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12 UNITED STATES DISTRICT COURT
13
14 NORTHERN DISTRICT OF CALIFORNIA (SAN JOSE)

15 Louis Vuitton Malletier, S.A.,)	Case No.: CV07-3952 JW
)	
16 Plaintiff,)	First Amended Complaint For:
)	Contributory and Vicarious Trademark
17 v.)	Infringement; Contributory and
)	Vicarious Copyright Infringement
18 Akanoc Solutions, Inc., Managed Solutions)	
19 Group, Inc., Steven Chen and Does 1 through 10,)	
20 inclusive,)	
)	
21 Defendants.)	

22 Plaintiff Louis Vuitton Malletier, S.A. (“Louis Vuitton” or “Plaintiff”) for its first amended
23 complaint alleges as follows:

24 **I. Jurisdiction and Venue**

25 1. The claims alleged herein arise under the Trademark Act, 15 U.S.C. § 1051, et seq.,
26 and under the Copyright Act of 1976, 17 U.S.C. § 101, et seq., for (i) contributory and vicarious
27 liability for trademark infringement; and (iii) contributory and vicarious liability for copyright
28 infringement.

29 2. This Court has original jurisdiction over the subject matter of this action pursuant to
30 15 U.S.C. § 1121, 28 U.S.C. §§ 1331, 1332 and 1338.

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

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

5 **II. Introduction**

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

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

18 7. Defendants Akanoc Solutions Inc. (“Akanoc”) and Managed Solutions Group, Inc.
19 (“MSGI”) operate servers hosting websites. Louis Vuitton is informed and believes that Defendant
20 Steven Chen is an individual with responsibility for the operation and management of Akanoc and
21 MSGI and that Akanoc and MSGI are under common control and ownership. Louis Vuitton is
22 further informed and believes that Akanoc and MSGI were formed for and exist primarily to
23 facilitate the promotion and advertisement of offers for counterfeit and infringing merchandise.
24 Akanoc and MSGI aid and abet the distribution and sale of counterfeit and infringing merchandise
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1 through the provision of Internet hosting services and they do so knowingly and despite having
2 been provided with full notice of such conduct. Louis Vuitton is informed and believes that
3 Akanoc, MSGI and Chen benefit financially from the services they render hosting website which
4 offer counterfeit Louis Vuitton merchandise and through which sales of such merchandise are
5 consummated.

7 **III. The Parties: Plaintiff**

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

16 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
18 Dimas, California. Plaintiff is engaged in the manufacture, sale and distribution in interstate and
19 foreign commerce of prestigious high-quality, luxury merchandise, including a wide variety of
20 luggage, handbags, trunks, garment bags, wallets, small leather goods, apparel and other similar
21 items sold throughout the United States in Louis Vuitton boutiques, and high quality retail stores
22 such as Saks Fifth Avenue, Neiman Marcus and Bloomingdale’s that contain departments operated
23 by Plaintiff and staffed by Plaintiff’s personnel.



25 10. Plaintiff is responsible for assembling, finishing, marketing and selling in interstate
26 commerce high quality handbags, luggage, accessories and related products and/or services for
27 men and women. Plaintiff has acquired an outstanding reputation because of the uniform high
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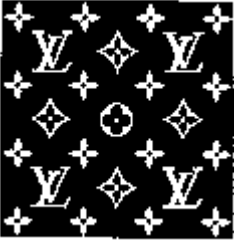
1 quality of its handbags, luggage and accessories and the boutiques through which Plaintiff sells
2 these products.




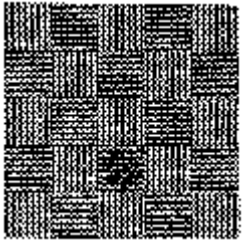
3
4 11. As a result of the Louis Vuitton boutiques, extensive advertising of Louis Vuitton in
5 connection with Plaintiff's intellectual properties, the widespread sale of Louis Vuitton
6 merchandise and the celebrity that Plaintiff and Plaintiff's intellectual properties have achieved,
7 Louis Vuitton boutiques, handbags, luggage and accessories, all utilizing and/or bearing one or
8 more of Plaintiff's intellectual properties have been and are now recognized by the public and the
9 trade as originating from Plaintiff.

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

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

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

TRADEMARK	REGISTRATION NUMBER	TRADEMARK PICTURE	CLASS OF GOODS
Louis Vuitton (Interlocked Letters) Design	1,519,828		18
LOUIS VUITTON MALLETIER A PARIS in Rectangle	1,615,681		16, 18
Louis Vuitton (Interlocked Letters) on Epi Leather Design	1,655,564		18
Louis Vuitton (Interlocked Letters) and Monogram Canvas Pattern Design	1,770,131		25
Louis Vuitton (Interlocked Letters) Design	1,794,905		16, 25
Louis Vuitton (Interlocked Letters) and Monogram Canvas Design	1,875,198		16

TRADEMARK	REGISTRATION NUMBER	TRADEMARK PICTURE	CLASS OF GOODS
Louis Vuitton (Interlocked Letters)	1,938,808		14, 24
LOUIS VUITTON World Mark	1,990,760	LOUIS VUITTON	16, 18, 24, 25
Louis Vuitton (Interlocked Letters) Design	2,291,907		34
LOUIS VUITTON	2,303,212	LOUIS VUITTON	34
Louis Vuitton (Interlocked Letters) Design	2,361,695		25
LOUIS VUITTON PARIS and Damier (pattern design)	2,378,388		18

14. Plaintiff's Trademarks are in full force and effect, and are used and have never been abandoned. Plaintiff intends to continue to preserve and maintain its rights with respect to Plaintiff's Trademarks.

1 15. Plaintiff's products utilizing and/or bearing one or more of Plaintiff's Trademarks,
2 by reason of their style, distinctive designs and quality have come to be known by the purchasing
3 public throughout the United States as being of the highest quality. As a result thereof, Plaintiff's
4 Trademarks and the goodwill associated therewith are of inestimable value to Plaintiff.
5

6 16. Based on the Louis Vuitton boutiques and the extensive sales of Plaintiff's products
7 and their wide popularity, Plaintiff's Trademarks have developed a secondary meaning and
8 significance in the minds of the purchasing public, and the services and products utilizing and/or
9 bearing such marks and names are immediately identified by the purchasing public with Plaintiff.
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11 17. Those trademarks are vital to Plaintiff, and Plaintiff will suffer irreparable harm if
12 any third parties, including Defendants herein, are allowed to continue engaging in services and
13 selling infringing goods utilizing and/or bearing identical or substantially similar trademarks.

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

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

3 20. Louis Vuitton has complied in all respects with the laws governing copyright and
4 has secured the exclusive rights and privileges in and to the copyrights to Louis Vuitton
5 Copyrighted Designs. Louis Vuitton owns certificates of registration for works in which the Louis
6 Vuitton Copyrighted Designs appear. Copyright registrations secured by Louis Vuitton for the
7 Louis Vuitton Copyrighted Designs include:
8

9

<u>Copyright</u>	<u>Reg. No.</u>	<u>Date Published</u>	<u>Date Registered</u>
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

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15 21. Products featuring the Louis Vuitton Copyrighted Designs that are manufactured,
16 sold, and distributed by Louis Vuitton or under its authority have been manufactured, sold, and
17 distributed in conformity with the provisions of the copyright laws. Louis Vuitton and those acting
18 under its authority have complied with their obligations under the copyright laws and Louis
19 Vuitton, in its own right or as successor-in-interest, has at all times been the sole proprietor or
20 otherwise authorized to enforce all right, title, and interest in and to the copyrights in the Louis
21 Vuitton Copyrighted Designs.
22

23 22. Louis Vuitton maintains strict quality control standards for all its products. All
24 genuine Louis Vuitton products are inspected and approved by Louis Vuitton prior to distribution
25 and sale and are sold only through Louis Vuitton stores and Louis Vuitton boutiques within
26 department stores such as Saks Fifth Avenue, Neiman Marcus, and Bloomingdales, and
27 ELuxury.com. No Louis Vuitton product is sold by anyone other than Louis Vuitton. By
28

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
4 through licensees or franchisees and Plaintiff has not authorized independent retail vendors to
5 engage in services and advertising utilizing and/or displaying the Louis Vuitton Intellectual
6 Properties
7

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 and public as those of Louis Vuitton.

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

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17 **IV. The Parties: Defendants**

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 other things, hosts commercial websites.

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

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

9
10 **V. The Infringing Activities**

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

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21 31. The websites hosted by servers maintained by the ISP Defendants include but are
22 not limited to the following: 315EC.com, Ape168.com, Atozbrand.com, At88.com, Bag1881.net,
23 Bag4Sell.com, Bag925.com, BigWorldShoes.com, Bizyao.com, BrandFashioner.com,
24 Brandstreets.com.cn, BrandStyleSales.com, Brandtrading.net, BuyMyShoes.net, Cn-nike.us,
25 DreamyShoes.com, Eastarbiz.com, Eastarbiz.net, EBuyNike.com, ECshoes.com, EGoToBuy.com,
26 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 handbag.com, lv-nike.com, MailGoods.com, Myshoes99.com, Nike558.com, Nikeexp.com,
5 NikeShoesOffer.com, NikeWTO.com, NonStopBeauty.com, PFCStation.com, PickHipHop.com,
6 PickYourGoods.com, PickYourOrder.com, Pro-Jordan.com, Queen-bag.com, Replica-ebags.com,
7 Replicabc.com, RRGNL.com, Shoes-Order.com, SoApparel.com, Soapparel.net, Sportsvendor.biz,
8 Sunny7Shoes.com, Super925.com, Swisshours.biz, Top-handbag.com, Tytrade88.com,
9 Watchesnreplica.com, WatchesReplica.net, WatchNReplica.net, WearOnline.net, Wendy929.com,
10 Wendy929.net, Wendyluxury.com, WorldKeyTrade.com, YeahEBay.com, Yseenet.net. Louis
11 Vuitton is further informed and believes that most, if not all, of the websites hosted by the ISP
12 Defendants are engaged in the trafficking of counterfeit merchandise, specifically including
13 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 ISP Defendants have taken no steps to limit, curtail, disable, stop or otherwise discontinue the
20 services they provide which make such infringing activity possible. Louis Vuitton is informed and
21 believes that the ISP Defendants generate revenue and profit from the Internet traffic and
22 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 damages as a result of the acts of Defendants as aforesaid in an amount thus far not determined.

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 35. The Counterfeiting Websites are engaging in illegal conduct including but not
6 necessarily limited to the promotion, advertisement, offer for sale, sale and distribution of
7 counterfeit goods in violation of the Lanham Act, as amended.

8 36. Defendants have actual knowledge of the Counterfeiting Websites' illegal activities
9 from, among other things, written notification by counsel and agents for Plaintiff.

10 37. Defendants have deliberately disregarded these notifications and have otherwise
11 consciously avoided learning about the full extent of illegal counterfeiting and infringing activities
12 that are continuing at the Counterfeiting Websites.

13 38. Defendants have materially encouraged, enabled, and contributed to the infringing
14 conduct at the Counterfeiting Websites by providing, among other things, hosting the
15 Counterfeiting Websites, displaying offers for counterfeit products, facilitating communications by
16 and between the sellers of counterfeit goods over the Counterfeiting Websites and their
17 distributors, consumers and vendors.

18 39. Defendants therefore bear contributory liability for the Counterfeiting Websites'
19 counterfeiting of the Plaintiff's Trademarks in violation of 15 U.S.C. § 1051, et seq. and the
20 common law.

21 40. Plaintiff has no adequate remedy at law and has suffered irreparable harm and
22 damage as a result of the contributory counterfeiting conduct of the Defendants.
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1 Counterfeiting Websites. The ISP Defendants do so pursuant to terms of use which permit them to
2 discontinue links through websites offering product infringing the rights of third parties.

3 49. Defendants have actual knowledge of the illegal acts of the Counterfeiting Websites
4 from, among other things, written notification from Louis Vuitton. Defendants have therefore
5 deliberately disregarded and otherwise consciously avoided learning about the full extent of illegal
6 counterfeiting and infringing activities that are continuing at the websites operated by the
7 Counterfeiting Websites.
8

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
14 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.
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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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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:
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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 ii) hosting websites which offer product purporting to be
12 Plaintiff's product or any imitation or replica thereof;
13

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 similar to any of the Louis Vuitton Copyrights and Designs;

22 ii) hosting websites which offer product purporting to be
23 Plaintiff's product or any imitation or replica thereof;
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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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