstreets.com.cn, BrandStyleSales.com, Brandtrading.net, BuyMyShoes.net, Cn-nike.us,
DreamyShoes.com, Eastarbiz.com, Eastarbiz.net, EBuyNike.com, ECshoes.com, EGoToBuy.com,
EMSYou.com, EShoes99.com, Eshoes99.net, Famous-Shop.com, Fansjersey.com,

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1	GucciFendi.com, GZ-Free.com, HandBagSell.com, Imitation-Gold.com, InNike.com,
2	Lkkfashion2006.com, Ilouisvuitton.com, LongTimeGroup.com, Louis-vuitton-bags.org,
3	Louisvuittonbagz.com, LoverNike.com, LuxeLike.com, Luxury2Us.com, LVBagz.com, lv-
4 5	handbag.com, lv-nike.com, MailGoods.com, Myshoes99.com, Nike558.com, Nikeexp.com,
6	NikeShoesOffer.com, NikeWTO.com, NonStopBeauty.com, PFCStation.com, PickHipHop.com,
7	PickYourGoods.com, PickYourOrder.com, Pro-Jordan.com, Queen-bag.com, Replica-ebags.com,
8	Replicabc.com, RRGNL.com, Shoes-Order.com, SoApparel.com, Soapparel.net, Sportsvendor.biz,
9	Sunny7Shoes.com, Super925.com, Swisshours.biz, Top-handbag.com, Tytrade88.com,
10	Watchesnreplica.com, WatchesReplica.net, WatchNReplica.net, WearOnline.net, Wendy929.com,
11	Wendy929.net, Wendyluxury.com, WorldKeyTrade.com, YeahEBay.com, Yseenet.net. Louis
12	Vuitton is further informed and believes that most, if not all, of the websites hosted by the ISP
13 14	Defendants are engaged in the trafficking of counterfeit merchandise, specifically including
14	merchandise infringing the Louis Vuitton Intellectual Properties.
16	32. Defendants have been repeatedly placed on notice of the counterfeit activity which
17	occurs using the hosting services offered by the ISP Defendants. Louis Vuitton has not granted
18	any of the Defendants license to use, exploit any of the Louis Vuitton Intellectual Properties. The
19	
20	ISP Defendants have taken no steps to limit, curtail, disable, stop or otherwise discontinue the
21	services they provide which make such infringing activity possible. Louis Vuitton is informed and
22	believes that the ISP Defendants generate revenue and profit from the Internet traffic and
23	counterfeit sales which occur as a result of their hosting activity.
24	33. Plaintiff has no adequate remedy at law and is suffering irreparable harm and
25 26	damages as a result of the acts of Defendants as aforesaid in an amount thus far not determined.
26 27	
28	
	Louis Vuitton v Akanoc, et al.: <u>First Amended</u> Complaint - 11 -

1	FIRST CLAIM FOR RELIEF
2	(For Contributory Trademark Infringement)
3	34. Plaintiff repeats and re-alleges all of the allegations contained in paragraphs 1
4	through 33, inclusive, as though fully set forth herein.
5 6	35. The Counterfeiting Websites are engaging in illegal conduct including but not
7	necessarily limited to the promotion, advertisement, offer for sale, sale and distribution of
8	counterfeit goods in violation of the Lanham Act, as amended.
9	36. Defendants have actual knowledge of the Counterfeiting Websites' illegal activities
10	from, among other things, written notification by counsel and agents for Plaintiff.
11	37. Defendants have deliberately disregarded these notifications and have otherwise
12	consciously avoided learning about the full extent of illegal counterfeiting and infringing activities
13 14	that are continuing at the Counterfeiting Websites.
14	38. Defendants have materially encouraged, enabled, and contributed to the infringing
16	conduct at the Counterfeiting Websites by providing, among other things, hosting the
17	Counterfeiting Websites, displaying offers for counterfeit products, facilitating communications by
18	and between the sellers of counterfeit goods over the Counterfeiting Websites and their
19	distributors, consumers and vendors.
20	39. Defendants therefore bear contributory liability for the Counterfeiting Websites'
21	counterfeiting of the Plaintiff's Trademarks in violation of 15 U.S.C. § 1051, et seq. and the
22	
23 24	common law.
25	40. Plaintiff has no adequate remedy at law and has suffered irreparable harm and
26	damage as a result of the contributory counterfeiting conduct of the Defendants.
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	Louis Vuitton v Akanoc, et al.: <u>First Amended</u> Complaint - 12 -

41. Plaintiff has sustained damages as a result of the Defendants' wrongful contributory conduct in an amount to be ascertained at trial but in no event less than One Million Dollars (\$1,000,000) per trademark per counterfeit.

### SECOND CLAIM FOR RELIEF

#### (For Vicarious Trademark Counterfeiting)

42. Plaintiff repeats and re-alleges all of the allegations contained in paragraphs 1through <u>41</u>, inclusive, as though fully set forth herein.

43. The illegal sales of products that infringe on the Plaintiff's Trademarks have generated enormous sums of monies for the Counterfeiting Websites.

44. Despite the Defendants' duty and right to control the Counterfeiting Websites, they have taken no steps to stop or otherwise prevent the ongoing counterfeiting at the websites operated by the Counterfeiting Websites or to disconnect links directing its users to such websites.

45. Defendants are therefore vicariously liable for the damages caused to Plaintiff as a result of the illegal promotion, advertisement, offer for sale and/or sale of counterfeit merchandise at the Counterfeiting Websites in violation of 15 U.S.C. § 1051, et seq. and the common law.

46. Plaintiff has sustained damages as a result of the Defendants' wrongful vicarious conduct in an amount to be determined at trial but in no event less than One Million Dollars (\$1,000,000) per trademark per counterfeited.

### THIRD CLAIM FOR RELIEF

### (Contributory and Vicarious Copyright Piracy)

47. Plaintiff repeats and re-alleges all of the allegations contained in paragraphs 1

through <u>33</u>, inclusive, as though fully set forth herein.

48. Louis Vuitton is informed and believes that Defendants earn revenues for hosting the Counterfeiting Websites for each Internet user directed to websites operated by the

Louis Vuitton v Akanoc, et al.: <u>First Amended</u> Complaint - 13 -

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1 2	Counterfeiting Websites. The ISP Defendants do so pursuant to terms of use which permit them to
3	discontinue links through websites offering product infringing the rights of third parties.
4	49. Defendants have actual knowledge of the illegal acts of the Counterfeiting Websites
5	from, among other things, written notification from Louis Vuitton. Defendants have therefore
6	deliberately disregarded and otherwise consciously avoided learning about the full extent of illegal
7	counterfeiting and infringing activities that are continuing at the websites operated by the
8	Counterfeiting Websites.
9	50. Defendants have knowingly and willfully permitted and continue to permit the
10	Counterfeiting Websites to sell and offer for sale unauthorized copies of products bearing the Louis
11	Vuitton Intellectual Properties at the Counterfeiting Websites.
12 13	51. Defendants have therefore materially encouraged, enabled, and contributed to the
13	infringing conduct at the websites operated by the Counterfeiting Websites.
15	52. Plaintiff has sustained, and will continue to sustain, substantial injuries, loss, and
16	damage to its exclusive rights in the Louis Vuitton Copyrights, and Plaintiff has sustained and will
17	continue to sustain damages from the loss of value of the exclusive rights thereunder as a result of
18	the Defendants' wrongful conduct in an amount to be determined at trial but in no event less than
19	One Hundred and Fifty Thousand Dollars (\$150,000) per copyright infringed.
20 21	PRAYER FOR RELIEF
22	WHEREFORE, Plaintiff demands:
23	1) That Defendants and their officers, agents, servants, employees, representatives,
24	successors, and assigns; and all other persons, firms, or corporations in active concert or
25	participation with them who receive actual notice of this Order, be temporarily, preliminarily and
26	permanently enjoined and restrained from:
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28	
	Louis Vuitton v Akanoc, et al.: <u>First Amended</u> Complaint - 14 -

1	a)	directly or indirectly infringing Plaintiff's Trademarks or any marks similar
2		thereto, in any manner, including generally, but not limited to engaging in
3		services and manufacturing, importing, distributing, advertising, selling,
4		and/or offering for sale any merchandise which infringes said Trademarks
5		and specifically:
6		i) advertising, selling, and/or offering for sale any other
7		
8 9		unauthorized merchandise, which pictures, reproduces, or
10		utilizes the likenesses of or which copy or are likely to cause
10		consumer confusion with any of Plaintiff's Trademarks;
12		ii) hosting websites which offer product purporting to be
13		Plaintiff's product or any imitation or replica thereof;
14	b)	indirectly infringing the Louis Vuitton Copyrights and Designs, in any
15		manner, including generally, but not limited to engaging in services and
16		manufacturing, importing, distributing, advertising, selling, and/or offering
17		for sale any merchandise which infringes said Copyrights and specifically:
18		i) advertising, selling, and/or offering for sale any other
19		unauthorized merchandise, which pictures, reproduces, or
20		utilizes the likenesses of or which copy or are substantially
21 22		similar to any of the Louis Vuitton Copyrights and Designs;
22		ii) hosting websites which offer product purporting to be
24		
25	,	Plaintiff's product or any imitation or replica thereof;
26	c)	effecting assignments or transfers, forming new entities or associations or
27		utilizing any other device for the purpose of circumventing or otherwise
28		avoiding the prohibitions set forth in subparagraphs A and B.
	Louis Vuitton v Akanoc, et al.:	<u>First Amended</u> Complaint - 15 -
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1	2)	That Defendants be required to acc	ount to Plaintiff for all profits and damages	
2	resulting from	n Defendants' infringing activities an	d that the award to Plaintiff be increased as	
3	provided for	under 15 U.S.C. §1117;		
4 5	3)	That Defendants pay over to Plaint	iff in the alternative statutory damages pursuant	
6	to 15 U.S.C.	§ 1117(c);		
7	4)	That Plaintiff have a recovery from	Defendants of the costs of this action and	
8	Plaintiff's re	asonable attorneys' fees pursuant to 1	5 U.S.C. §1117(b);	
9	5)	That Defendants be required to acc	ount to Plaintiff for all profits and damages	
10	resulting from	n Defendants' respective infringing a	ctivities as provided for under 17 U.S.C. §504;	
11	6)	That Defendants pay over to Plaint	iff in the alternative statutory damages pursuant	
12	to 15 U.S.C.	§ 504;		
13 14	7)	That Plaintiff have a recovery from	Defendants of the costs of this action and	
15	Plaintiff's re	asonable attorneys' fees pursuant to 1	7 U.S.C. §505;	
16	8)	That Plaintiff has all other and fur	ther relief as the Court may deem just and proper	Deleted: //¶
17	under the cir	cumstances.		
18	Dated: July	<u>15, 2008</u>	J. ANDREW COOMBS.	<b>Deleted:</b> 30, 2007
19			A Professional Corporation	
20			/s/ J. Andrew Coombs	Deleted:
21		۲. ۲.	By: J. Andrew Coombs Attorneys for Plaintiff Louis Vuitton Malletier,	
22			S.A.	
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27 28				
20	Louis Vuitton v Ak	anoc, et al.: First Amended Complaint - 1	6 -	
		-		

J. Andrew Coombs (SBN 123881) Annie S. Wang (SBN 243027)		
J. Andrew Coombs, A Prof. Corp. 517 East Wilson Avenue, Suite 202		
Glendale, California 91206 Telephone: (818) 500-3200		
Facsimile: (818) 500-3201		
<u>andy@coombspc.com</u> annie@coombspc.com		
Attorneys for Plaintiff Louis Vuitton Malletier, S.A.		
UNITED STATES D	ISTRICT COURT	
NORTHERN DISTRICT OF C	CALIFORNIA (SAN JOSE)	
) Louis Vuitton Malletier, S.A.,	Case No.: CV07-3952 JW	
Plaintiff, )	First Amended Complaint For:	
V. )	Contributory and Vicarious Trademark Infringement; Contributory and	
Akanoc Solutions, Inc., Managed Solutions	Vicarious Copyright Infringement	
Group, Inc., Steven Chen and Does 1 through 10,) inclusive,		
) Defendants.		
Plaintiff Louis Vuitton Malletier, S.A. ("Lou	uis Vuitton" or "Plaintiff") for its first amended	
complaint alleges as follows:		
I. Jurisdiction and Venue		
1. The claims alleged herein arise unde	r the Trademark Act, 15 U.S.C. § 1051, et seq.,	
and under the Copyright Act of 1976, 17 U.S.C. § 1	01, et seq., for (i) contributory and vicarious	
liability for trademark infringement; and (iii) contributory and vicarious liability for copyright		
infringement.		
	over the subject matter of this action pursuant to	
15 U.S.C. § 1121, 28 U.S.C. §§ 1331, 1332 and 133	08.	
Louis Vuitton v Akanoc, et al.: First Amended Complaint - 1 -		

3. This Court has personal jurisdiction over the Defendants because they do business and/or reside in the State of California and, as to the entities, do business, are incorporated, and/or are authorized to do business in the State of California.

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Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391.

## **II.** Introduction

5. The substantial profits to be reaped from piracy and counterfeiting have led to the creation, development and proliferation of business models, the object of which is to capitalize on world famous trademarks and copyrights owned by others, including those owned by Plaintiff. The opportunities created by the Internet have led to a dramatic increase in the opportunities to profit from such activity. These opportunities rely upon the active participation and contribution of third parties which make such illegal activities possible.

6. In particular, the promotion of infringing product and the offer of product for sale occurs through communications published on the Internet. These promotions, advertisements and offers are often published on websites which can be accessed by entering Internet addresses or through hypertext links which direct Internet users to websites containing such offers. Communications designed to complete sales of such infringing merchandise are transmitted over servers which host these same websites.

7. Defendants Akanoc Solutions Inc. ("Akanoc") and Managed Solutions Group, Inc. ("MSGI") operate servers hosting websites. Louis Vuitton is informed and believes that Defendant Steven Chen is an individual with responsibility for the operation and management of Akanoc and MSGI and that Akanoc and MSGI are under common control and ownership. Louis Vuitton is further informed and believes that Akanoc and MSGI were formed for and exist primarily to facilitate the promotion and advertisement of offers for counterfeit and infringing merchandise. Akanoc and MSGI aid and abet the distribution and sale of counterfeit and infringing merchandise - 2 -

Louis Vuitton v Akanoc, et al.: First Amended Complaint

through the provision of Internet hosting services and they do so knowingly and despite having been provided with full notice of such conduct. Louis Vuitton is informed and believes that Akanoc, MSGI and Chen benefit financially from the services they render hosting website which offer counterfeit Louis Vuitton merchandise and through which sales of such merchandise are consummated.

## III. <u>The Parties: Plaintiff</u>

8. Plaintiff is organized and existing under the laws of the Republic of France, with its principal place of business in Paris, France. Plaintiff owns the trademarks and trade names "LOUIS VUITTON", "VUITTON" and "LV" (hereinafter collectively referred to as "Plaintiff's Trademarks"). Plaintiff has engaged in services using Plaintiff's Trademarks and Plaintiff is the exclusive distributor in the United States of handbags, luggage and accessories, all of which bear one or more of Plaintiff's Trademarks. Plaintiff distributes authentic product online through www.eluxury.com.

9. Plaintiff is the sole and exclusive distributor in the United States of leather goods bearing Plaintiff's Trademarks, which are exclusively manufactured in France, Spain and San Dimas, California. Plaintiff is engaged in the manufacture, sale and distribution in interstate and foreign commerce of prestigious high-quality, luxury merchandise, including a wide variety of luggage, handbags, trunks, garment bags, wallets, small leather goods, apparel and other similar items sold throughout the United States in Louis Vuitton boutiques, and high quality retail stores such as Saks Fifth Avenue, Neiman Marcus and Bloomingdale's that contain departments operated by Plaintiff and staffed by Plaintiff's personnel.

10. Plaintiff is responsible for assembling, finishing, marketing and selling in interstate commerce high quality handbags, luggage, accessories and related products and/or services for men and women. Plaintiff has acquired an outstanding reputation because of the uniform high

Louis Vuitton v Akanoc, et al.: First Amended Complaint

EXHIBIT B

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quality of its handbags, luggage and accessories and the boutiques through which Plaintiff sells these products.

11. As a result of the Louis Vuitton boutiques, extensive advertising of Louis Vuitton in connection with Plaintiff's intellectual properties, the widespread sale of Louis Vuitton merchandise and the celebrity that Plaintiff and Plaintiff's intellectual properties have achieved, Louis Vuitton boutiques, handbags, luggage and accessories, all utilizing and/or bearing one or more of Plaintiff's intellectual properties have been and are now recognized by the public and the trade as originating from Plaintiff.

12. Commencing at least as early as 1932, Plaintiff adopted one or more of Plaintiff's Trademarks for handbags, luggage, accessories and related products and caused said trademarks to be registered in the United States Patent and Trademark Office.

13. Plaintiff is the owner of all rights in and to numerous trademarks including, but not limited to, Plaintiff's Trademarks that are the subject of the following trademark registrations:

<b>FRADEMARK</b>	<b>REGISTRATION</b> NUMBER	TRADEMARK PICTURE	CLASS OF GOODS
Louis Vuitton (Interlocked Letters) in a Circle Design	286,345	X	18
Louis Vuitton Interlocked Letters) and Monogram Canvas Design	297,594		18
LOUIS VUITTON	1,045,932	LOUIS VUITTON	18

TRADEMARK	<b>R</b> EGISTRATION NUMBER	TRADEMARK PICTURE	CLASS OF GOODS
Louis Vuitton (Interlocked Letters) Design	1,519,828	V	18
LOUIS VUITTON MALLETIER A PARIS in Pagetengle	1,615,681	LOUIS VUITTON MALLETIER A PARIS	16, 18
Rectangle Louis Vuitton (Interlocked Letters) on Epi Leather Design	1,655,564		18
Louis Vuitton (Interlocked Letters) and Monogram Canvas Pattern Design	1,770,131	* <u>*</u> ****** * <u>*</u> ************************	25
Louis Vuitton (Interlocked Letters) Design	1,794,905	<b>X</b>	16, 2
Louis Vuitton (Interlocked Letters) and Monogram Canvas Design	1,875,198		16

TRADEMARK	<b>R</b> EGISTRATION NUMBER	TRADEMARK PICTURE	CLASS OF GOODS
Louis Vuitton (Interlocked Letters)	1,938,808	X	14, 24
LOUIS VUITTON World Mark	1,990,760	LOUIS VUITTON	16, 18, 24
Louis Vuitton (Interlocked Letters) Design	2,291,907	X	34
LOUIS VUITTON	2,303,212	LOUIS VUITTON	34
Louis Vuitton (Interlocked Letters) Design	2,361,695	V	25
LOUIS VUITTON PARIS and Damier (pattern design)	2,378,388		18
14. F	laintiff's Tradema	rks are in full force and effect, and	are used and have neve
abandoned. Pla	intiff intends to co	ntinue to preserve and maintain its	rights with respect to
Plaintiff's Trade	emarks.		

15. Plaintiff's products utilizing and/or bearing one or more of Plaintiff's Trademarks, by reason of their style, distinctive designs and quality have come to be known by the purchasing public throughout the United States as being of the highest quality. As a result thereof, Plaintiff's Trademarks and the goodwill associated therewith are of inestimable value to Plaintiff.

16. Based on the Louis Vuitton boutiques and the extensive sales of Plaintiff's products and their wide popularity, Plaintiff's Trademarks have developed a secondary meaning and significance in the minds of the purchasing public, and the services and products utilizing and/or bearing such marks and names are immediately identified by the purchasing public with Plaintiff.

17. Those trademarks are vital to Plaintiff, and Plaintiff will suffer irreparable harm if any third parties, including Defendants herein, are allowed to continue engaging in services and selling infringing goods utilizing and/or bearing identical or substantially similar trademarks.

18. Louis Vuitton has also registered its copyrights in the United States Copyright Office and uses those copyrights in connection with its sale of luxury products. A significant aspect of Louis Vuitton's business is the merchandising of product incorporating the distinctive elements associated with its luxury goods.

19. The revenue from products that bear Louis Vuitton designs and are sold in the United States is substantial. The appearance and other features of the Louis Vuitton designs are inherently distinctive. The design, configuration, and distinctive features of the Louis Vuitton copyrighted works, and of works related thereto (hereinafter collectively, the "Louis Vuitton Copyrighted Designs"), are wholly original with Louis Vuitton and, as fixed in various tangible media, including merchandise, are copyrightable subject matter under the United States Copyrighted Designs, which, as featured in connection with various merchandise, are copyrightable subject matter under the Louis Vuitton Copyrighted Designs, which, as featured in connection with various merchandise, are copyrightable subject matter under the Copyright Act of 1976, 17 U.S.C. § 101, et seq. (The Plaintiff's Trademarks and

Louis Vuitton v Akanoc, et al.: First Amended Complaint

EXHIBIT B

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the Louis Vuitton Copyrighted Designs are hereinafter collectively referred to as the "Louis Vuitton Intellectual Properties").

20. Louis Vuitton has complied in all respects with the laws governing copyright and has secured the exclusive rights and privileges in and to the copyrights to Louis Vuitton Copyrighted Designs. Louis Vuitton owns certificates of registration for works in which the Louis Vuitton Copyrighted Designs appear. Copyright registrations secured by Louis Vuitton for the Louis Vuitton Copyrighted Designs include:

Copyright	Reg. No.	Date Published	Date Registered
Multicolor Monogram – Black Print	VA 1-250-121	12/18/02	06/24/04
Multicolor Monogram – White Print	VA 1-250-120	12/18/02	06/24/04

21. Products featuring the Louis Vuitton Copyrighted Designs that are manufactured, sold, and distributed by Louis Vuitton or under its authority have been manufactured, sold, and distributed in conformity with the provisions of the copyright laws. Louis Vuitton and those acting under its authority have complied with their obligations under the copyright laws and Louis Vuitton, in its own right or as successor-in-interest, has at all times been the sole proprietor or otherwise authorized to enforce all right, title, and interest in and to the copyrights in the Louis Vuitton Copyrighted Designs.

22. Louis Vuitton maintains strict quality control standards for all its products. All genuine Louis Vuitton products are inspected and approved by Louis Vuitton prior to distribution and sale and are sold only through Louis Vuitton stores and Louis Vuitton boutiques within department stores such as Saks Fifth Avenue, Neiman Marcus, and Bloomingdales, and ELuxury.com. No Louis Vuitton product is sold by anyone other than Louis Vuitton. By Louis Vuitton v Akanoc, et al.: First Amended Complaint -8 -

definition, any new (i.e. unused) product bearing any of the Louis Vuitton Intellectual Properties that is sold anywhere other than at a Louis Vuitton store (or ELuxury.com) is not a genuine Louis Vuitton product but rather a counterfeit product. Plaintiff does not sell its high-end products through licensees or franchisees and Plaintiff has not authorized independent retail vendors to engage in services and advertising utilizing and/or displaying the Louis Vuitton Intellectual Properties

23. At great expense, Louis Vuitton has created, developed, manufactured, advertised, and marketed its products in such a way that they convey and are associated with luxury products that meet the highest standards and are used by celebrities and dignitaries around the world.

24. Louis Vuitton's goods, so marked, continue to be recognized by the fashion industry and public as those of Louis Vuitton.

25. The Louis Vuitton Intellectual Properties and the goodwill of Louis Vuitton's business in connection with its trademarks and copyrights are continuously used and have never been abandoned.

## IV. The Parties: Defendants

26. Louis Vuitton is informed and believes that Akanoc is a California corporation with its principal office in Fremont, California. Akanoc is an internet service provider which, among other things, hosts commercial websites.

27. Louis Vuitton is informed and believes that MSGI is a California corporation with its principal office in Fremont, California. MSGI is an internet service provider which, among other things, hosts commercial websites. Akanoc and MSGI are collectively referred to herein as the "ISP Defendants".

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28. Louis Vuitton is informed and believes that Steve Chen is an individual resident in the City of Fremont and State of California. Louis Vuitton is further informed and believes that Steve Chen is an officer, owner and/or managing employee of Akanoc and MSGI.

29. Plaintiff is informed and believes, and upon that basis alleges, that at all relevant times each of the defendants Does 1 through 10, inclusive, are unknown to Plaintiff, who therefore sues such Doe defendants as individuals and/or business entities, agents, partners, and/or employees of the named Defendants, which, in taking the actions alleged in this Complaint, were acting within the scope of such agency, partnership, and/or employment.

## V. <u>The Infringing Activities</u>

30. The ISP Defendants host websites (the "Counterfeiting Websites") and facilitate communications between the sellers of counterfeit product who operate the Counterfeiting Websites and their customers. The Counterfeiting Websites offer, promote, advertise and facilitate the offer and sale of counterfeit merchandise which infringes the intellectual property rights of Louis Vuitton, among others. The Counterfeiting Websites publish unauthorized reproductions of the Louis Vuitton Copyrighted Designs to promote the sale of counterfeit merchandise. Louis Vuitton is informed and believes that the servers upon which the Counterfeiting Websites are hosted are also used to transmit communications by and between the operators of the Counterfeiting Websites and their customers.

31. The websites hosted by servers maintained by the ISP Defendants include but are not limited to the following: 315EC.com, Ape168.com, Atozbrand.com, At88.com, Bag1881.net, Bag4Sell.com, Bag925.com, BigWorldShoes.com, Bizyao.com, BrandFashioner.com, Brandstreets.com.cn, BrandStyleSales.com, Brandtrading.net, BuyMyShoes.net, Cn-nike.us, DreamyShoes.com, Eastarbiz.com, Eastarbiz.net, EBuyNike.com, ECshoes.com, EGoToBuy.com, EMSYou.com, EShoes99.com, Eshoes99.net, Famous-Shop.com, Fansjersey.com,

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GucciFendi.com, GZ-Free.com, HandBagSell.com, Imitation-Gold.com, InNike.com, Lkkfashion2006.com, Ilouisvuitton.com, LongTimeGroup.com, Louis-vuitton-bags.org, Louisvuittonbagz.com, LoverNike.com, LuxeLike.com, Luxury2Us.com, LVBagz.com, lvhandbag.com, lv-nike.com, MailGoods.com, Myshoes99.com, Nike558.com, Nikeexp.com, NikeShoesOffer.com, NikeWTO.com, NonStopBeauty.com, PFCStation.com, PickHipHop.com, PickYourGoods.com, PickYourOrder.com, Pro-Jordan.com, Queen-bag.com, Replica-ebags.com, Replicabc.com, RRGNL.com, Shoes-Order.com, SoApparel.com, Soapparel.net, Sportsvendor.biz, Sunny7Shoes.com, Super925.com, Swisshours.biz, Top-handbag.com, Tytrade88.com, Watchesnreplica.com, WatchesReplica.net, WatchNReplica.net, WearOnline.net, Wendy929.com, Wendy929.net, Wendyluxury.com, WorldKeyTrade.com, YeahEBay.com, Yseenet.net. Louis Vuitton is further informed and believes that most, if not all, of the websites hosted by the ISP Defendants are engaged in the trafficking of counterfeit merchandise, specifically including merchandise infringing the Louis Vuitton Intellectual Properties.

32. Defendants have been repeatedly placed on notice of the counterfeit activity which occurs using the hosting services offered by the ISP Defendants. Louis Vuitton has not granted any of the Defendants license to use, exploit any of the Louis Vuitton Intellectual Properties. The ISP Defendants have taken no steps to limit, curtail, disable, stop or otherwise discontinue the services they provide which make such infringing activity possible. Louis Vuitton is informed and believes that the ISP Defendants generate revenue and profit from the Internet traffic and counterfeit sales which occur as a result of their hosting activity.

33. Plaintiff has no adequate remedy at law and is suffering irreparable harm and damages as a result of the acts of Defendants as aforesaid in an amount thus far not determined.

Louis Vuitton v Akanoc, et al.: First Amended Complaint

- 11 -

1	FIRST CLAIM FOR RELIEF	
2	(For Contributory Trademark Infringement)	
3	34. Plaintiff repeats and re-alleges all of the allegations contained in paragraphs 1	
	through 33, inclusive, as though fully set forth herein.	
	35. The Counterfeiting Websites are engaging in illegal conduct including but not	
	necessarily limited to the promotion, advertisement, offer for sale, sale and distribution of	
	counterfeit goods in violation of the Lanham Act, as amended.	
	36. Defendants have actual knowledge of the Counterfeiting Websites' illegal activities	
	from, among other things, written notification by counsel and agents for Plaintiff.	
	37. Defendants have deliberately disregarded these notifications and have otherwise	
	consciously avoided learning about the full extent of illegal counterfeiting and infringing activities	
	that are continuing at the Counterfeiting Websites.	
	38. Defendants have materially encouraged, enabled, and contributed to the infringing	
	conduct at the Counterfeiting Websites by providing, among other things, hosting the	
	Counterfeiting Websites, displaying offers for counterfeit products, facilitating communications by	,
	and between the sellers of counterfeit goods over the Counterfeiting Websites and their	
	distributors, consumers and vendors.	
	39. Defendants therefore bear contributory liability for the Counterfeiting Websites'	
	counterfeiting of the Plaintiff's Trademarks in violation of 15 U.S.C. § 1051, et seq. and the	
	common law.	
	40. Plaintiff has no adequate remedy at law and has suffered irreparable harm and	
	damage as a result of the contributory counterfeiting conduct of the Defendants.	
	damage as a result of the contributory counterrenting conduct of the Derendants.	
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41. Plaintiff has sustained damages as a result of the Defendants' wrongful contributory conduct in an amount to be ascertained at trial but in no event less than One Million Dollars
 (\$1,000,000) per trademark per counterfeit.

### SECOND CLAIM FOR RELIEF

### (For Vicarious Trademark Counterfeiting)

42. Plaintiff repeats and re-alleges all of the allegations contained in paragraphs 1 through 41, inclusive, as though fully set forth herein.

43. The illegal sales of products that infringe on the Plaintiff's Trademarks have generated enormous sums of monies for the Counterfeiting Websites.

44. Despite the Defendants' duty and right to control the Counterfeiting Websites, they have taken no steps to stop or otherwise prevent the ongoing counterfeiting at the websites operated by the Counterfeiting Websites or to disconnect links directing its users to such websites.

45. Defendants are therefore vicariously liable for the damages caused to Plaintiff as a result of the illegal promotion, advertisement, offer for sale and/or sale of counterfeit merchandise at the Counterfeiting Websites in violation of 15 U.S.C. § 1051, et seq. and the common law.

46. Plaintiff has sustained damages as a result of the Defendants' wrongful vicarious conduct in an amount to be determined at trial but in no event less than One Million Dollars (\$1,000,000) per trademark per counterfeited.

## THIRD CLAIM FOR RELIEF

### (Contributory and Vicarious Copyright Piracy)

47. Plaintiff repeats and re-alleges all of the allegations contained in paragraphs 1 through 33, inclusive, as though fully set forth herein.

48. Louis Vuitton is informed and believes that Defendants earn revenues for hosting the Counterfeiting Websites for each Internet user directed to websites operated by the

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Counterfeiting Websites. The ISP Defendants do so pursuant to terms of use which permit them to discontinue links through websites offering product infringing the rights of third parties.

49. Defendants have actual knowledge of the illegal acts of the Counterfeiting Websites from, among other things, written notification from Louis Vuitton. Defendants have therefore deliberately disregarded and otherwise consciously avoided learning about the full extent of illegal counterfeiting and infringing activities that are continuing at the websites operated by the Counterfeiting Websites.

50. Defendants have knowingly and willfully permitted and continue to permit the Counterfeiting Websites to sell and offer for sale unauthorized copies of products bearing the Louis Vuitton Intellectual Properties at the Counterfeiting Websites.

51. Defendants have therefore materially encouraged, enabled, and contributed to the infringing conduct at the websites operated by the Counterfeiting Websites.

52. Plaintiff has sustained, and will continue to sustain, substantial injuries, loss, and damage to its exclusive rights in the Louis Vuitton Copyrights, and Plaintiff has sustained and will continue to sustain damages from the loss of value of the exclusive rights thereunder as a result of the Defendants' wrongful conduct in an amount to be determined at trial but in no event less than One Hundred and Fifty Thousand Dollars (\$150,000) per copyright infringed.

## PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands:

1) That Defendants and their officers, agents, servants, employees, representatives, successors, and assigns; and all other persons, firms, or corporations in active concert or participation with them who receive actual notice of this Order, be temporarily, preliminarily and permanently enjoined and restrained from:

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1	a)	directly or indirectly infringing Plaintiff's Trademarks or any marks similar
2		thereto, in any manner, including generally, but not limited to engaging in
3		services and manufacturing, importing, distributing, advertising, selling,
4		and/or offering for sale any merchandise which infringes said Trademarks
5		and specifically:
6		
7		i) advertising, selling, and/or offering for sale any other
8		unauthorized merchandise, which pictures, reproduces, or
9		utilizes the likenesses of or which copy or are likely to cause
10		consumer confusion with any of Plaintiff's Trademarks;
11 12		ii) hosting websites which offer product purporting to be
12		Plaintiff's product or any imitation or replica thereof;
14	b)	indirectly infringing the Louis Vuitton Copyrights and Designs, in any
15		manner, including generally, but not limited to engaging in services and
16		manufacturing, importing, distributing, advertising, selling, and/or offering
17		for sale any merchandise which infringes said Copyrights and specifically:
18		i) advertising, selling, and/or offering for sale any other
19		unauthorized merchandise, which pictures, reproduces, or
20		utilizes the likenesses of or which copy or are substantially
21		
22		similar to any of the Louis Vuitton Copyrights and Designs;
23		ii) hosting websites which offer product purporting to be
24		Plaintiff's product or any imitation or replica thereof;
25	c)	effecting assignments or transfers, forming new entities or associations or
26		utilizing any other device for the purpose of circumventing or otherwise
27		avoiding the prohibitions set forth in subparagraphs A and B.
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		EXHIBIT B PAGE 37

2)	That Defendants be required to ac	ccount to Plaintiff for all profits and damages	
resulting from	m Defendants' infringing activities	and that the award to Plaintiff be increased as	
provided for	under 15 U.S.C. §1117;		
3)	That Defendants pay over to Plain	ntiff in the alternative statutory damages pursuant	
to 15 U.S.C.	§ 1117(c);		
4)	That Plaintiff have a recovery fro	m Defendants of the costs of this action and	
Plaintiff's re	asonable attorneys' fees pursuant to	15 U.S.C. §1117(b);	
5)	That Defendants be required to a	ccount to Plaintiff for all profits and damages	
resulting from	m Defendants' respective infringing	activities as provided for under 17 U.S.C. §504;	
6) That Defendants pay over to Plaintiff in the alternative statutory damages pursuant			
to 15 U.S.C.			
7)	That Plaintiff have a recovery from Defendants of the costs of this action and		
·	reasonable attorneys' fees pursuant to 17 U.S.C. §505;		
8)		orther relief as the Court may deem just and proper	
under the cir	cumstances.		
Dated: July	15, 2008	J. ANDREW COOMBS, A Professional Corporation	
		/s/ J. Andrew Coombs	
		By: J. Andrew Coombs Attorneys for Plaintiff Louis Vuitton Malletier,	
		S.A.	
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