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

THREE CHORD STRAND PROPERTIES LLC,

Case No. 24-cv-11012

Plaintiff,

v.

THE PARTNERSHIPS and UNINCORPORATED ASSOCIATIONS IDENTIFIED ON SCHEDULE "A,"

Defendants.

COMPLAINT

Plaintiff Three Chord Strand Properties LLC ("Three Chord Strand Properties" or "Plaintiff") hereby brings the present action against the Partnerships and Unincorporated Associations identified on Schedule A attached hereto (collectively, "Defendants") and alleges as follows:

I. JURISDICTION AND VENUE

- 1. This Court has original subject matter jurisdiction over the claims in this action pursuant to the provisions of the Lanham Act, 15 U.S.C. § 1051, et seq., 28 U.S.C. § 1338(a)-(b) and 28 U.S.C. § 1331.
- 2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over Defendants since each of the Defendants directly targets business activities toward consumers in the United States, including Illinois, through at least the fully interactive e-commerce stores¹ operating under the seller aliases identified in

¹ The e-commerce store URLs are listed on Schedule A hereto under the Online Marketplaces and Domain Names.

Schedule A attached hereto (the "Seller Aliases"). Specifically, Defendants have targeted sales to Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more Seller Aliases, offer shipping to the United States, including Illinois, accept payment in U.S. dollars and/or funds from U.S. bank accounts and, on information and belief, have sold products using infringing and counterfeit versions of Plaintiff's federally registered trademarks to residents of Illinois. Each of the Defendants is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Plaintiff substantial injury in the State of Illinois.

II. INTRODUCTION

3. This action has been filed by Plaintiff to combat e-commerce store operators who trade upon Plaintiff's reputation and goodwill by offering for sale and/or selling unauthorized and unlicensed products, including apparel and other merchandise, using infringing and counterfeit versions of Plaintiff's federally registered trademarks (the "Counterfeit Products"). Defendants create e-commerce stores operating under one or more Seller Aliases that are advertising, offering for sale and selling Counterfeit Products to unknowing consumers. E-commerce stores operating under the Seller Aliases share unique identifiers establishing a logical relationship between them and that Defendants' counterfeiting operation arises out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid and mitigate liability by operating under one or more Seller Aliases to conceal both their identities and the full scope and interworking of their counterfeiting operation. Plaintiff is forced to file this action to combat Defendants' counterfeiting of its registered trademarks, as well as to protect unknowing consumers from purchasing Counterfeit Products over the Internet. Plaintiff has been and continues to be irreparably damaged through consumer confusion, dilution, and tarnishment

of its valuable trademarks as a result of Defendants' actions and seeks injunctive and monetary relief.

III. THE PARTIES

Plaintiff

- 4. Plaintiff Three Chord Strand Properties LLC is a limited liability company organized and existing under the laws of Delaware with its principal place of business at 250 West 55th Street, 17th Floor, New York, NY 10019.
- 5. The Jonas Brothers are an American pop rock band formed in 2005 consisting of three brothers, Kevin Jonas, Joseph Jonas, and Nicholas Jonas. In the nearly two decades since the band's inception, the Jonas Brothers' discography includes, but is not limited to, six studio albums entitled *It's About Time* (2006), *Jonas Brothers* (2007), *A Little Bit Longer* (2008), *Lines, Vines and Trying Times* (2009), *Happiness Begins* (2019), and *The Album* (2023). The Jonas Brothers have likewise embarked on more than ten concert tours.
- 6. The band's debut studio album, "It's About Time" was released in August 2006, featuring original music and popular covers. In 2007, their self-titled second album reached number five on the Billboard Hot 200 chart in its first week. Shortly thereafter, the Jonas Brothers released their third studio album and made multiple television appearances. Such appearances included televised performances and guest-star roles on popular scripted shows, as well as their own reality short series entitled *Jonas Brothers: Living the Dream* which premiered on Disney Channel.
- 7. The Jonas Brothers have garnered substantial publicity due to their widespread fame and popularity. In 2008, the Jonas Brothers' popularity grew greatly with their film debut in the Disney Channel Original Movie *Camp Rock* and their Burning Up Tour which featured

guest performers such as Demi Lovato and Avril Lavigne. The *Camp Rock* soundtrack debuted at number three on the Billboard 200. In the years following, the Jonas Brothers continued to grow, releasing their fourth studio album which debuted at number one on the Billboard 200. Their 2019 single "Sucker" was an immediate success debuting at number one on the Billboard Hot 100 and the US Hot Digital Songs chart. The Jonas Brothers' album *Happiness Begins* debuted at number one on the Billboard 200 chart. The bands' most recent album, *The Album*, marked the bands' seventh top ten album on the Billboard 200 charts. As of 2024, the Jonas Brothers are completing a world tour entitled "Five Albums. One Night. The World Tour.," featuring songs from their five studio albums released between 2007 and 2023, as well as other songs from the members' individual projects.

- 8. The Jonas Brothers have earned numerous accolades for their achievements in the entertainment industry. In particular, the Jonas Brothers have received awards from numerous organizations including the American Music Awards, ASCAP Pop Music Awards, Billboard Music Awards, Billboard Touring Music Awards, BMI Awards, and the iHeartRadio Awards. The Jonas Brothers have also received several nominations, including Video of the Year and Best Pop Video at the 2008 MTV Video Music Awards and a nomination for the Best New Artist in 2009 and Best Pop Duo/Group Performance in 2020 at the Grammy Awards. In 2023, the Jonas Brothers received a Hollywood Walk of Fame Star, which serves as a permanent public monument to outstanding achievement in the entertainment industry.
- 9. Products sold under the Jonas Brothers brand include apparel, accessories, and other merchandise, such as tote bags and trading cards.
- 10. Plaintiff incorporates a variety of distinctive marks in the design of its various Jonas Brothers products. As a result of its long-standing use, Plaintiff owns common law

trademark rights in its trademarks. Plaintiff has also registered its trademarks with the United States Patent and Trademark Office. Jonas Brothers products often include at least one of Plaintiff's registered trademarks. Often several of Plaintiff's marks are displayed on a single Jonas Brothers product. Plaintiff uses its trademarks in connection with the marketing of the Jonas Brothers products, including the following marks which are collectively referred to as the "JONAS BROTHERS Trademarks."

| Registration No. | Trademark |
|---|----------------|
| 3,550,126 4,105,832 4,105,833 3,649,604 3,550,172 3,649,605 3,665,680 | JONAS BROTHERS |
| 4,109,080 3,640,972 4,115,198 | |

11. The above U.S. registrations for the JONAS BROTHERS Trademarks are valid, subsisting, in full force and effect, and many are incontestable pursuant to 15 U.S.C. § 1065. The JONAS BROTHERS Trademarks have been used exclusively and continuously by Plaintiff for many years and have never been abandoned. The registrations for the JONAS BROTHERS Trademarks constitute *prima facie* evidence of their validity and of Plaintiff's exclusive right to use the JONAS BROTHERS Trademarks pursuant to 15 U.S.C. § 1057(b). Incontestable status under 15 U.S.C. § 1065 provides that the registrations for the JONAS BROTHERS Trademarks are conclusive evidence of the validity of the JONAS BROTHERS Trademarks and of the registrations of the JONAS BROTHERS Trademarks, of the ownership of the JONAS

BROTHERS Trademarks, and of Plaintiff's exclusive right to use the JONAS BROTHERS Trademarks in commerce. 15 U.S.C. §§ 1115(b), 1065. True and correct copies of the United States Registration Certificates for the above-listed JONAS BROTHERS Trademarks are attached hereto as **Exhibit 1**.

- 12. The JONAS BROTHERS Trademarks are exclusive to Plaintiff and are displayed extensively on Jonas Brothers products and in Plaintiff's marketing and promotional materials. The Jonas Brothers brand has been extensively promoted and advertised at great expense. Plaintiff or third parties on Plaintiff's behalf have expended millions of dollars in advertising, promoting, and marketing featuring the JONAS BROTHERS Trademarks, as well as significant time and other resources. As a result, products bearing the JONAS BROTHERS Trademarks are widely recognized and exclusively associated by consumers, the public, and the trade as being products sourced from the Jonas Brothers.
- 13. The JONAS BROTHERS Trademarks are distinctive when applied to the Jonas Brothers products, signifying to the purchaser that the products come from Plaintiff and are manufactured to Plaintiff's quality standards. The JONAS BROTHERS Trademarks have achieved tremendous fame and recognition, which has only added to the distinctiveness of the marks. As such, the goodwill associated with the JONAS BROTHERS Trademarks is of incalculable and inestimable value to Plaintiff.
- 14. Jonas Brothers products are distributed and sold to consumers through retailers throughout the United States, including through authorized retailers in Illinois, and through the jonasbrothers.com website. Sales of Jonas Brothers products via the jonasbrothers.com website are significant, and the website features proprietary content, images, and designs exclusive to Plaintiff.

15. Plaintiff's innovative marketing and product designs, combined with the immense popularity of the Jonas Brothers, have made the JONAS BROTHERS Trademarks famous marks. The widespread fame, outstanding reputation, and significant goodwill associated with the Jonas Brothers brand have made the JONAS BROTHERS Trademarks invaluable assets of Plaintiff.

The Defendants

- 16. Defendants are individuals and business entities of unknown makeup who own and/or operate one or more of the e-commerce stores under at least the Seller Aliases identified on Schedule A and/or other seller aliases not yet known to Plaintiff. On information and belief, Defendants reside and/or operate in the People's Republic of China or other foreign jurisdictions with lax trademark enforcement systems, or redistribute products from the same or similar sources in those locations. Defendants have the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b).
- 17. On information and belief, Defendants, either individually or jointly, operate one or more e-commerce stores under the Seller Aliases listed in Schedule A attached hereto. Tactics used by Defendants to conceal their identities and the full scope of their operation make it virtually impossible for Plaintiff to learn Defendants' true identities and the exact interworking of their counterfeit network. If Defendants provide additional credible information regarding their identities, Plaintiff will take appropriate steps to amend the Complaint.

IV. DEFENDANTS' UNLAWFUL CONDUCT

- 18. The success of the Jonas Brothers brand has resulted in significant counterfeiting of the JONAS BROTHERS Trademarks. Consequently, Plaintiff has a worldwide anticounterfeiting program and regularly investigates suspicious e-commerce stores identified in proactive Internet sweeps and reported by consumers. In recent years, Plaintiff has identified many fully interactive, e-commerce stores offering Counterfeit Products on online marketplace platforms such as Amazon, eBay, AliExpress, Alibaba, Wish.com, Walmart, Etsy, DHgate, and Temu, including the e-commerce stores operating under the Seller Aliases. The Seller Aliases target consumers in this Judicial District and throughout the United States. According to a U.S. Customs and Border Protection (CBP) report, in 2021, CBP made over 27,000 seizures of goods with intellectual property rights (IPR) violations totaling over \$3.3 billion, an increase of \$2.0 billion from 2020. Intellectual Property Rights Seizure Statistics, Fiscal Year 2021, U.S. Customs and Border Protection (Exhibit 2). Of the 27,000 in total IPR seizures, over 24,000 came through international mail and express courier services (as opposed to containers), most of which originated from China and Hong Kong. Id.
- 19. Third party service providers like those used by Defendants do not adequately subject new sellers to verification and confirmation of their identities, allowing counterfeiters to "routinely use false or inaccurate names and addresses when registering with these e-commerce platforms." Exhibit 3, Daniel C.K. Chow, Alibaba, Amazon, and Counterfeiting in the Age of the Internet, 40 Nw. J. Int'l L. & Bus. 157, 186 (2020); see also report on "Combating Trafficking in Counterfeit and Pirated Goods" prepared by the U.S. Department of Homeland Security's Office of Strategy, Policy, and Plans (Jan. 24, 2020), attached as Exhibit 4, and finding that on "at least some e-commerce platforms, little identifying information is necessary for a

counterfeiter to begin selling" and recommending that "[s]ignificantly enhanced vetting of third-party sellers" is necessary. Counterfeiters hedge against the risk of being caught and having their websites taken down from an e-commerce platform by preemptively establishing multiple virtual store-fronts. Exhibit 4 at p. 22. Since platforms generally do not require a seller on a third-party marketplace to identify the underlying business entity, counterfeiters can have many different profiles that can appear unrelated even though they are commonly owned and operated. Exhibit 4 at p. 39. Further, "E-commerce platforms create bureaucratic or technical hurdles in helping brand owners to locate or identify sources of counterfeits and counterfeiters." Exhibit 3 at 186–187.

- 20. Defendants have targeted sales to Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more Seller Aliases, offer shipping to the United States, including Illinois, accept payment in U.S. dollars and/or funds from U.S. bank accounts and, on information and belief, have sold Counterfeit Products to residents of Illinois.
- 21. Defendants concurrently employ and benefit from substantially similar advertising and marketing strategies. For example, Defendants facilitate sales by designing the ecommerce stores operating under the Seller Aliases so that they appear to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers. E-commerce stores operating under the Seller Aliases appear sophisticated and accept payment in U.S. dollars and/or funds from U.S. bank accounts via credit cards, Alipay, Amazon Pay, and/or PayPal. E-commerce stores operating under the Seller Aliases often include content and images that make it very difficult for consumers to distinguish such stores from an authorized retailer. Plaintiff has not

licensed or authorized Defendants to use any of the JONAS BROTHERS Trademarks, and none of the Defendants are authorized retailers of Jonas Brothers products.

- 22. Many Defendants also deceive unknowing consumers by using the JONAS BROTHERS Trademarks without authorization within the content, text, and/or meta tags of their e-commerce stores to attract various search engines crawling the Internet looking for e-commerce stores relevant to consumer searches for Jonas Brothers products. Other e-commerce stores operating under Seller Aliases omit using the JONAS BROTHERS Trademarks in the item title to evade enforcement efforts while using strategic item titles and descriptions that will trigger their listings when consumers are searching for Jonas Brothers products.
- 23. E-commerce store operators like Defendants commonly engage in fraudulent conduct when registering the Seller Aliases by providing false, misleading and/or incomplete information to e-commerce platforms to prevent discovery of their true identities and the scope of their e-commerce operation.
- 24. E-commerce store operators like Defendants regularly register or acquire new seller aliases for the purpose of offering for sale and selling Counterfeit Products. Such seller alias registration patterns are one of many common tactics used by e-commerce store operators like Defendants to conceal their identities and the full scope and interworking of their counterfeiting operation, and to avoid being shut down.
- 25. Even though Defendants operate under multiple fictitious aliases, the e-commerce stores operating under the Seller Aliases often share unique identifiers, such as templates with common design elements that intentionally omit any contact information or other information for identifying Defendants or other Seller Aliases they operate or use. E-commerce stores operating under the Seller Aliases include other notable common features such as use of the same

registration patterns, accepted payment methods, check-out methods, keywords, advertising tactics, similarities in price and quantities, the same incorrect grammar and misspellings, and/or the use of the same text and images. Additionally, Counterfeit Products for sale by the Seller Aliases bear similar irregularities and indicia of being counterfeit to one another, suggesting that the Counterfeit Products were manufactured by and come from a common source and that Defendants are interrelated.

- 26. E-commerce store operators like Defendants are in constant communication with each other and regularly participate in QQ.com chat rooms and through websites such as sellerdefense.cn and kuajingvs.com regarding tactics for operating multiple accounts, evading detection, pending litigation, and potential new lawsuits.
- 27. Counterfeiters such as Defendants typically operate multiple seller aliases and payment accounts so that they can continue operation in spite of Plaintiff's enforcement. E-commerce store operators like Defendants maintain off-shore bank accounts and regularly move funds from their financial accounts to off-shore accounts outside the jurisdiction of this Court to avoid payment of any monetary judgment awarded to Plaintiff. Indeed, analysis of financial account transaction logs from previous similar cases indicates that off-shore counterfeiters regularly move funds from U.S.-based financial accounts to off-shore accounts outside the jurisdiction of this Court.
- 28. Defendants are working to knowingly and willfully import, distribute, offer for sale, and sell Counterfeit Products in the same transaction, occurrence, or series of transactions or occurrences. Defendants, without any authorization or license from Plaintiff, have knowingly and willfully used and continue to use the JONAS BROTHERS Trademarks in connection with

the advertisement, distribution, offering for sale, and sale of Counterfeit Products into the United States and Illinois over the Internet.

29. Defendants' unauthorized use of the JONAS BROTHERS Trademarks in connection with the advertising, distribution, offering for sale, and sale of Counterfeit Products, including the sale of Counterfeit Products into the United States, including Illinois, is likely to cause and has caused confusion, mistake, and deception by and among consumers and is irreparably harming Plaintiff.

COUNT I TRADEMARK INFRINGEMENT AND COUNTERFEITING (15 U.S.C. § 1114)

- 30. Plaintiff hereby re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs.
- 31. This is a trademark infringement action against Defendants based on their unauthorized use in commerce of counterfeit imitations of the federally registered JONAS BROTHERS Trademarks in connection with the sale, offering for sale, distribution, and/or advertising of infringing goods. The JONAS BROTHERS Trademarks are highly distinctive marks. Consumers have come to expect the highest quality from products sold or marketed under the JONAS BROTHERS Trademarks.
- 32. Defendants have sold, offered to sell, marketed, distributed, and advertised, and are still selling, offering to sell, marketing, distributing, and advertising products using counterfeit reproductions of the JONAS BROTHERS Trademarks without Plaintiff's permission.
- 33. Plaintiff is the exclusive owner of the JONAS BROTHERS Trademarks. Plaintiff's United States Registrations for the JONAS BROTHERS Trademarks (**Exhibit 1**) are in full force and effect. On information and belief, Defendants have knowledge of Plaintiff's rights in the JONAS BROTHERS Trademarks and are willfully infringing and intentionally

using counterfeits of the JONAS BROTHERS Trademarks. Defendants' willful, intentional, and unauthorized use of the JONAS BROTHERS Trademarks is likely to cause and is causing confusion, mistake, and deception as to the origin and quality of the Counterfeit Products among the general public.

- 34. Defendants' activities constitute willful trademark infringement and counterfeiting under Section 32 of the Lanham Act, 15 U.S.C. § 1114.
- 35. Plaintiff has no adequate remedy at law and, if Defendants' actions are not enjoined, Plaintiff will continue to suffer irreparable harm to its reputation and the goodwill of its JONAS BROTHERS Trademarks.
- 36. The injuries and damages sustained by Plaintiff have been directly and proximately caused by Defendants' wrongful reproduction, use, advertisement, promotion, offering to sell, and sale of Counterfeit Products.

COUNT II FALSE DESIGNATION OF ORIGIN (15 U.S.C. § 1125(a))

- 37. Plaintiff hereby re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs.
- 38. Defendants' promotion, marketing, offering for sale, and sale of Counterfeit Products has created and is creating a likelihood of confusion, mistake, and deception among the general public as to the affiliation, connection, or association with Plaintiff or the origin, sponsorship, or approval of Defendants' Counterfeit Products by Plaintiff.
- 39. By using the JONAS BROTHERS Trademarks in connection with the sale of Counterfeit Products, Defendants create a false designation of origin and a misleading representation of fact as to the origin and sponsorship of the Counterfeit Products.

- 40. Defendants' false designation of origin and misrepresentation of fact as to the origin and/or sponsorship of the Counterfeit Products to the general public involves the use of counterfeit marks and is a willful violation of Section 43 of the Lanham Act, 15 U.S.C. § 1125.
- 41. Plaintiff has no adequate remedy at law and, if Defendants' actions are not enjoined, Plaintiff will continue to suffer irreparable harm to its reputation and the goodwill of the Jonas Brothers brand.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

- 1) That Defendants, their affiliates, officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, under or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:
 - a. using the JONAS BROTHERS Trademarks or any reproductions, counterfeit copies or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine Jonas Brothers product or is not authorized by Plaintiff to be sold in connection with the JONAS BROTHERS Trademarks;
 - b. passing off, inducing, or enabling others to sell or pass off any product as a genuine Jonas Brothers product or any other product produced by Plaintiff, that is not Plaintiff's or not produced under the authorization, control, or supervision of Plaintiff and approved by Plaintiff for sale under the JONAS BROTHERS Trademarks;
 - c. committing any acts calculated to cause consumers to believe that Defendants'

 Counterfeit Products are those sold under the authorization, control or supervision of

 Plaintiff, or are sponsored by, approved by, or otherwise connected with Plaintiff;

- d. further infringing the JONAS BROTHERS Trademarks and damaging Plaintiff's goodwill; and
- e. manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Plaintiff, nor authorized by Plaintiff to be sold or offered for sale, and which bear any of Plaintiff's trademarks, including the JONAS BROTHERS Trademarks, or any reproductions, counterfeit copies or colorable imitations thereof;
- 2) Entry of an Order that, at Plaintiff's choosing, the registrant of the Domain Names shall be changed from the current registrant to Plaintiff, and that the domain name registries for the Domain Names, including, but not limited to, VeriSign, Inc., GoDaddy Registry, Afilias Limited, CentralNic, Nominet, and the Public Interest Registry, shall unlock and change the registrar of record for the Domain Names to a registrar of Plaintiff's selection, and that the domain name registrars, including, but not limited to, GoDaddy.com, LLC ("GoDaddy"), Name.com, PDR LTD. d/b/a PublicDomainRegistry.com ("PDR"), and Namecheap Inc. ("Namecheap") shall take any steps necessary to transfer the Domain Names to a registrar account of Plaintiff's selection; or that the same domain name registries shall disable the Domain Names and make them inactive and untransferable;
- 3) Entry of an Order that, upon Plaintiff's request, those with notice of the injunction, including, without limitation, any online marketplace platforms such as eBay, AliExpress, Alibaba, Amazon, Wish.com, Walmart, Etsy, DHgate, and Temu (collectively, the "Third Party Providers") shall disable and cease displaying any advertisements used by or associated with

Defendants in connection with the sale of counterfeit and infringing goods using the JONAS BROTHERS Trademarks;

- 4) That Defendants account for and pay to Plaintiff all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of damages for infringement of the JONAS BROTHERS Trademarks be increased by a sum not exceeding three times the amount thereof as provided by 15 U.S.C. § 1117;
- 5) In the alternative, that Plaintiff be awarded statutory damages for willful trademark counterfeiting pursuant to 15 U.S.C. § 1117(c)(2) of \$2,000,000 for each and every use of the JONAS BROTHERS Trademarks;
- 6) That Plaintiff be awarded its reasonable attorneys' fees and costs; and
- 7) Award any and all other relief that this Court deems just and proper.

Dated this 25th day of October 2024. Respectfully submitted,

/s/ Justin R. Gaudio
Amy C. Ziegler
Justin R. Gaudio
Kahlia R. Halpern
Luana Faria de Souza
Greer, Burns & Crain, Ltd.
200 West Madison Street, Suite 2100
Chicago, Illinois 60606
312.360.0080
312.360.9315 (facsimile)
aziegler@gbc.law
jgaudio@gbc.law
khalpern@gbc.law
lfaria@gbc.law

Counsel for Plaintiff
Three Chord Strand Properties LLC