

**THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

CHANEL, INC., a New York corporation,

Plaintiff,

vs.

THE PARTNERSHIPS and
UNINCORPORATED ASSOCIATIONS
IDENTIFIED ON SCHEDULE "A" and
DOES 1-1000,

Defendants.

COMPLAINT FOR INJUNCTIVE RELIEF

Plaintiff CHANEL, INC. ("Chanel"), a New York corporation, ("Plaintiff" or "Chanel") hereby sues Defendants, THE PARTNERSHIPS and UNINCORPORATED ASSOCIATIONS IDENTIFIED ON SCHEDULE "A" and DOES 1-1000 (collectively "Defendants"), and alleges as follows:

JURISDICTION AND VENUE

1. This is an action pursuant to 15 U.S.C. §§ 1114, 1116, 1121 and 1125(a) and (d). Accordingly, this Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338.

2. Venue is proper in this Court pursuant 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over Defendants since all Defendants directly target business activities towards consumers in Florida and cause harm to Chanel's business within this District through, at least, various fully interactive Internet websites, including those operating under their partnership and/or unincorporated association names (the "Subject Domain Names").

THE PLAINTIFF

3. Chanel is a corporation duly organized under the laws of the State of New York with its principal place of business in the United States located at Nine West 57th Street, New York, New York 10019. Chanel operates boutiques throughout the world, including within this Judicial District. Chanel is, in part, engaged in the business of manufacturing and distributing throughout the world, including within this Judicial District, a variety of high quality luxury goods, including, but not limited to, handbags and wallets, under multiple world famous common law and Federally registered trademarks including those identified in Paragraph 13 below. Chanel offers for sale and sells its trademarked goods within this Judicial District. Defendants' sales of counterfeit and infringing Chanel branded products are causing damage to Chanel within this Jurisdiction. Chanel regularly enforces its intellectual property rights and authorized that this action be brought in its name.

4. Like all other famous trademark owners in the field of luxury goods, Chanel suffers ongoing daily and sustained violations of its trademark rights at the hands of counterfeiters and infringers, such as the Defendants herein, who wrongfully reproduce and counterfeit Chanel's trademarks for the twin purposes of (i) duping and confusing the consuming public and (ii) earning substantial profits. The natural and intended byproduct of Defendants' actions is the erosion and destruction of the goodwill associated with the Chanel name and associated trademarks.

5. In order to combat the harm caused by the combined actions of Defendants and others engaging in similar conduct, each year Chanel expends millions of dollars in connection with trademark enforcement efforts, including legal fees, investigative fees, and support mechanisms for law enforcement, such as field training guides and seminars. The recent

explosion of counterfeiting over the Internet has created an environment which requires Chanel to file a massive number of lawsuits, often it later turns out, against the same individuals and groups, in order to protect both consumers and itself from the ill effects of confusion and the erosion of the goodwill connected to the Chanel brand. The financial burden on Chanel and companies similarly situated is staggering, as is the resulting burden on the Federal court system.

THE DEFENDANTS

6. Defendants are partnerships or unincorporated business associations which operate through domain names registered with registrars in multiple countries, including the United States, the People's Republic of China, and the Commonwealth of the Bahamas, and are comprised of individuals and/or business entities of unknown makeup, many of whom likely reside in the People's Republic of China or other foreign jurisdictions with lax trademark enforcement systems. Defendants have the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b). Defendants target their business activities towards consumers throughout the United States, including within this Judicial District through the operation of the fully interactive commercial websites operating under the Subject Domain Names identified on Schedule "A" hereto. Multiple Defendants may operate blog style websites under some of the Subject Domain Names which also provide support and direct customer traffic to the fully interactive websites operating under the other Subject Domain Names. Defendants are directly and personally contributing to, inducing and engaging in the sale of counterfeit products as alleged herein, often times as partners, co-conspirators and/or suppliers. The partnership or unincorporated association names used by Defendants are set forth on Schedule "A" hereto. Chanel is presently unaware of the true names of Does 1-1000. Chanel will amend this Complaint upon discovery of the identities of such fictitious Defendants.

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

8. Defendants engage in unfair competition with Chanel and engage in the offering for sale and sale of counterfeit and infringing Chanel branded products within this Judicial District through multiple fully interactive commercial websites operating under at least the Subject Domain Names. Defendants, upon information and belief, also operate additional websites which promote and offer for sale counterfeit and infringing goods under domain names not yet known to Plaintiff. Defendants have purposefully directed their illegal activities towards consumers in the State of Florida through the advertisement, offer to sell, sale and shipment of counterfeit Chanel branded goods into the State.

9. Upon information and belief, Defendants will continue to register or acquire new domain names for the purpose of selling goods bearing counterfeits and infringements of Chanel's trademarks unless preliminarily and permanently enjoined.


10. Defendants' Internet-based website businesses amount to nothing more than massive illegal operations, infringing on the intellectual property rights of Chanel and others.



11. Defendants use and have registered, established or purchased and maintained the Subject Domain Names. Upon information and belief, Defendants have engaged in fraudulent conduct with respect to the registration of the Subject Domain Names by providing false and/or misleading information to their various Registrars during the Registration or maintenance process. Upon information and belief, many of the Defendants have anonymously registered and maintained some of the Subject Domain Names for the sole purpose of engaging in illegal counterfeiting activities.

12. Defendants’ business names, i.e., the Subject Domain Names and any other domain names used in connection with the sale of counterfeits bearing Chanel’s trademarks, are essential components of Defendants’ counterfeiting and infringing activities. The Subject Domain Names themselves are the means by which Defendants further their counterfeiting and infringing scheme and cause harm to Chanel. Moreover, Defendants are using Chanel’s famous name and trademarks to drive Internet consumer traffic to their websites operating under the Subject Domain Names, thereby creating and increasing the value of the Subject Domain Names at Chanel’s expense.

COMMON FACTUAL ALLEGATIONS

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

Trademark	Registration Number	Registration Date	Class(es)/Goods
CHANEL	0,626,035	May 1, 1956	IC 018 – Women’s Handbags
	1,314,511	January 15, 1985	IC 018 - Leather Goods-Namely, Handbags
CHANEL	1,347,677	July 9, 1985	IC 018 - Leather Goods-namely, Handbags
CHANEL	1,733,051	November 17, 1992	IC 018 - Leather Goods; namely, Handbags, Wallets, Travel Bags, Luggage, Business and Credit Card Cases, Change Purses, Tote Bags, Cosmetic Bags Sold Empty, and Garment Bags for Travel

	1,734,822	November 24, 1992	IC 018 - Leather Goods; namely, Handbags, Wallets, Travel Bags, Luggage, Business Card Cases, Change Purses, Tote Bags, and Cosmetic Bags Sold Empty
	3,025,934	December 13, 2005	IC 018 – Handbags

(the “Chanel Marks”) and are used in connection with the manufacture and distribution of high quality goods in the categories identified above.

14. The Chanel Marks have been used in interstate commerce to identify and distinguish Chanel's high quality handbags, wallets, and other goods for an extended period of time.

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

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

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

18. Chanel has extensively used, advertised and promoted the Chanel Marks in the United States in association with the sale of high quality handbags, wallets, and other goods and has carefully monitored and policed the use of the Chanel Marks.

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

20. Accordingly, the Chanel Marks have achieved secondary meaning as identifiers of high quality handbags, wallets, watches, and other goods.

21. Genuine Chanel branded goods are widely legitimately advertised and promoted by Chanel, its authorized distributors and unrelated third parties via the Internet. Over the course of the past five to seven years, visibility on the Internet, particularly via Internet search engines such as Google, Yahoo!, and Bing has become increasingly important to Chanel's overall marketing and consumer education efforts. Thus, Chanel expends significant monetary resources on Internet marketing and consumer education, including search engine optimization ("SEO") strategies. Those strategies allow Chanel and its authorized retailers to fairly and legitimately educate consumers about the value associated with the Chanel brand and the goods sold thereunder. SEO is a now common marketing process whereby a company or individual designs, supports, structures and phrases Internet website content in order to enhance a website's profile for search engines over a variety of search terms.

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

23. Chanel has discovered Defendants are promoting and otherwise advertising, distributing, selling and/or offering for sale counterfeit products, including, at least handbags and wallets bearing marks which are exact copies or colorable imitations of the Chanel Marks (the "Defendants' Goods"). Specifically, upon information and belief, Defendants are using the Chanel Marks for different quality goods.

24. The Defendants' Goods are of a quality substantially different than that of Chanel's genuine goods. Despite the nature of the Defendants' Goods and the knowledge they

are without authority to do so, Defendants are actively using, promoting and otherwise advertising, distributing, selling and/or offering for sale substantial quantities of such goods with the knowledge that such goods will be mistaken for the genuine high quality products offered for sale by Chanel. The net effect of Defendants' actions will be to result in the confusion of consumers at the time of initial interest, sale, and in the post-sale setting, who will believe Defendants' Goods are genuine goods originating from, associated with, and approved by Chanel.

25. Defendants advertise their products for sale to the consuming public. In so advertising these products, Defendants improperly and unlawfully use the Chanel Marks. Upon information and belief, the misappropriation of the Chanel Marks has been the proximate cause of harm to Chanel.

26. As part of their overall infringement and counterfeiting scheme, the Defendants are, upon information and belief, all employing substantially similar, and often times coordinated, SEO strategies based, in large measure, upon an illegal use of counterfeits and infringements of the Chanel Marks. Specifically, the Defendants are using counterfeits of Chanel's name and the Chanel Marks in order to make their websites selling illegal goods appear more relevant and attractive to search engines across an array of search terms. By their actions, the Defendants are causing concurrent and indivisible harm to Chanel and the consuming public by (i) depriving Chanel and other third parties of the ability to fairly compete for space within search engine results, (ii) causing an overall degradation of the value of the goodwill associated with the Chanel Marks and (iii) increasing Chanel's overall cost to market its goods and educate consumers about the brand via the Internet.

27. Upon information and belief, Defendants are concurrently conducting their

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

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

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

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

31. Chanel has no adequate remedy at law.

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

33. The injuries and damages sustained by Chanel have been directly and proximately caused by Defendants' wrongful reproduction, use, advertisement, promotion, offering to sell, and sale of the Defendants' Goods.

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

COUNT I - TRADEMARK COUNTERFEITING AND INFRINGEMENT

35. Chanel hereby adopts and re-alleges the allegations set forth in Paragraphs 1 through 34 above.

36. This is an action for trademark counterfeiting and infringement against Defendants based on their use of counterfeits, copies, and/or colorable imitations of the Chanel Marks in commerce in connection with the promotion, advertisement, distribution, sale and/or offering for sale of the Defendants' Goods.

37. Specifically, Defendants are promoting and otherwise advertising, selling, offering for sale and distributing, at least, counterfeit and/or infringing handbags and wallets bearing the Chanel Marks. Defendants are continuously infringing and inducing others to infringe the Chanel Marks by using them to advertise, promote and sell, at least, counterfeit and infringing handbags and wallets.

38. Defendants' concurrent counterfeiting, infringing, and unfairly competitive activities are likely to cause and, upon information and belief, actually are causing confusion, mistake and deception among members of the trade and the general consuming public as to the origin and quality of Defendants' Goods bearing or sold using the Chanel Marks.

39. Defendants' unlawful actions have caused and are continuing to cause unquantifiable and irreparable harm to Chanel.

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

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

**COUNT II - FALSE DESIGNATION OF ORIGIN
PURSUANT TO § 43(a) OF THE LANHAM ACT**

42. Chanel hereby adopts and re-alleges the allegations set forth in Paragraphs 1 through 34 above.

43. Defendants' Goods bearing and sold under the Chanel Marks have been widely advertised and distributed throughout the United States.

44. Defendants' Goods bearing and sold under the Chanel Marks are virtually identical in appearance to each of Chanel's genuine goods. However, the Defendants' Goods are different in quality. Accordingly, Defendants' activities are likely to cause confusion in the trade and among the general public as to at least the origin or sponsorship of the Defendants' Goods.

45. Defendants, upon information and belief, have used in connection with their advertisement and sale of products, false designations of origins and false descriptions and representations, including words or other symbols and trade dress which tend to falsely describe or represent such goods and have caused such goods to enter into commerce with full knowledge of the falsity of such designations of origin and such descriptions and representations, all to the detriment of Chanel.

46. Specifically, Defendants have authorized an infringing use of the Chanel Marks, in Defendants' advertisement and promotion of their counterfeit and infringing handbags and

wallets. Defendants have also misrepresented to members of the consuming public that the products being advertised and sold by them are genuine, non-infringing products.

47. Additionally, Defendants are using counterfeits and infringements of the Chanel Marks in order to unfairly compete with Chanel and others for space within search engine organic results, thereby jointly depriving Chanel of a valuable marketing and educational tool which would otherwise be available to Chanel.

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

49. Chanel has sustained indivisible injury and harm caused by Defendants' concurrent conduct, and absent an entry of an injunction by this Court, Chanel will continue to suffer irreparable injury to its goodwill and business reputation as well as monetary damages.

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

50. Chanel hereby adopts and re-alleges the allegations set forth in Paragraphs 1 through 34 above.

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

52. Upon information and belief, Defendants have acted with the bad faith intent to profit from the Chanel Marks and the goodwill associated with the Chanel Marks by registering various domain names which are identical or confusingly similar to or dilutive of the Chanel Marks.

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

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

55. Defendants' conduct is done with knowledge and constitutes a willful violation of Chanel's rights in the Marks. At a minimum, Defendants' conduct constitutes reckless disregard for and willful blindness to Chanel's rights.

56. The aforesaid conduct is causing Chanel damages and immediate and irreparable injury. Chanel has no adequate remedy at law.

COUNT IV - COMMON LAW UNFAIR COMPETITION

57. Chanel hereby adopts and re-alleges the allegations set forth in Paragraphs 1 through 34 above.

58. This is an action against Defendants based on their manufacture, promotion, advertisement, distribution, sale and/or offering for sale of goods bearing marks which are virtually identical, both visually and phonetically, to the Chanel Marks in violation of Florida's common law of unfair competition.

59. Specifically, the Defendants are promoting and otherwise advertising, selling, offering for sale and distributing infringing and counterfeit handbags and wallets. The Defendants are also using counterfeits and infringements of the Chanel Marks to unfairly compete with Chanel and others for space in search engine results across an array of search terms.

60. Defendants' infringing activities are likely to cause and actually are causing confusion, mistake and deception among members of the trade and the general consuming public as to the origin and quality of Defendants' products by their use of the Chanel Marks.

61. Chanel has no adequate remedy at law and is suffering and irreparable injury as a result of Defendants' actions.

PRAYER FOR RELIEF

62. WHEREFORE, Chanel demands judgment on all Counts of this Complaint and entry of an award of equitable relief against Defendants as follows:

a. Entry of preliminary and permanent injunction enjoining Defendants, their agents, representatives, servants, employees, and all those acting in concert or participation therewith, from manufacturing or causing to be manufactured, importing, advertising or promoting, distributing, selling or offering to sell the Defendants' Goods; from infringing, counterfeiting, or diluting the Chanel Marks; from using the Chanel Marks, or any mark or trade dress similar thereto, in connection with the sale of any unauthorized goods; from using any logo, trade name or trademark or trade dress which may be calculated to falsely advertise the services or products of Defendants as being sponsored by, authorized by, endorsed by, or in any way associated with Chanel; from falsely representing themselves as being connected with Chanel, through sponsorship or association, or engaging in any act which is likely to falsely cause members of the trade and/or of the purchasing public to believe any goods or services of Defendants, or in any way endorsed by, approved by, and/or associated with Chanel; from using any reproduction, counterfeit, infringement, copy, or colorable imitation of the Chanel Marks in connection with the publicity, promotion, sale, or advertising of any goods sold by Defendants, including, without limitation, handbags and wallets; from affixing, applying, annexing or using in connection with the sale of any goods, a false description or representation, including words or other symbols tending to falsely describe or represent Defendants' goods as being those of Chanel, or in any way endorsed by Chanel and from offering such goods in commerce; from engaging in search engine optimization strategies using colorable imitations of the Chanel name or Marks; and from otherwise unfairly competing with Chanel.

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

c. Entry of an Order that, upon Chanel's request, the top level domain (TLD) Registries for the Subject Domain Names and their administrators place the Subject Domain Names on Registry Hold status, thus removing them from the TLD zone files maintained by the Registries which link the Subject Domain Names to the IP addresses where the associated websites are hosted.

d. Entry of an order canceling or, at Chanel's election, transferring the Subject Domain Names and any other domain names used by the Defendants to engage in their counterfeiting of the Chanel Marks at issue to Chanel's control so they may no longer be used for illegal purposes.

e. Entry of an order that, upon Chanel's request, the Internet Corporation for Assigned Names and Numbers ("ICANN") shall take all actions necessary to ensure that the Registrars and the top level domain Registries responsible for the Subject Domain Names transfer, change the Registrar of Record, and/or disable the Subject Domain Names as directed by the Court.

f. Entry of an award of Chanel's costs and reasonable attorneys' fees and investigative fees associated with bringing this action.

g. Entry of further relief as the Court may deem just and proper.

DATED: May 9, 2012.

Respectfully submitted,

STEPHEN M. GAFFIGAN, P.A.

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SCHEDULE A
DEFENDANTS BY SUBJECT DOMAIN NAMES AND DEFENDANT NUMBER

Defendant No.	Domain Name
1	chanel255.org
2	chanel-replica.us
3	fakechanel.us
4	knockoffs-handbags.com
5	replicacochanel.com
6	replica-designer-handbags.org
7	replicaheels.com
8	replicashandbags.us