

AO279,MIDP,TERMED,VALDEZ

United States District Court
Northern District of Illinois - CM/ECF LIVE, Ver 6.3.3 (Chicago)
CIVIL DOCKET FOR CASE #: 1:20-cv-01666

Art Ask Agency v. The Individuals, Corporations, Limited
 Liability Companies, Partnerships, and Unincorporated
 Associations Identified on Schedule A Hereto
 Assigned to: Honorable Steven C. Seeger
 Cause: 15:1051 Trademark Infringement

Date Filed: 03/09/2020
 Date Terminated: 05/18/2020
 Jury Demand: Plaintiff
 Nature of Suit: 840 Trademark
 Jurisdiction: Federal Question

Plaintiff**Art Ask Agency**

represented by **Michael A. Hierl**
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V.

Defendant

**The Individuals, Corporations, Limited
 Liability Companies, Partnerships, and
 Unincorporated Associations Identified
 on Schedule A Hereto**

Date Filed	#	Docket Text
03/09/2020	<u>1</u>	COMPLAINT filed by Art Ask Agency; Jury Demand. Filing fee \$ 400, receipt number 0752-16807253. (Attachments: # <u>1</u> Exhibit Group Exhibit 1)(Hierl, Michael) (Entered: 03/09/2020)

03/09/2020	2	CIVIL Cover Sheet (Hierl, Michael) (Entered: 03/09/2020)
03/09/2020	3	ATTORNEY Appearance for Plaintiff Art Ask Agency by Michael A. Hierl (Hierl, Michael) (Entered: 03/09/2020)
03/09/2020	4	ATTORNEY Appearance for Plaintiff Art Ask Agency by William Benjamin Kalbac (Kalbac, William) (Entered: 03/09/2020)
03/09/2020	5	NOTIFICATION of Affiliates pursuant to Local Rule 3.2 by Art Ask Agency <i>Plaintiff's Corporate Disclosure Statement and Notification as to Affiliates Pursuant to Fed R. Civ. P. 7.1 and Local Rule 3.2</i> (Hierl, Michael) (Entered: 03/09/2020)
03/09/2020	6	MOTION by Plaintiff Art Ask Agency for leave to file <i>Plaintiff's Motion for Leave to File Under Seal</i> (Hierl, Michael) (Entered: 03/09/2020)
03/09/2020	7	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Sealed Schedule A</i> (Hierl, Michael) (Entered: 03/09/2020)
03/09/2020		CASE ASSIGNED to the Honorable Steven C. Seeger. Designated as Magistrate Judge the Honorable Maria Valdez. Case assignment: Random assignment. (jg,) (Entered: 03/09/2020)
03/10/2020	8	NOTICE TO THE PARTIES - The Court is participating in the Mandatory Initial Discovery Pilot (MIDP). The key features and deadlines are set forth in this Notice which includes a link to the (MIDP) Standing Order and a Checklist for use by the parties. In cases subject to the pilot, all parties must respond to the mandatory initial discovery requests set forth in the Standing Order before initiating any further discovery in this case. Please note: The discovery obligations in the Standing Order supersede the disclosures required by Rule 26(a)(1). Any party seeking affirmative relief must serve a copy of the following documents (Notice of Mandatory Initial Discovery and the Standing Order) on each new party when the Complaint, Counterclaim, Crossclaim, or Third-Party Complaint is served. (sxb,) (Entered: 03/10/2020)
03/10/2020	9	MAILED Trademark report to Patent Trademark Office, Alexandria VA (sxb,) (Entered: 03/10/2020)
03/10/2020	10	MAILED to plaintiff(s) counsel Lanham Mediation Program materials (sxb,) (Entered: 03/10/2020)
03/10/2020	11	MOTION by Plaintiff Art Ask Agency for temporary restraining order <i>Plaintiff's Ex Parte Motion for Entry of a Temporary Restraining Order, Including a Temporary Injunction, a Temporary Transfer of the Defendant Domain Names, a Temporary Asset Restraint, Expedited Discovery, and Service of Process by Email and/or Electronic Publication</i> (Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	12	MEMORANDUM by Art Ask Agency in support of motion for temporary restraining order, 11 (Attachments: # 1 Declaration Declaration of Maria Strid, # 2 Exhibit Exhibit 1, # 3 Declaration Declaration of Michael A. Hierl, # 4 Exhibit Hierl Exhibit 1, # 5 Exhibit Hierl Exhibit 2, # 6 Exhibit Hierl Exhibit 3)(Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	13	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Exhibit 2 Part 1 of Strid Declaration</i> (Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	14	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Exhibit 2 Part 2 of Strid Declaration</i> (Hierl, Michael) (Entered: 03/10/2020)

03/10/2020	15	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Exhibit 2 Part 3 of Strid Declaration</i> (Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	16	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Exhibit 2 Part 4 of Strid Declaration</i> (Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	17	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Exhibit 2 Part 5 of Strid Declaration</i> (Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	18	NOTICE of Motion by Michael A. Hierl for presentment of motion for temporary restraining order, 11 , motion for leave to file 6 before Honorable Steven C. Seeger on 3/17/2020 at 09:00 AM. (Hierl, Michael) (Entered: 03/10/2020)
03/13/2020	19	MINUTE entry before the Honorable Steven C. Seeger: Motion hearing set for March 17, 2020 is stricken and reset for April 13, 2020 at 9:30 a.m. Mailed notice. (jjr,) (Entered: 03/13/2020)
03/16/2020	20	MOTION by Plaintiff Art Ask Agency Reset hearing <i>Plaintiff's Motion to Re-Set Hearing Date of April 13, 2020 for Plaintiff's Ex Parte Motion for Temporary Restraining Order</i> (Hierl, Michael) (Entered: 03/16/2020)
03/16/2020	21	NOTICE of Motion by Michael A. Hierl for presentment of motion for miscellaneous relief 20 before Honorable Steven C. Seeger on 3/19/2020 at 09:00 AM. (Hierl, Michael) (Entered: 03/16/2020)
03/16/2020	22	ORDER Amended General Order 20-0012 IN RE: CORONAVIRUS COVID-19 PUBLIC EMERGENCY Signed by the Chief Judge Rebecca R. Pallmeyer on March 16, 2020. All open cases are impacted by this Amended General Order. See attached Order for guidance.Signed by the Honorable Rebecca R. Pallmeyer on 3/16/2020: Mailed notice. (tg,) (Entered: 03/16/2020)
03/18/2020	23	MOTION by Plaintiff Art Ask Agency for temporary restraining order <i>Plaintiff's Emergency Ex Parte Motion for Entry of a Temporary Restraining Order, Including a Temporary Injunction, a Temporary Transfer of the Defendant Domain Names, a Temporary Asset Restraint, Expedited Discovery, and Service of Process by Email and/or Electronic Publication</i> (Hierl, Michael) (Entered: 03/18/2020)
03/18/2020	24	MEMORANDUM by Art Ask Agency in support of motion for temporary restraining order, 23 <i>Memorandum in Support of Plaintiff's Emergency Ex Parte Motion for Entry of a Temporary Restraining Order, Including a Temporary Injunction, a Temporary Transfer of the Defendant Domain Names, A Temporary Asset Restraint, Expedited Discovery, and Service of Process by E-Mail and/or Electronic Publication</i> (Hierl, Michael) (Entered: 03/18/2020)
03/18/2020	25	NOTICE of Motion by Michael A. Hierl for presentment of motion for temporary restraining order, 23 before Honorable Steven C. Seeger on 3/20/2020 at 09:00 AM. (Hierl, Michael) (Entered: 03/18/2020)
03/18/2020	26	MINUTE entry before the Honorable Steven C. Seeger: Plaintiff's Motion to Re-Set Hearing Date of April 13, 2020 for Plaintiff's Ex Parte Motion for Temporary Restraining Order (Dckt. No. 20) is denied. Order to follow. Motion hearing set for March 19, 2020 is vacated. Mailed notice. (jjr,) (Entered: 03/18/2020)
03/18/2020	27	ORDER Signed by the Honorable Steven C. Seeger on 3/18/2020. Mailed notice. (jjr,) (Entered: 03/18/2020)

03/18/2020	28	MINUTE entry before the Honorable Steven C. Seeger: Plaintiff's Emergency Ex Parte Motion for Entry of a Temporary Restraining Order, Including a Temporary Injunction, a Temporary Transfer of the Defendant Domain Names, a Temporary Asset Restraint, Expedited Discovery, and Service of Process by Email and/or Electronic Publication (Dckt. No. 23) is hereby denied. Order to follow. Motion hearing set for March 20, 2020 is vacated. Mailed notice. (jjr,) (Entered: 03/18/2020)
03/18/2020	29	ORDER In light of the public health situation, the Court encourages all parties and their counsel to take precautions, be reasonable, and use common sense in pending cases. In General Order No. 20-0012 dated March 16, 2020 (and amended on March 17), the U.S. District Court for the Northern District of Illinois extended all deadlines in civil cases by three weeks. Parties should assume that this Court will accommodate reasonable requests for extensions in the coming weeks, and counsel should show flexibility and accommodate each other too. This Court will grant a six-week extension of fact discovery if requested (and there is no need for an immediate request). Parties should not take depositions before April 17 unless (1) they take place telephonically; and (2) all parties and the witness(es) consent. Even a telephonic deposition often requires an in-person meeting to prepare the witness, so telephonic depositions can go forward only if everyone agrees. If any party or witness wants a deposition to take place in person, the deposition will take place after April 17. Needless to say, that date may change as the public health situation continues to evolve. Parties should continue to make progress in their cases when possible, but in a manner that is consistent with public health and safety. In the meantime, continue to work together cooperatively in the best traditions of our shared profession. The Court thanks all parties and their counsel for their patience and understanding during this difficult time.Signed by the Honorable Steven C. Seeger on 3/18/2020: Mailed notice. (docket1,) (Entered: 03/18/2020)
03/18/2020	30	E-MAIL CORRESPONDENCE dated March 12, 2020 by Art Ask Agency. (Attachments: # 1 Text of Proposed Sealed Temporary Restraining Order) (jjr,) (Entered: 03/18/2020)
03/18/2020	31	MINUTE entry before the Honorable Steven C. Seeger: Plaintiff's Ex Parte Motion for Entry of a Temporary Restraining Order (Dckt. No. 11) is denied without prejudice. Injunctive relief is an "extraordinary remedy," and it is "not granted routinely." 11A Charles Alan Wright & Arthur Miller, Federal Practice and Procedure § 2942 (3d ed. 2019). "Perhaps the most significant single component in the judicial decision whether to exercise equity jurisdiction and grant permanent injunctive relief is the court's discretion." Id. It is a fact-specific inquiry, and "depends on the circumstances of each case." Id. Here, Plaintiff makes next to no showing that it will suffer irreparable harm unless this Court issues emergency relief. The gist of the motion is that Plaintiff will suffer harm from the sale (and the offer for sale) of counterfeit unicorn products on the internet. But Plaintiff gives this Court no information about the anticipated loss of sales. Not even an estimate. Plaintiff doesn't even tell this Court anything about its own sales, let alone anything about the volume of sales that it will lose without immediate Court action. Maybe the loss of sales is de minimis, or maybe not. But the point is that Plaintiff has made no such showing. A generic allegation of harm, without more, does not weigh heavily in the balance. On the flipside, one of the most important considerations before awarding equitable relief is the public interest. Here, Plaintiff proposes a bloated order that imposes extraordinary demands on third parties, including a wide array of technology companies and financial institutions. (Dckt. No. 30) Plaintiff's proposed order would require immediate action, in a matter of days, from firms that have nothing to do with this case. In the meantime, the country is in the midst of a crisis from the

		coronavirus, and it is not a good time to put significant demands on innocent third parties. See generally General Order 20-0012 (as amended on March 17, 2020). All of them undoubtedly have (more) pressing matters on their plates right now. To put it bluntly, Plaintiff's proposed order seems insensitive to others in the current environment. Simply put, trademark infringement is an important consideration, but so is the strain that the rest of country is facing, too. It is important to keep in perspective the costs and benefits of forcing everyone to drop what they're doing to stop the sale of knock-off unicorn products, in the midst of a pandemic. Without a showing of immediate, real-world harm, this Court cannot impose significant demands on third parties in the current environment. That said, this Court denies the motion without prejudice. Later, perhaps Plaintiff will make a better showing. But for now, Plaintiff has come up short (by a wide margin). As a reminder, the Court expects Plaintiff and its counsel to follow General Order 20-0012, including the admonition about emergency motions. Mailed notice. (jjr,) (Entered: 03/18/2020)
03/30/2020	32	ORDER Seconded Amended General Order 20-0012 IN RE: CORONAVIRUS COVID-19 PUBLIC EMERGENCY Signed by the Chief Judge Rebecca R. Pallmeyer on March 30, 2020. All open cases are impacted by this Second Amended General Order. Amended General Order 20-0012, entered on March 17, 2020, and General Order 20-0014, entered on March 20, 2020, are vacated and superseded by this Second Amended General. See attached Order for guidance.Signed by the Honorable Rebecca R. Pallmeyer on 3/30/2020: Mailed notice. (docket1,) (Entered: 03/31/2020)
04/24/2020	33	ORDER Third Amended General Order 20-0012 IN RE: CORONAVIRUS COVID-19 PUBLIC EMERGENCY Signed by the Chief Judge Rebecca R. Pallmeyer on April 24, 2020. All open cases are impacted by this Third Amended General Order. Parties are must carefully review all obligations under this Order, including the requirement listed in paragraph number 5 to file a joint written status report in most civil cases. See attached Order. Signed by the Honorable Rebecca R. Pallmeyer on 4/24/2020: Mailed notice. (docket9,) (Entered: 04/27/2020)
05/18/2020	34	NOTICE of Voluntary Dismissal by Art Ask Agency <i>Plaintiff's Notice of Voluntary Dismissal Without Prejudice of All Remaining Defendants</i> (Hierl, Michael) (Entered: 05/18/2020)
05/18/2020	35	MINUTE entry before the Honorable Steven C. Seeger: Pursuant to the Notice of Voluntary Dismissal (Dckt. No. 34) and under Rule 41(a)(1), all remaining Defendants identified in Schedule A are dismissed without prejudice. Each party shall bear its own attorney's fees and costs. All pending deadlines and hearings are stricken. Civil case terminated. Mailed notice. (jjr,) (Entered: 05/18/2020)
05/19/2020	36	MAILED Patent/Trademark report with certified copy of minute order 35 dated 5/18/20 to Patent Trademark Office, Alexandria, VA. (kp,) (Entered: 05/19/2020)

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Billable Pages:	5	Cost:	0.50

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

ART ASK AGENCY,

Plaintiff,

v.

THE INDIVIDUALS, CORPORATIONS,
LIMITED LIABILITY COMPANIES,
PARTNERSHIPS, AND
UNINCORPORATED ASSOCIATIONS
IDENTIFIED ON SCHEDULE A HERETO,

Defendants.

Case No.: 20-cv-1666

COMPLAINT

Plaintiff, ART ASK AGENCY, by undersigned counsel, hereby complains of the Partnerships and Unincorporated Associations identified on Schedule A attached hereto (collectively, “Defendants”), and for its Complaint hereby alleges as follows:

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.; the Copyright Act, 17 U.S.C. § 101 et seq.; 28 U.S.C. § 1338(a)–(b) and 28 U.S.C. § 1331. This Court has jurisdiction over the claims in this action that arise under the laws of the State of Illinois pursuant to 28 U.S.C. § 1367(a), because the state law claims are so related to the federal claims that they form part of the same case or controversy and derive from a common nucleus of operative facts.

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 consumers in the United States, including Illinois, through at least the fully interactive commercial Internet stores operating under the Defendant Domain Names and/or the Online Marketplace Accounts identified in Schedule A attached hereto (collectively, the “Defendant Internet Stores”). Specifically, Defendants are reaching out to do business with Illinois residents by operating one or more commercial, interactive Internet Stores through which Illinois residents can purchase products bearing counterfeit versions of Plaintiff’s trademark. Each of the Defendants has targeted sales from Illinois residents by operating online stores that offer shipping to the United States, including Illinois, accept payment in U.S. dollars and, on information and belief, has sold products bearing counterfeit versions of Plaintiff’s trademark and copyrighted artwork to residents of Illinois. Each of the Defendants are committing tortious acts in Illinois, engaging in interstate commerce, and have wrongfully caused Plaintiff substantial injury in the State of Illinois.

INTRODUCTION

3. This action has been filed by Plaintiff to combat online counterfeiters who trade upon Plaintiff’s reputation and goodwill by selling and/or offering for sale products in connection with Plaintiff’s Anne Stokes trademark and copyrighted artwork.

4. Defendants created numerous Internet Stores and designed them to appear to be selling genuine Plaintiff’s products, while selling inferior imitations of Plaintiff’s products. Defendant Internet Stores share unique identifiers, such as design elements and similarities of the counterfeit products offered for sale, establishing a logical relationship between them and suggesting that Defendants’ illegal operations arise out of the same transaction, occurrence, or

series of transactions or occurrences. Defendants attempt to avoid liability by going to great lengths to conceal both their identities and the full scope and interworking of their illegal counterfeiting operation. Plaintiff is forced to file this action to combat Defendants' counterfeiting of Plaintiff's trademark and copyrighted artwork, as well as to protect unknowing consumers from purchasing unauthorized products over the Internet. Plaintiff has been and continues to be irreparably damaged through consumer confusion, dilution, and tarnishment of its valuable trademark as a result of Defendants' actions and seek injunctive and monetary relief.

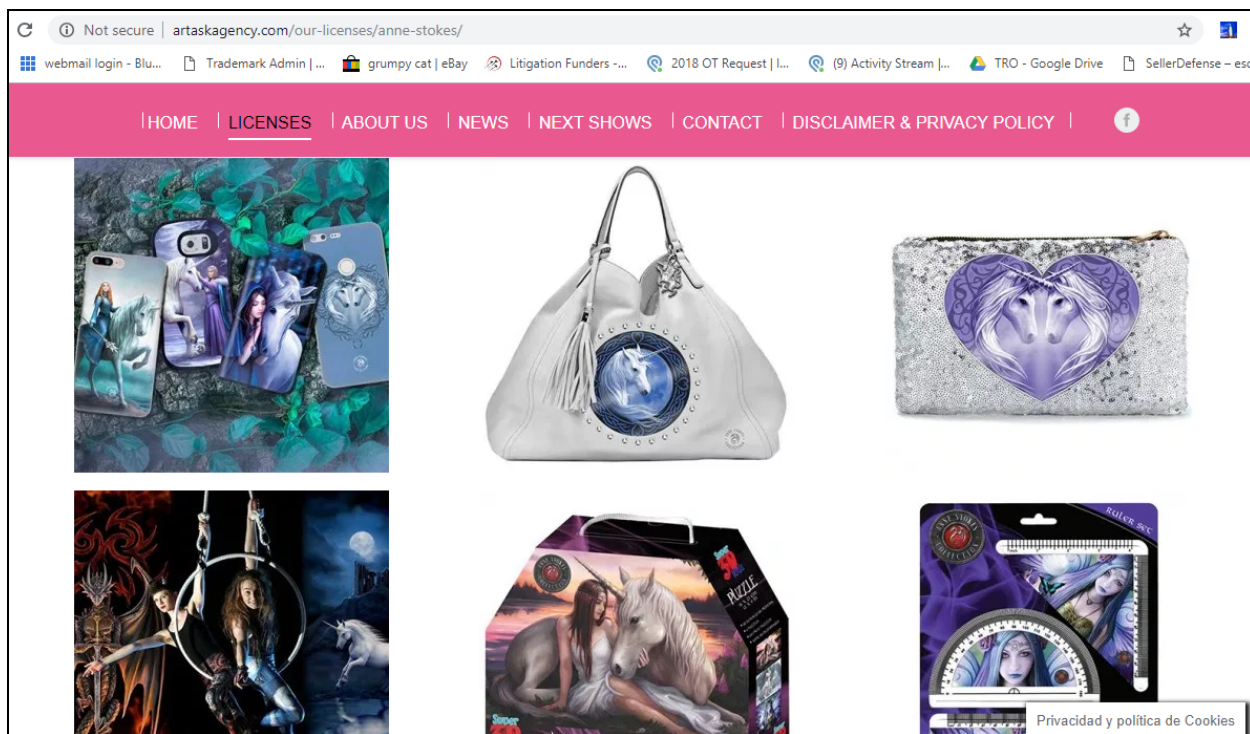
5. This Court has personal jurisdiction over each Defendant, in that each Defendant conducts significant business in Illinois and in this Judicial District, and the acts and events giving rise to this lawsuit of which each Defendant stands accused was undertaken in Illinois and in this Judicial District. In addition, each Defendant has offered to sell and ship infringing products into this Judicial District.

THE PLAINTIFF

6. Plaintiff ART ASK AGENCY is a company organized under the laws of Spain with its principal place of business in Spain.

7. Plaintiff ART ASK AGENCY is the exclusive licensee of the Anne Stokes trademark and copyright registrations for the fantasy art of British artist Anne Stokes which have been used and licensed for use on many products worldwide. The striking designs and life-like portrayals of fantasy subjects by Anne Stokes are widely acclaimed. ART ASK AGENCY is the official source of Anne Stokes products in the United States, which include the following:

<http://artaskagency.com/our-licenses/anne-stokes/>



8. The Anne Stokes trademark is and has been the subject of substantial and continuous marketing and promotion by Plaintiff. Plaintiff has and continues to market and promote the trademark in the industry and to consumers. Plaintiff's promotional efforts include — by way of example, but not limitation — substantial print media, a website, social media sites, and point of sale materials.

9. The Anne Stokes trademark is distinctive and identifies the merchandise as goods from Plaintiff.

10. The Anne Stokes trademark qualifies as a famous mark, as used in 15 U.S.C. §1125 (c)(1) and has been continuously used and never abandoned.

11. Plaintiff has expended substantial time, money, and other resources in developing, advertising, and otherwise promoting its trademark. As a result, products bearing its trademark are widely recognized and exclusively associated by consumers, the public, and the trade as being products sourced from Plaintiff.

THE DEFENDANTS

12. Defendants are individuals and business entities who, upon information and belief, reside in the People's Republic of China or other foreign jurisdictions. Defendants conduct business throughout the United States, including Illinois and within this Judicial District, through the operation of the fully interactive commercial websites and online marketplaces operating under the Defendants' Internet Stores. Each Defendant targets the United States, including Illinois, and has offered to sell and, on information and belief, has sold and continues to sell counterfeit products to consumers within the United States, including Illinois and this Judicial District.

THE DEFENDANTS' UNLAWFUL CONDUCT

13. The success of Plaintiff's brand has resulted in its counterfeiting. Plaintiff has identified numerous domain names linked to fully interactive websites and marketplace listings on platforms such as iOffer and Aliexpress, including the Defendants' Internet Stores, which were offering for sale, selling, and importing counterfeit products to consumers in this Judicial District and throughout the United States. Defendants have persisted in creating the Defendants' Internet Stores. Internet websites like the Defendant Internet Stores are estimated to receive tens of millions of visits per year and generate over \$135 billion in annual online sales. According to an intellectual property rights seizures statistics report issued by Homeland Security, the manufacturer's suggested retail price (MSRP) of goods seized by the U.S. government in 2013 was over \$1.74 billion, up from \$1.26 billion in 2012. Internet websites like the Defendants' Internet Stores are also estimated to contribute to tens of thousands of lost jobs for legitimate businesses and broader economic damages such as lost tax revenue.

14. Upon information and belief, Defendants facilitate sales by designing the Defendants' Internet Stores so that they appear to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers selling genuine products. Many of the Defendants' Internet Stores look sophisticated and accept payment in U.S. dollars via credit cards, Western Union and PayPal. Defendants' Internet Stores often include images and design elements that make it very difficult for consumers to distinguish such counterfeit sites from an authorized website. Defendants further perpetuate the illusion of legitimacy by offering "live 24/7" customer service and using indicia of authenticity and security that consumers have come to associate with authorized retailers, including the McAfee® Security, VeriSign®, Visa®, MasterCard®, and PayPal® logos.

15. Plaintiff has not licensed nor authorized Defendants to use its trademark or copyrighted artwork, and none of the Defendants are authorized retailers of its genuine products.

16. Upon information and belief, Defendants deceive unknowing consumers by using the Plaintiff's trademark without authorization within the content, text, and/or meta tags of their websites to attract various search engines looking for websites relevant to consumer searches for Plaintiff's products. Additionally, upon information and belief, Defendants use other unauthorized search engine optimization (SEO) tactics and social media spamming so that the Defendants' Internet Stores listings show up at or near the top of relevant search results and misdirect consumers searching for Plaintiff's genuine products. Further, Defendants utilize similar illegitimate SEO tactics to propel new domain names to the top of search results after others are shut down. As such, Plaintiff seeks to disable Defendants Domain Names owned by Defendants that are the means by which the Defendants could continue to sell counterfeit products.

17. Defendants go to great lengths to conceal their identities and often use multiple fictitious names and addresses to register and operate their massive network of Defendant Internet Stores. For example, many of Defendants' names and physical addresses used to register the Defendants' Domain Names are incomplete, contain randomly typed letters, or fail to include cities or states. Other Defendants' Domain Names use privacy services that conceal the owners' identity and contact information. Upon information and belief, Defendants regularly create new websites and online marketplace accounts on various platforms using the identities listed in Schedule A to the Complaint, as well as other unknown fictitious names and addresses. Such patterns are some of the tactics used by the Defendants to conceal their identities, the scope and interworking of their counterfeit operations, and avoiding being shut down.

18. Even though Defendants operate under multiple fictitious names, there are numerous similarities among the Defendants' Internet Stores. For example, some of the Defendants' websites have identical layouts, even though different aliases were used to register their respective domain names. In addition, the counterfeit products for sale in the Defendants' Internet Stores bear similarities and indicia of being related to one another, suggesting that the counterfeit products were manufactured by a common source and that Defendants are interrelated. The Defendants' Internet Stores also include other notable common features, including use of the same domain name registration patterns, unique shopping cart platforms, similar payment and check-out methods, meta data, illegitimate SEO tactics, HTML user-defined variables, domain redirection, lack of contact information, identically or similarly priced items and volume sales discounts, similar hosting services, similar name servers, and the use of the same text and images.

19. In addition to operating under multiple fictitious names, Defendants in this case and defendants in other similar cases against online counterfeiters use a variety of other common

tactics to evade enforcement efforts. For example, when Counterfeiters like Defendants receive notice of a lawsuit they will often register new domain names or online marketplace accounts under new aliases and move website hosting to rogue servers located outside the United States once notice of a lawsuit is received. Rogue servers are notorious for ignoring take down demands sent by brand owners. Counterfeiters will also ship products in small quantities via international mail to minimize detection by U.S. Customs and Border Protection. A 2012 U.S. Customs and Border Protection report on seizure statistics indicated that the Internet has fueled “explosive growth” in the number of small packages of counterfeit goods shipped through the mail and express carriers.

20. Further, counterfeiters such as Defendants typically operate multiple credit card merchant and PayPal accounts behind layers of payment gateways so that they can continue to operate in spite of Plaintiff’s enforcement efforts. Upon information and belief, Defendants maintain off-shore bank accounts and regularly move funds from their PayPal accounts to off-shore bank accounts outside the jurisdiction of this Court. Indeed, analysis of PayPal transaction logs from prior similar cases indicate that offshore counterfeiters regularly move funds from U.S.-based PayPal accounts to China-based bank accounts outside the jurisdiction of this Court.

21. Defendants, without any authorization or license from Plaintiff, have knowingly and willfully used and continue to use Plaintiff’s trademark in connection with the advertisement, distribution, offering for sale, and sale of counterfeit products into the United States and Illinois over the Internet. Each Defendants’ Internet Stores offer shipping to the United States, including Illinois and, on information and belief, each Defendant has offered to sell counterfeit products into the United States, including Illinois.

22. Defendants' use of Plaintiff's trademark in connection with the advertising, distribution, offering for sale, and sale of counterfeit products, including the sale of counterfeit products into Illinois, is likely to cause and has caused confusion, mistake, and deception by and among consumers and is irreparably harming Plaintiff.

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

23. Plaintiff repeats and incorporates by reference herein its allegations contained in paragraphs 1-22 of this Complaint.

24. 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.

25. By using the Anne Stokes trademark 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.

26. Defendants' conduct constitutes willful false designation of origin and misrepresentation of fact as to the origin and/or sponsorship of the counterfeit products to the general public under 15 U.S.C. §§ 1114, 1125.

27. 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 brand.

COUNT II
COPYRIGHT INFRINGEMENT (17 U.S.C. § 501(a))

28. Plaintiff repeats and incorporates by reference herein its allegations contained in paragraphs 1-22 of this Complaint.

29. Plaintiff's products have significant value and have been produced and created at considerable expense.

30. Plaintiff, at all relevant times, has been the holder of the pertinent exclusive rights infringed by Defendants, as alleged hereunder, including but not limited to the copyrighted products, including derivative works. Plaintiff's products are the subject of valid Certificates of Copyright Registration issued by the Register of Copyrights. (Group Exhibit 1). The copyrighted products include a copyright notice advising the viewer that Plaintiff's products are protected by the Copyright Laws.

31. Upon information and belief, Defendants had access to the works through Plaintiff's normal business activities. After accessing Plaintiff's work, Defendants wrongfully created copies of the copyrighted products without Plaintiff's consent and engaged in acts of widespread infringement.

32. Plaintiff is informed and upon belief thereon alleges that Defendants further infringed Plaintiff's copyrights by making or causing to be made derivative works from Plaintiff's products by producing and distributing reproductions without Plaintiff's permission.

33. The trademark and copyright products include a copyright notice advising the general public that Plaintiff's products are protected by Copyright Laws.

34. Defendants, without the permission or consent of Plaintiff, have, and continue to sell online infringing derivative works of Plaintiff's copyrighted products. Defendants have violated Plaintiff's exclusive rights of reproduction and distribution. Defendants' actions

constitute infringement of Plaintiff's exclusive rights protected under the Copyright Act (17 U.S.C. §101 et seq.).

35. As a direct result of the acts of copyright infringement, Defendants have obtained direct and indirect profits they would not otherwise have realized but for their infringement of the copyrighted products. Plaintiff is entitled to disgorgement of Defendants' profits directly and indirectly attributable to their infringement of Plaintiff's products.

36. The foregoing acts of infringement constitute a collective enterprise of shared, overlapping facts and have been willful, intentional, and in disregard of and with indifference to the rights of Plaintiff.

37. As a result of Defendants infringement of Plaintiff's exclusive rights under copyrights, Plaintiff is entitled to relief pursuant to 17 U.S.C. §504 and to its attorneys' fees and costs pursuant to 17 U.S.C. §505.

38. The conduct of Defendants is causing and, unless enjoined and restrained by this Court, will continue to cause Plaintiff irreparable injury that cannot be compensated fully or monetized. Plaintiff has no adequate remedy at law. Pursuant to 17 U.S.C. §§502 and 503, Plaintiff is entitled to injunctive relief prohibiting Defendants from further infringing Plaintiff's copyright and ordering Defendants to destroy all unauthorized copies. Defendants' copies, plates, and other embodiment of Plaintiff's products from which copies can be reproduced should be impounded and forfeited to Plaintiff as instruments of infringement, and all infringing copies created by Defendants should be impounded and forfeited to Plaintiff, under 17 U.S.C. §503.

COUNT III
VIOLATION OF ILLINOIS UNIFORM DECEPTIVE TRADE PRACTICES ACT
(815 ILCS § 510/1, et seq.)

39. Plaintiff repeats and incorporate by reference herein its allegations contained in paragraphs 1-22 of this Complaint.

40. Defendants have engaged in acts violating Illinois law including, but not limited to, passing off their counterfeit products as those of Plaintiff, causing likelihood of confusion and/or misunderstanding as to the source of their goods, causing likelihood of confusion and/or misunderstanding as to an affiliation, connection, or association with genuine products, representing that their products have Plaintiff's approval when they do not, and engaging in other conduct which creates likelihood of confusion or misunderstanding among the public.

41. The foregoing Defendants' acts constitute a willful violation of the Illinois Uniform Deceptive Trade Practices Act, 815 ILCS § 510/1, et seq.

42. Plaintiff has no adequate remedy at law, and Defendants' conduct has caused Plaintiff to suffer damage to its reputation and goodwill. Unless enjoined by the Court, Plaintiff will suffer future irreparable harm as a direct result of Defendants' unlawful activities.

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 Anne Stokes trademark 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 product or is not authorized by Plaintiff to be sold in connection with the Anne Stokes trademark;
- b. passing off, inducing, or enabling others to sell or pass off any product as a genuine 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 Anne Stokes trademark;
 - 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 Anne Stokes trademark and damaging Plaintiff's goodwill;
 - e. otherwise competing unfairly with Plaintiff in any manner;
 - f. 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 including the Anne Stokes trademark, or any reproductions, counterfeit copies, or colorable imitations thereof, or which are derived from the copyrighted artwork;
 - g. using, linking to, transferring, selling, exercising control over, or otherwise owning the Online Marketplace Accounts, the Defendant Domain Names, or any other domain name or online marketplace account that is being used to sell or is the means by which Defendants could continue to sell counterfeit products; and
 - h. operating and/or hosting websites at the Defendants' Domain Names and any other domain names registered or operated by Defendants that are involved with the

distribution, marketing, advertising, offering for sale, or sale of any product bearing the Anne Stokes trademark or any reproduction, counterfeit copy or colorable imitation thereof that is not a genuine product or not authorized by Plaintiff to be sold in connection with the Anne Stokes trademark or which are derived from the copyrighted artwork; and

2) That Defendants, within fourteen (14) days after service of judgment with notice of entry thereof upon them, be required to file with the Court and serve upon Plaintiff a written report under oath setting forth in detail the manner and form in which Defendants have complied with paragraph 1, a through h, above;

3) Entry of an Order that, at Plaintiff's choosing, the registrant of the Defendants' Domain Names shall be changed from the current registrant to Plaintiff, and that the domain name registries for the Defendants' Domain Names, including, but not limited to, VeriSign, Inc., Neustar, Inc., Afilias Limited, CentralNic, Nominet, and the Public Interest Registry, shall unlock and change the registrar of record for the Defendants' Domain Names to a registrar of Plaintiff's selection, and that the domain name registrars take any steps necessary to transfer the Defendants' Domain Names to a registrar of Plaintiff's selection; or that the same domain name registries shall disable the Defendants' Domain Names and make them inactive and untransferable;

4) Entry of an Order that, upon Plaintiff's request, those in privity with Defendants and those with notice of the injunction, including any online marketplaces such as iOffer and Alibaba Group Holding Ltd., Alipay.com Co., Ltd. and any related Alibaba entities (collectively, "Alibaba"), social media platforms, Facebook, YouTube, LinkedIn, Twitter, Internet search

engines such as Google, Bing and Yahoo, web hosts for the Defendants' Domain Names, and domain name registrars, shall:

- a. disable and cease providing services for any accounts through which Defendants engage in the sale of counterfeit products using the Anne Stokes trademark or which are derived from the copyrighted artwork, including any accounts associated with the Defendants listed on Schedule A;
- b. disable and cease displaying any advertisements used by or associated with Defendants in connection with the sale of counterfeit products using Plaintiff's trademark or which are derived from the copyrighted artwork; and
- c. take all steps necessary to prevent links to the Defendants' Domain Names identified on Schedule A from displaying in search results, including, but not limited to, removing links to the Defendants' Domain Names from any search index; and

5) 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 be increased by a sum not exceeding three times the amount thereof as provided by 15 U.S.C. § 1117;

6) For Judgment in favor of Plaintiff against Defendants that they have: a) willfully infringed Plaintiff's rights in its federally registered copyrights pursuant to 17 U.S.C. §501; and b) otherwise injured the business reputation and business of Plaintiff by Defendants' acts and conduct set forth in this Complaint;

- 7) That Plaintiff is awarded its reasonable attorneys' fees and costs; and
- 8) Award any and all other relief that this Court deems just and proper.

DATED: March 9, 2020

Respectfully submitted,

By: /s/ Michael A. Hierl
Michael A. Hierl (Bar No. 3128021)
William B. Kalbac (Bar No. 6301771)
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Attorneys for Plaintiff
Art Ask Agency

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a true and correct copy of the foregoing Complaint was filed electronically with the Clerk of the Court and served on all counsel of record and interested parties via the CM/ECF system on March 9, 2020.

s/Michael A. Hierl

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

ART ASK AGENCY,

Plaintiff,

v.

THE INDIVIDUALS, CORPORATIONS,
LIMITED LIABILITY COMPANIES,
PARTNERSHIPS, AND
UNINCORPORATED ASSOCIATIONS
IDENTIFIED ON SCHEDULE A HERETO,

Defendants.

Case No.: 20-cv-1666

Judge: Steven C. Seeger

Magistrate Judge: Maria Valdez

**PLAINTIFF'S MOTION TO RE-SET HEARING DATE OF APRIL 13, 2020 FOR
PLAINTIFF'S *EX PARTE* MOTION FOR TEMPORARY RESTRAINING ORDER**

Plaintiff Art Ask Agency moves this honorable Court to Re-set the Hearing Date of April 13, 2020 for Plaintiff's *Ex Parte* Motion for Temporary Restraining Order for the reasons set forth below:

1. On March 9, 2020, Plaintiff filed its complaint for False Designation of Origin (Count 1), Copyright Infringement (Count II) and Violation of Illinois Uniform Deceptive Trade Practices Act (Count III). [Dkt. No. 1].
2. On March 10, 2020, Plaintiff filed a Motion for *Ex Parte* Entry of a Temporary Restraining Order alleging that Defendants are selling unauthorized products infringing on Plaintiff's trademark and derivative works of the copyrighted subject matter of Plaintiff's products and that such actions would bring Plaintiff immediate and irreversible harm. [Dkt. Nos. 11 and 12]. Plaintiff noticed the presentment of Plaintiff's *Ex Parte* Motion for Entry of a Temporary Restraining Order for March 17, 2020 at 9:00 a.m. [Dkt. No. 18].

3. On March 13, 2020, due to the present coronavirus pandemic, this Court re-set Plaintiff's *Ex Parte* Motion for Entry of a Temporary Restraining Order to April 13, 2020. [Dkt. No. 19].
4. Due to the nature of Plaintiff's claims and the existence of irreparable injury, Plaintiff respectfully requests this Court to re-set its *Ex Parte* Motion for Entry for a Temporary Restraining Order for presentment during the week of March 16, 2020. Plaintiff is willing to appear telephonically or otherwise make itself available for the presentment of Plaintiff's motion.
5. Delay of entry of Plaintiff's *Ex Parte* Motion for Temporary Restraining Order would result in significant irreparable injuries to Plaintiff, continuing harm to the consuming public and denial of the protections that only this Court can afford.

Respectfully submitted,

Dated: March 16, 2020

By: s/Michael A. Hierl
Michael A. Hierl (Bar No. 3128021)
William B. Kalbac (Bar No. 6301771)
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Attorneys for Plaintiff
ART ASK AGENCY

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a true and correct copy of the foregoing Motion was filed electronically with the Clerk of the Court and served on all counsel of record and interested parties via the CM/ECF system on March 16, 2020.

s/Michael A. Hierl

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

ART ASK AGENCY,)	
)	
Plaintiff,)	Case No. 20-cv-1666
)	
v.)	Hon. Steven C. Seeger
)	
THE INDIVIDUALS, CORPORATIONS,)	
LIMITED LIABILITY COMPANIES,)	
PARTNERSHIPS AND)	
UNINCORPORATED ASSOCIATIONS)	
IDENTIFIED ON SCHEDULE A)	
HERETO,)	
)	
Defendants.)	
)	

ORDER

This case involves counterfeit unicorn drawings. The complaint includes a few examples of products that allegedly infringe Plaintiff’s trademarks, which offer “striking designs and life-like portrayals of fantasy subjects.” *See* Cplt. at ¶ 7 (Dckt. No. 1). One example is a puzzle of an elf-like creature embracing the head of a unicorn on a beach. *Id.* at p.4. Another is a hand purse with a large purple heart, filled with the interlocking heads of two amorous-looking unicorns. *Id.* There are phone cases featuring elves and unicorns, and a unicorn running beneath a castle lit by a full moon. *Id.*

Meanwhile, the world is in the midst of a global pandemic. The President has declared a national emergency. The Governor has issued a state-wide health emergency. As things stand, the government has forced all restaurants and bars in Chicago to shut their doors, and the schools are closed, too. The government has encouraged everyone to stay home, to keep infections to a minimum and help contain the fast-developing public health emergency.

The United States District Court for the Northern District of Illinois took action last week to protect the public, issuing General Order No. 20-0012 entitled **IN RE: CORONAVIRUS COVID-19 PUBLIC EMERGENCY**. *See* www.ilnd.uscourts.gov (last visited March 16, 2020) (bold and all caps in original). On March 16, the Executive Committee issued an amended Order that, among other things, holds all civil litigation in abeyance. *Id.*

Last week, Plaintiff filed a motion for a temporary restraining order (Dckt. No. 11) against the Defendants (who are located abroad) and requested a hearing. *See* Dckt. No. 1, at ¶ 12. This Court thought that it was a bad time to hold a hearing on the motion. So, this Court

moved the hearing by a few weeks to protect the health and safety of our community, including counsel and this Court's staff. *See* Dckt. No. 19. Waiting a few weeks seemed prudent.

Plaintiff has not demonstrated that it will suffer an irreparable injury from waiting a few weeks. At worst, Defendants might sell a few more counterfeit products in the meantime. But Plaintiff makes no showing about the anticipated loss of sales. One wonders if the fake fantasy products are experiencing brisk sales at the moment.

On the flipside, a hearing – even a telephonic one – would take time and consume valuable court resources, especially given the girth of Plaintiff's filings. *See* Dckt. Nos. 1, 6-7, 11-18. And the proposed temporary restraining order would require the attention of innocent third parties, and create a cascade of obligations. Plaintiff wants to force financial institutions to lock down accounts, and require domain name registries to shut down websites, for example. *See* Dckt. No. 12. Plaintiff requests an order forcing innocent third parties – such as Amazon, eBay, PayPal, Alibaba, Western Union, plus social media platforms such as “Facebook, YouTube, LinkedIn, [and] Twitter,” plus internet search engines such as “Google, Bing and Yahoo,” among others – to spring into action within two or three days. Either the order would be a nullity, or it would distract people who may have bigger problems on their hands right now.

In response, Plaintiff Art Ask Agency and its counsel filed a motion for reconsideration. *See* Dckt. No. 20. They ask this Court to re-think its scheduling order. They want a hearing this week (telephonically if need be).

Plaintiff recognizes that the community is in the midst of a “coronavirus pandemic.” *Id.* at ¶ 3. But Plaintiff argues that it will suffer an “irreparable injury” if this Court does not hold a hearing this week and immediately put a stop to the infringing unicorns and the knock-off elves. *Id.* at ¶ 4. To top it off, Plaintiff noticed the motion for a hearing on March 19, 2020, a day that has been blocked off on the Court's calendar – as revealed on its webpage – for several weeks. *See* www.ilnd.uscourts.gov (last visited March 16, 2020) (“The Honorable Steven C. Seeger will not be holding court on Thursday, March 19, 2020 . . .”).

Meanwhile, the Clerk's Office is operating with “limited staff.” *See* Amended General Order No. 20-0012, at ¶ 5. “[P]hone conferencing” is available “in emergency situations and where resources permit.” *Id.* at ¶ 1. The Court can still hear emergency motions, but resources are stretched and time is at a premium. *Id.* at ¶ 4. If there's ever a time when emergency motions should be limited to genuine emergencies, now's the time.

Thirty minutes ago, this Court learned that Plaintiff filed yet another emergency motion. They teed it up in front of the designated emergency judge, and thus consumed the attention of the Chief Judge. *See* Dckt. No. 23. The filing calls to mind the sage words of Elihu Root: “About half of the practice of a decent lawyer is telling would-be clients that they are damned fools and should stop.” *See Hill v. Norfolk and Western Railway Co.*, 814 F.2d 1192, 1202 (7th Cir. 1987) (quoting 1 Jessup, Elihu Root 133 (1938)).

The world is facing a real emergency. Plaintiff is not. The motion to reconsider the scheduling order is denied.

Date: March 18, 2020

A handwritten signature in black ink, consisting of stylized initials 'SCS' followed by a long, sweeping horizontal stroke that extends to the right.

Steven C. Seeger
United States District Judge

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

ART ASK AGENCY,

Plaintiff,

v.

THE INDIVIDUALS, CORPORATIONS,
LIMITED LIABILITY COMPANIES,
PARTNERSHIPS, AND
UNINCORPORATED ASSOCIATIONS
IDENTIFIED ON SCHEDULE A HERETO,

Defendants.

Case No.: 20-cv-1666

Judge: Steven C. Seeger

Magistrate Judge: Maria Valdez

**MEMORANDUM IN SUPPORT OF PLAINTIFF’S *EX PARTE* MOTION FOR
ENTRY OF A TEMPORARY RESTRAINING ORDER, INCLUDING A TEMPORARY
INJUNCTION, A TEMPORARY TRANSFER OF THE DEFENDANT DOMAIN
NAMES, A TEMPORARY ASSET RESTRAINT, EXPEDITED DISCOVERY, AND
SERVICE OF PROCESS BY E-MAIL AND/OR ELECTRONIC PUBLICATION**

I. INTRODUCTION AND SUMMARY OF ARGUMENT

Plaintiff brings this action against the defendants identified on Schedule A to the Complaint (collectively, the “Defendants”) for false designation of origin based on trademark infringement (Count I), copyright infringement (Count II), and violation of the Illinois Uniform Deceptive Trade Practices Act (Count III). As alleged in the Complaint, Defendants are selling unauthorized products that infringe the Anne Stokes trademark and are derivative works of the copyrighted subject matter of ANNE STOKES products, hereinafter referred to as “ANNE STOKES Products. Defendants are promoting, advertising, marketing, distributing and offering for sale the illegal ANNE STOKES Products using the ANNE STOKES trademark through various fully interactive commercial Internet websites (collectively, the “Defendant Internet

Stores”). Defendants’ unauthorized conduct is done with the intent to generate profits by infringing Plaintiff’s valuable rights.

Defendants create numerous Defendant Internet Stores and design them to appear to be selling genuine ANNE STOKES Products while actually selling unauthorized and unlicensed products to unknowing consumers. Defendants attempt to avoid liability by concealing both their identities and the full scope and interworking of their operation.

Defendant’s ongoing unlawful activities should be restrained. Plaintiff requests this Court to issue an *ex parte* Temporary Restraining Order. Considering the covert nature of offshore infringing activities and the vital need to establish an economic disincentive for infringement, courts regularly issue such orders. *See, e.g., Pink Floyd (1987) Limited v. The Partnerships and Unincorporated Associations Identified on Schedule “A”*, Case No. 18-cv-05562 (N.D. Ill. Aug. 24, 2018); *Entertainment One UK Ltd. v. The Partnerships and Unincorporated Associations Identified on Schedule “A”*, Case No. 18-cv-04926 (N.D. Ill. Aug. 2, 2018); and *Millennium Media, Inc. v. The Partnerships and Unincorporated Associations Identified on Schedule “A”*, Case No. 18-cv-05856 (N.D. Ill. Sept. 4, 2018).

II. STATEMENT OF FACTS

A. Plaintiff’s Rights

Plaintiff is in the business of developing, marketing, selling and distributing products associated with fantasy art of British artist Anne Stokes. *See* Declaration of Maria Strid (the “Strid Declaration”) at ¶¶ 3-4. Plaintiff is the exclusive licensee of the ANNE STOKES Copyrights. *Id.* at ¶4-5. True and correct copies of copyright registrations for the ANNE STOKES Copyrights are attached to the Strid Declaration as Exhibit 1. Plaintiff has expended substantial time, money and other resources promoting the ANNE STOKES trademark and copyrighted materials. *Id.* at ¶9. As

a result, products bearing the ANNE STOKES trademark and copyrights are widely recognized and exclusively associated by consumers, the public, and the trade as being products sourced from Plaintiff. *Id.*

B. Defendants' Unlawful Activities

The success of ANNE STOKES Products has resulted in significant infringement counterfeiting. *Id.* at ¶ 10. Numerous domain names have been identified and linked to fully interactive websites and marketplace listings on platforms which were offering for sale, selling, and importing counterfeit ANNE STOKES Products to consumers in this Judicial District and throughout the United States. *Id.* Internet websites like Defendants' Internet Stores are estimated to receive tens of millions of visits per year and to generate over \$135 billion in annual online sales. *See* Declaration of Michael A. Hierl (the "Hierl" Declaration) at ¶ 2. According to an intellectual property rights seizures statistics report issued by Homeland Security, the manufacturer's suggested retail price (MSRP) of goods seized by the U.S. government during 2017 exceeded \$1.2 billion. *Id.* at ¶ 3. Internet websites like Defendants' Internet Stores are also estimated to result in tens of thousands of lost jobs for legitimate businesses and broader economic damages such as lost tax revenue every year. *Id.* at ¶ 4.

III. ARGUMENT

Rule 65(b) of the Federal Rules of Civil Procedure provides that the Court may issue an *ex parte* temporary restraining order where immediate and irreparable injury, loss, or damage will result to the applicant before the adverse party or that party's attorney can be heard in opposition. Fed. R. Civ. P. 65(b).

A. This Court May Exercise Personal Jurisdiction over Defendants

This Court may properly exercise personal jurisdiction over Defendants since each Defendant has targeted sales from Illinois residents by operating online stores that offer to ship to the United States, including having offered to directly sell infringing ANNE STOKES Products to consumers within the State of Illinois. *See* Complaint at ¶¶ 7 and 9. Courts regularly exercise personal jurisdiction over websites offering for sale and selling infringing merchandise to Illinois residents over the Internet. 735 ILCS 5/2-209(a)(2). *See, e.g., Christian Dior Culture, S.A. v. Liu*, 2015 U.S. LEXIS 158225 (N.D. Ill. Nov. 17, 2015); *Monster Energy Co. v. Chen Wensheng*, 2015 U.S. Dist. LEXIS 132283 (N.D. Ill. Sept. 29, 2015); *Chrome Hearts LLC v. Partnerships & Unincorporated Assns. Identified on Schedule "A"*, 2015 U.S. Dist. LEXIS 120232 (N.D. Ill. Sept. 9, 2015).

B. Standard for Temporary Restraining Order and Preliminary Injunction

District Courts within this Circuit hold that the standard for granting a temporary restraining order and the standard for granting a preliminary injunction are identical. *See, e.g. Charter Nat'l Bank & Trust v. Charter One Fin., Inc.*, No. 1:01-cv-00905, 2001 WL 527404, *1 (N.D. Ill. May 15, 2001) (citation omitted). A party seeking to obtain a preliminary injunction must demonstrate: (1) that its case has some likelihood of success on the merits; (2) that no adequate remedy at law exists; and (3) that it will suffer irreparable harm if the injunction is not granted. *See Ty, Inc. v. The Jones Group, Inc.*, 237 F.3d 891, 895 (7th Cir. 2001).

C. Plaintiff Will Likely Succeed on the Merits

i. Plaintiff Will Likely Succeed on the Merits

A Plaintiff bringing a false designation of origin claim under 15 U.S.C. § 1125(a) must show that: (1) the plaintiff has a protectable trademark; and (2) a likelihood of confusion will exist as to the origin of plaintiff's products. *Johnny Blastoff, Inc. v. Los Angeles Rams Football Co.*,

188 F. 3d 427, 436 (7th Cir. 1999). This is the same test that is used for determining whether trademark infringement has occurred under the Lanham Act. *See Neopost Industrie B.V. v. PFE Int'l Inc. Inc.*, 403 F. Supp. 2d 669, 684 (N.D. Ill. 2005) (citation omitted). A defendant is liable for trademark infringement under the Lanham Act if it, “without the consent of the registrant, uses in commerce any reproduction, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods ... which such use[s] is likely to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. § 1114(1). To prove a *prima facie* case for infringement, a plaintiff must show (1) its marks are distinctive enough to be worthy of protection; (2) Defendants are not authorized to use the trademark; and (3) Defendants’ use of the trademark causes a likelihood of confusion as to the origin or sponsorship of Defendants’ products. *See Neopost Industrie B.V.*, 403 F. Supp. 2d 669, 684 (N.D. Ill. 2005) (citation omitted).

Regarding the first two elements, the ANNE STOKES trademark is inherently distinctive and has been continuously used for years. As to the likelihood of confusion analysis, the Seventh Circuit has enumerated seven factors to be used: (1) similarity between the marks; (2) similarity of the products; (3) area and manner of concurrent use; (4) degree of care likely to be exercised by consumers; (5) strength of the mark; (6) actual confusion; and (7) intent of the defendants. *Eli Lilly v. Natural Answers, Inc.*, 233 F.3d 456, 461-462 (7th Cir. 2000). (Citation omitted).

In this case, the likelihood of confusion test is satisfied. Defendants use marks that are identical to the ANNE STOKES trademark on products that are intentionally linked to and intended to trade off the name recognition of Plaintiff’s ANNE STOKES Products. In fact, without ANNE STOKES Products, the accused products would have very little value. For example, without the popularity of ANNE STOKES Products, the imagery used by the products would be

meaningless. As such, the first three likelihood of confusion factors weigh heavily in favor of Plaintiff.

Regarding the fourth factor, “where the relevant group of consumers is likely to buy in haste or on impulse, confusion is more likely. *TV Land, L.P. v. Viacom International, Inc.*, 908 F.Supp. 543, 552 (N.D. Ill. 1995). Here, the products at issue are not high in price nor do they require much research. The low level of sophistication results in this factor favoring Plaintiff.

Due to its extensive worldwide exposure to the public, the ANNE STOKES trademark has become famous and is associated with Plaintiff. The trademark is distinctive and signifies to consumers that the accused products are associated with Plaintiff. Thus, the fifth factor, the strength of the mark, also weighs heavily in favor of Plaintiff.

As for the sixth factor, evidence of actual confusion is not needed. *See Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 960 (7th Cir. 1992) (the Seventh Circuit has consistently found that “plaintiff need not show actual confusion to establish a likelihood of confusion.”). Because the accused goods are clearly related to ANNE STOKES Products consumers are likely to think that Defendants’ products are sponsored or endorsed by Plaintiffs. Thus, the sixth factor weighs in favor of Plaintiff.

Regarding the seventh and final factor, Defendants are intentionally using the ANNE STOKES trademark to benefit and trade off Plaintiff’s goodwill and reputation. Therefore, the final factor regarding Defendants’ intent also weighs heavily in Plaintiff’s favor.

In sum, it is manifestly clear that each of the seven likelihood of confusion factors weighs heavily in favor of Plaintiff, and, therefore, Plaintiff has proved that it has a reasonable likelihood of success on the merits of its trademark infringement claim.

ii. Plaintiff Is Likely to Succeed on Its Copyright Infringement Claim

To establish copyright infringement under 17 U.S.C. § 501, a plaintiff must prove two elements: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original. *JCW Investments, Inc. v. Novelty, Inc.*, 482 F.3d 910, 914 (7th Cir. 2007). Moreover, copyright protection extends to works derived from the original work since Section 101 of the Copyright Act defines a “derivative work” as “a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization . . . , or any other form in which a work may be recast, transformed, or adapted.” 17 U.S.C. § 101. Lastly, “when cartoons or movies are copyrighted, a component of that copyright protection extends to the characters themselves, to the extent that such characters are sufficiently distinctive. *Warner Bros. Entm’t, Inc. v. X One X Prods.*, 644 F.3d 584, 597 (8th Cir. 2011).

Here, Plaintiff is the exclusive licensee of the registered copyrights in ANNE STOKES Products. Strid Decl. at ¶¶ 5-6. The accused products are derived from the distinctive creative content found in ANNE STOKES fantasy artwork. Therefore, the infringement is clear and establishes that Plaintiff is likely to succeed on the merits of his claim.

iii. Plaintiff Is Likely to Succeed on Its Illinois Uniform Deceptive Trade Practices Act Claim

In Illinois, courts resolve unfair competition and deceptive trade practices claims “according to the principles set forth under the Lanham Act.” *Spex, Inc. v. Joy of Spex, Inc.*, 847 F. Supp. 567, 579 (N.D. Ill. 1994). Illinois courts look to federal case law and apply the same analysis to state infringement claims. *Id.* at 579 (citation omitted). The determination as to whether there is a likelihood of confusion is similar under the Illinois Uniform Deceptive Trade Practices Act. *Am. Broad. Co. v. Maljack Prods., Inc.*, 34 F. Supp. 2d 665, 681 (N.D. Ill. 1998). Because Plaintiff has established a likelihood of success on the merits of its trademark and

copyright infringement and counterfeiting claims against Defendants (supra), and the standard is the same under Illinois law, Plaintiff has established a likelihood of success on the merits for its Illinois Uniform Deceptive Trade Practices Act claim.

D. There Is No Adequate Remedy at Law and Plaintiff Will Suffer Irreparable Harm in the Absence of Preliminary Relief

Irreparable injury “almost inevitably follows” when there is a high probability of confusion because such injury “may not be fully compensable in damages.” *Helene Curtis Industries, Inc. v. Church & Dwight Co., Inc.*, 560 F.2d 1325, 1332 (7th Cir. 1977) (citation omitted). “The most corrosive and irreparable harm attributable to trademark infringement is the inability of the victim to control the nature and quality of the defendants’ goods.” *Int’l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d 1079, 1092 (7th Cir. 1988). As such, monetary damages are likely to be inadequate compensation for such harm. *Ideal Indus., Inc. v. Gardner Bender, Inc.*, 612 F.2d 1018, 1026 (7th Cir. 1979).

The harm caused by the copyright infringement of ANNE STOKES Products is equally insidious. The ongoing infringement deprives Plaintiff of the ability to control the creative content protected by its copyrights, it devalues the ANNE STOKES brand by associating it with inferior quality goods and it undermines the value of the copyrights by creating the impression that infringement may be undertaken with impunity which threatens Plaintiff’s ability to develop additional markets for their products. Strid Declaration ¶¶ 19-20. These are recognized irreparable harms for which monetary compensation is inadequate. *See MGM Studios, Inc. v. Grokster, Ltd.*, 518 F.Supp. 2d 1197, 1219 (C.D. Cal. 2007).

Defendants’ unauthorized use of the ANNE STOKES copyrights has and continues to irreparably harm Plaintiff through diminished goodwill and brand confidence, damage to Plaintiff’s reputation, loss of exclusivity, and loss of future sales. Strid Declaration at ¶¶ 19-20.

These are recognized irreparable harms for which monetary compensation is inadequate. *See MGM Studios, Inc. v. Grokster, Ltd.*, 518 F. Supp. 2d 1197, 1219 (C.D. Cal. 2007) (“In sum, Plaintiffs’ have offered two independently sufficient grounds for a finding of irreparable harm. Plaintiffs will suffer irreparable harm because of StreamCast’s likely inability to pay for the past and/or future infringements that it has induced. Additionally, StreamCast’s inducement has and will continue to irreparably harm Plaintiffs’ ability to enforce its exclusive rights.”); *Warner Bros. Entm’t, Inc. v. WTV Sys.*, 824 F. Supp.2d 1003, 1013-14 (C.D. Cal. 2011) (recognizing that the perception of the ability to infringe copyright protected work undermines the ability to develop and conduct business).

Accordingly, Plaintiff has established that it will be irreparably harmed by Defendants’ infringing conduct.

E. The Balancing of Harms Tips in Plaintiff’s Favor

“When considering the balancing of hardships between the parties in infringement cases, courts generally favor the trademark owner.” *Krause Int’l Inc. v. Reed Elsevier, Inc.*, 866 F. Supp. 585, 587-88 (D.D.C. 1994). This is because “[o]ne who adopts the mark of another for similar goods acts at his own peril since he has no claim to the profits or advantages thereby derived.” *Burger King Corp. v. Majeed*, 805 F. Supp. 994, 1006 (S.D. Fla. 1992) (internal quotation marks omitted). This is equally true in the copyright context, since Defendants “cannot complain” of being forced to cease their infringement. *Warner Bros. Entm’t, Inc. v. WTV Sys.*, 824 F. Supp. 2d 1003, 1014-15 (C.D. Cal. 2011).

F. Issuance of the Injunction Is in the Public Interest

“[I]t is virtually axiomatic that the public interest can only be served by upholding copyright protections and correspondingly, preventing the misappropriation of skills, creative

energies, and resources which are invested in the protected work.” *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1255 (3rd Cir. 1983). This is especially true here since protecting the creative content of ANNE STOKES Products extends far beyond protecting the work of the producing studio.

Moreover, courts have long held that “the trademark laws ... are concerned not alone with the protection of a property right existing in an individual, but also for the protection of the public from fraud and deceit.” *Stahly, Inc. v. M.H. Jacobs Co.*, 183 F.2d 914, 917 (7th Cir. 1950) (citations omitted). In this case, the injury to the public is significant, and the injunctive relief sought is intended to remedy that injury by dispelling the public confusion created by Defendants’ actions.

For these reasons, it is respectfully submitted that granting Plaintiff’s Motion for Entry of a Temporary Restraining Order is in the public interest.

IV. THE EQUITABLE RELIEF SOUGHT IS APPROPRIATE

Rule 65(b) of the Federal Rules of Civil Procedure provides that a court may issue a temporary restraining order without notice where facts show that the movant will suffer immediate and irreparable injury, loss, or damage before the adverse party can be heard in opposition. Moreover, under Federal Rule of Civil Procedure 65(d)(2)(C), this Court has the power to bind any third parties, such as domain name registries and financial institutions, who are in active concert with the Defendants or who aid and abet Defendants and are given actual notice of the order. Fed. R. Civ. P. 65. The facts in this case warrant such relief.

A. A Temporary Restraining Order Immediately Enjoining Defendants’ Unauthorized and Unlawful Use of Plaintiff’s Mark Is Appropriate

The requested temporary injunction requires the Defendants to immediately cease all use of ANNE STOKES trademark or substantially similar marks on or in connection with all

Defendants Internet Stores and to cease their acts of copyright infringement. Such relief is necessary to stop the ongoing harm to the trademark and copyrights. The need for *ex parte* relief is magnified in today's global economy where counterfeiters can operate over the Internet in an anonymous fashion.

B. Preventing the Fraudulent Transfer of Assets Is Appropriate

Plaintiff requests an *ex parte* restraint of Defendants' assets to preserve the right to an equitable accounting of Defendants' profits pursuant to 15 U.S.C. § 1117(a) and 17 U.S.C. § 504(b). If such a restraint is not granted in this case, Defendants may disregard their responsibilities and fraudulently transfer financial assets to overseas accounts before a restraint is ordered. Specifically, upon information and belief, the Defendants in this case hold most of their assets in foreign accounts, making it easy to hide or dispose of assets, which will render an accounting by Plaintiff meaningless.

Courts have the inherent authority to issue a prejudgment asset restraint when plaintiff's complaint seeks relief in equity. *Animale Grp. Inc. v. Sunny's Perfume Inc.*, 256 F. App'x 707, 709 (5th Cir. 2007); *Levi Strauss & Co. v. Sunrise Int'l Trading Inc.*, 51 F.3d 982, 987 (11th Cir. 1995); *Reebok Int'l Ltd. v. Marnatech Enters., Inc.*, 970 F.2d 552, 559 (9th Cir. 1992).

The Northern District of Illinois in *Lorillard Tobacco Co. v. Montrose Wholesale Candies* entered an asset restraining order in a trademark infringement case brought by a tobacco company against owners of a store selling counterfeit cigarettes. *Lorillard*, 2005 WL 3115892, at *13 (N.D. Ill. Nov. 8, 2005). The Court, citing *Grupo Mexicano de Desarrollo, S.A. v. Alliance Bond Fund*, 527 U.S. 308 (1999), recognized that it was explicitly allowed to issue a restraint on assets for lawsuits seeking equitable relief. *Id.* (citing *Grupo Mexicano*, 527 U.S. at 325 (citing *Deckert v. Independence Shares Corp.*, 311 U.S. 282 (1940))). Because the tobacco company sought a disgorgement of the storeowner's profits, an equitable remedy, the Court found that it had the

authority to freeze the storeowner's assets. *Id.*; see also *Animale Grp. Inc. v. Sunny's Perfume Inc.*, 256 F. App'x 707, 709 (5th Cir. 2007); *Levi Strauss & Co. v. Sunrise Int'l Trading Inc.*, 51 F.3d 982, 987 (11th Cir. 1995); *Reebok Int'l Ltd. v. Marnatech Enters., Inc.*, 970 F.2d 552, 559 (9th Cir. 1992); *CSC Holdings, Inc. v. Redisi*, 309 F.3d 988 (7th Cir. 2002) ("since the assets in question ... were the profits of the [defendants] made by unlawfully stealing [the plaintiff's] services, the freeze was appropriate and may remain in place pending final disposition of this case."); accord 5 J. Thomas McCarthy, *McCarthy on Trademark and Unfair Competition* § 30:40 (4th ed. 2013). Also, this Court issued asset restraining orders for entire financial accounts in similar cases. See, e.g., *Pink Floyd (1987) Limited v. The Partnerships and Unincorporated Associations Identified on Schedule "A"*, Case No. 18-cv-05562 (N.D. Ill. Aug. 24, 2018); *Entertainment One UK Ltd. v. The Partnerships and Unincorporated Associations Identified on Schedule "A"*, Case No. 18-cv-04926 (N.D. Ill. Aug. 2, 2018); and *Millennium IP, Inc. and Millennium Media, Inc. v. The Partnerships and Unincorporated Associations Identified on Schedule "A"*, Case No. 18-cv-05856 (N.D. Ill. Sept. 4, 2018).

Plaintiff has shown a likelihood of success on the merits, an immediate and irreparable harm suffered as a result of Defendants' activities, and that, unless Defendants' assets are frozen, Defendants will likely hide or move their ill-gotten funds to offshore bank accounts. Accordingly, the granting of an injunction preventing the transfer of Defendants' assets is proper.

C. Plaintiff Is Entitled to Expedited Discovery

The Supreme Court has held that "federal courts have the power to order, at their discretion, the discovery of facts necessary to ascertain their competency to entertain the merits." *Vance v. Rumsfeld*, No. 1:06-cv-06964, 2007 WL 4557812, *6 (N.D. Ill. Dec. 21, 2007) (quoting *Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 351, 98 S. Ct. 2380 (1978)). A district court has wide latitude in determining whether to grant a party's request for discovery. *Id.* (citation

omitted). Furthermore, courts have broad power over discovery and may permit discovery in order to aid in the identification of unknown defendants. *See* Fed. R. Civ. P. 26(b)(2); *Gillespie v. Civiletti*, 629 F.2d 637, 642 (9th Cir. 1980).

As described above, Defendants are using third-party payment processors such as Visa, PayPal, Amazon and Western Union, which helps to increase their anonymity by interposing a third party between the consumer and Defendants. Without being able to discover Defendants' bank and payment system accounts, any asset restraint would be of limited value because Plaintiff would not know the entities upon whom to serve the order.

Plaintiff respectfully requests expedited discovery to discover bank and payment system accounts Defendants use for their infringing sales operations. The discovery requested on an expedited basis in Plaintiff's Proposed Temporary Restraining Order has been limited to include only what is essential to prevent further irreparable harm. Discovery of these financial accounts so that they can be frozen is necessary to ensure that these activities will be contained.

Under Federal Rule of Civil Procedure 65(d)(2)(C), this Court has the power to bind any third party who is in active concert with the Defendants that is given notice of the order to provide expedited discovery in this action. Fed. R. Civ. P. 65(d)(2)(C). More importantly, as Defendants have engaged in many deceptive practices in hiding their identities and accounts, the seizure and asset restraint in the Temporary Restraining Order may have little meaningful effect without the requested relief. Accordingly, Plaintiff respectfully requests that expedited discovery be granted.

V. A BOND SHOULD SECURE THE INJUNCTIVE RELIEF

The posting of security upon issuance of a temporary restraining order or preliminary injunction is vested in the Court's sound discretion. *Rathmann Grp. v. Tanenbaum*, 889 F.2d 787, 789 (8th Cir. 1989); *Hoechst Diafoil Co. v. Nan Ya Plastics Corp.*, 174 F.3d 411, 421 (4th Cir.

1999); Fed. R. Civ. P. 65(c). Because of the strong and unequivocal nature of Plaintiff's evidence of counterfeiting, infringement, and unfair competition, Plaintiff respectfully requests that this Court require Plaintiff to post a bond of no more than Ten Thousand U.S. Dollars (\$10,000.00). *See, e.g., Oakley, Inc. v. Does 1-100*, Case No. 12-cv-09864 (N.D. Ill. Dec. 14, 2012) (unpublished) (\$10,000 bond); *True Religion Apparel, Inc. v. Does 1-100*, Case No. 12-cv-09894 (N.D. Ill. Dec. 20, 2012) (unpublished) (\$10,000 bond).

VI. CONCLUSION

The ANNE STOKES brand is an important part of Plaintiff's business. That the accused products use the ANNE STOKES trademark and the creative content protected by Plaintiff's copyrights is no coincidence. It is a validation that consumers value these rights. Without entry of the requested relief, the sale of infringing products will continue unabated. Therefore, entry of an *ex parte* order is necessary to protect Plaintiff's rights, to prevent further harm to Plaintiff and the consuming public, and to preserve the status quo. In view of the foregoing and consistent with previous similar cases, Plaintiff respectfully requests that this Court enter a Temporary Restraining Order in the form submitted herewith and set a status hearing before the expiration of the Temporary Restraining Order at which hearing Plaintiff intends to present a motion for preliminary injunction.

Respectfully submitted,

By: s/Michael A. Hierl

Michael A. Hierl (Bar No. 3128021)

William B. Kalbac (Bar No. 6301771)

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ART ASK AGENCY

Dated: March 10, 2020

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a true and correct copy of the foregoing Memorandum was filed electronically with the Clerk of the Court and served on all counsel of record and interested parties via the CM/ECF system on March 10, 2020.

s/Michael A. Hierl

		1, # 3 Declaration Declaration of Michael A. Hierl, # 4 Exhibit Hierl Exhibit 1, # 5 Exhibit Hierl Exhibit 2, # 6 Exhibit Hierl Exhibit 3)(Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	13	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Exhibit 2 Part 1 of Strid Declaration</i> (Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	14	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Exhibit 2 Part 2 of Strid Declaration</i> (Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	15	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Exhibit 2 Part 3 of Strid Declaration</i> (Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	16	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Exhibit 2 Part 4 of Strid Declaration</i> (Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	17	SEALED DOCUMENT by Plaintiff Art Ask Agency <i>Exhibit 2 Part 5 of Strid Declaration</i> (Hierl, Michael) (Entered: 03/10/2020)
03/10/2020	18	NOTICE of Motion by Michael A. Hierl for presentment of motion for temporary restraining order, 11 , motion for leave to file 6 before Honorable Steven C. Seeger on 3/17/2020 at 09:00 AM. (Hierl, Michael) (Entered: 03/10/2020)
03/13/2020	19	MINUTE entry before the Honorable Steven C. Seeger: Motion hearing set for March 17, 2020 is stricken and reset for April 13, 2020 at 9:30 a.m. Mailed notice. (jjr,) (Entered: 03/13/2020)
03/16/2020	20	MOTION by Plaintiff Art Ask Agency Reset hearing <i>Plaintiff's Motion to Re-Set Hearing Date of April 13, 2020 for Plaintiff's Ex Parte Motion for Temporary Restraining Order</i> (Hierl, Michael) (Entered: 03/16/2020)
03/16/2020	21	NOTICE of Motion by Michael A. Hierl for presentment of motion for miscellaneous relief 20 before Honorable Steven C. Seeger on 3/19/2020 at 09:00 AM. (Hierl, Michael) (Entered: 03/16/2020)
03/16/2020	22	ORDER Amended General Order 20-0012 IN RE: CORONAVIRUS COVID-19 PUBLIC EMERGENCY Signed by the Chief Judge Rebecca R. Pallmeyer on March 16, 2020. All open cases are impacted by this Amended General Order. See attached Order for guidance.Signed by the Honorable Rebecca R. Pallmeyer on 3/16/2020: Mailed notice. (tg,) (Entered: 03/16/2020)
03/18/2020	23	MOTION by Plaintiff Art Ask Agency for temporary restraining order <i>Plaintiff's Emergency Ex Parte Motion for Entry of a Temporary Restraining Order, Including a Temporary Injunction, a Temporary Transfer of the Defendant Domain Names, a Temporary Asset Restraint, Expedited Discovery, and Service of Process by Email and/or Electronic Publication</i> (Hierl, Michael) (Entered: 03/18/2020)
03/18/2020	24	MEMORANDUM by Art Ask Agency in support of motion for temporary restraining order, 23 <i>Memorandum in Support of Plaintiff's Emergency Ex Parte Motion for Entry of a Temporary Restraining Order, Including a Temporary Injunction, a Temporary Transfer of the Defendant Domain Names, A Temporary Asset Restraint, Expedited Discovery, and Service of Process by E-Mail and/or Electronic Publication</i> (Hierl,

		Michael) (Entered: 03/18/2020)
03/18/2020	25	NOTICE of Motion by Michael A. Hierl for presentment of motion for temporary restraining order, 23 before Honorable Steven C. Seeger on 3/20/2020 at 09:00 AM. (Hierl, Michael) (Entered: 03/18/2020)
03/18/2020	26	MINUTE entry before the Honorable Steven C. Seeger: Plaintiff's Motion to Re-Set Hearing Date of April 13, 2020 for Plaintiff's Ex Parte Motion for Temporary Restraining Order (Dckt. No. 20) is denied. Order to follow. Motion hearing set for March 19, 2020 is vacated. Mailed notice. (jjr,) (Entered: 03/18/2020)
03/18/2020	27	ORDER Signed by the Honorable Steven C. Seeger on 3/18/2020. Mailed notice. (jjr,) (Entered: 03/18/2020)
03/18/2020	28	MINUTE entry before the Honorable Steven C. Seeger: Plaintiff's Emergency Ex Parte Motion for Entry of a Temporary Restraining Order, Including a Temporary Injunction, a Temporary Transfer of the Defendant Domain Names, a Temporary Asset Restraint, Expedited Discovery, and Service of Process by Email and/or Electronic Publication (Dckt. No. 23) is hereby denied. Order to follow. Motion hearing set for March 20, 2020 is vacated. Mailed notice. (jjr,) (Entered: 03/18/2020)
03/18/2020	29	ORDER In light of the public health situation, the Court encourages all parties and their counsel to take precautions, be reasonable, and use common sense in pending cases. In General Order No. 20-0012 dated March 16, 2020 (and amended on March 17), the U.S. District Court for the Northern District of Illinois extended all deadlines in civil cases by three weeks. Parties should assume that this Court will accommodate reasonable requests for extensions in the coming weeks, and counsel should show flexibility and accommodate each other too. This Court will grant a six-week extension of fact discovery if requested (and there is no need for an immediate request). Parties should not take depositions before April 17 unless (1) they take place telephonically; and (2) all parties and the witness(es) consent. Even a telephonic deposition often requires an in-person meeting to prepare the witness, so telephonic depositions can go forward only if everyone agrees. If any party or witness wants a deposition to take place in person, the deposition will take place after April 17. Needless to say, that date may change as the public health situation continues to evolve. Parties should continue to make progress in their cases when possible, but in a manner that is consistent with public health and safety. In the meantime, continue to work together cooperatively in the best traditions of our shared profession. The Court thanks all parties and their counsel for their patience and understanding during this difficult time.Signed by the Honorable Steven C. Seeger on 3/18/2020: Mailed notice. (docket1,) (Entered: 03/18/2020)
03/18/2020	30	E-MAIL CORRESPONDENCE dated March 12, 2020 by Art Ask Agency. (Attachments: # 1 Text of Proposed Sealed Temporary Restraining Order) (jjr,) (Entered: 03/18/2020)
03/18/2020	31	MINUTE entry before the Honorable Steven C. Seeger: Plaintiff's Ex Parte Motion for Entry of a Temporary Restraining Order (Dckt. No. 11) is denied without prejudice. Injunctive relief is an "extraordinary remedy," and it is "not granted routinely." 11A Charles Alan Wright & Arthur Miller, Federal Practice and Procedure § 2942 (3d ed.

2019). "Perhaps the most significant single component in the judicial decision whether to exercise equity jurisdiction and grant permanent injunctive relief is the court's discretion." *Id.* It is a fact-specific inquiry, and "depends on the circumstances of each case." *Id.* Here, Plaintiff makes next to no showing that it will suffer irreparable harm unless this Court issues emergency relief. The gist of the motion is that Plaintiff will suffer harm from the sale (and the offer for sale) of counterfeit unicorn products on the internet. But Plaintiff gives this Court no information about the anticipated loss of sales. Not even an estimate. Plaintiff doesn't even tell this Court anything about its own sales, let alone anything about the volume of sales that it will lose without immediate Court action. Maybe the loss of sales is de minimis, or maybe not. But the point is that Plaintiff has made no such showing. A generic allegation of harm, without more, does not weigh heavily in the balance. On the flipside, one of the most important considerations before awarding equitable relief is the public interest. Here, Plaintiff proposes a bloated order that imposes extraordinary demands on third parties, including a wide array of technology companies and financial institutions. (Dckt. No. [30](#)) Plaintiff's proposed order would require immediate action, in a matter of days, from firms that have nothing to do with this case. In the meantime, the country is in the midst of a crisis from the coronavirus, and it is not a good time to put significant demands on innocent third parties. See generally General Order 20-0012 (as amended on March 17, 2020). All of them undoubtedly have (more) pressing matters on their plates right now. To put it bluntly, Plaintiff's proposed order seems insensitive to others in the current environment. Simply put, trademark infringement is an important consideration, but so is the strain that the rest of country is facing, too. It is important to keep in perspective the costs and benefits of forcing everyone to drop what they're doing to stop the sale of knock-off unicorn products, in the midst of a pandemic. Without a showing of immediate, real-world harm, this Court cannot impose significant demands on third parties in the current environment. That said, this Court denies the motion without prejudice. Later, perhaps Plaintiff will make a better showing. But for now, Plaintiff has come up short (by a wide margin). As a reminder, the Court expects Plaintiff and its counsel to follow General Order 20-0012, including the admonition about emergency motions. Mailed notice. (jjr,) (Entered: 03/18/2020)

03/30/2020

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ORDER Seconded Amended General Order 20-0012 IN RE: CORONAVIRUS COVID-19 PUBLIC EMERGENCY Signed by the Chief Judge Rebecca R. Pallmeyer on March 30, 2020. All open cases are impacted by this Second Amended General Order. Amended General Order 20-0012, entered on March 17, 2020, and General Order 20-0014, entered on March 20, 2020, are vacated and superseded by this Second Amended General. See attached Order for guidance. Signed by the Honorable Rebecca R. Pallmeyer on 3/30/2020: Mailed notice. (docket1,) (Entered: 03/31/2020)

04/24/2020

[33](#)

ORDER Third Amended General Order 20-0012 IN RE: CORONAVIRUS COVID-19 PUBLIC EMERGENCY Signed by the Chief Judge Rebecca R. Pallmeyer on April 24, 2020. All open cases are impacted by this Third Amended General Order. Parties are must carefully review all obligations under this Order, including the requirement listed in paragraph number 5 to file a joint written status report in most civil cases. See attached Order. Signed by the Honorable Rebecca R. Pallmeyer on 4/24/2020: Mailed notice. (docket9,) (Entered: 04/27/2020)

05/18/2020	34	NOTICE of Voluntary Dismissal by Art Ask Agency <i>Plaintiff's Notice of Voluntary Dismissal Without Prejudice of All Remaining Defendants</i> (Hierl, Michael) (Entered: 05/18/2020)
05/18/2020	35	MINUTE entry before the Honorable Steven C. Seeger: Pursuant to the Notice of Voluntary Dismissal (Dckt. No. 34) and under Rule 41(a)(1), all remaining Defendants identified in Schedule A are dismissed without prejudice. Each party shall bear its own attorney's fees and costs. All pending deadlines and hearings are stricken. Civil case terminated. Mailed notice. (jjr,) (Entered: 05/18/2020)
05/19/2020	36	MAILED Patent/Trademark report with certified copy of minute order 35 dated 5/18/20 to Patent Trademark Office, Alexandria, VA. (kp,) (Entered: 05/19/2020)

PACER Service Center			
Transaction Receipt			
08/04/2020 10:12:26			
PACER Login:	le1982:3428528:0	Client Code:	
Description:	Docket Report	Search Criteria:	1:20-cv-01666
Billable Pages:	5	Cost:	0.50

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ECF

**U.S. District Court
Southern District of New York (Foley Square)
CIVIL DOCKET FOR CASE #: 1:20-cv-02949-LAP**

3M Company v. Performance Supply, LLC
Assigned to: Judge Loretta A. Preska
Cause: 15:1114 Trademark Infringement (Lanham Act)

Date Filed: 04/10/2020
Jury Demand: Plaintiff
Nature of Suit: 840 Trademark
Jurisdiction: Federal Question

Plaintiff

3M Company

represented by **Carmine R. Zarlenga**
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V.

Defendant

Performance Supply, LLC

Date Filed	#	Docket Text
04/10/2020	1	FILING ERROR - DEFICIENT PLEADING - SIGNATURE ERROR - COMPLAINT against 3M Company. (Filing Fee \$ 400.00, Receipt Number ANYSDC-19402805) Document filed by 3M Company. (Attachments: # 1 Exhibit 1, # 2 Exhibit 2, # 3 Exhibit 3, # 4 Exhibit 4, # 5 Exhibit 5, # 6 Exhibit 6, # 7 Exhibit 7, # 8 Exhibit 8). (Mancini, A.) Modified on 4/13/2020 (jgo). (Entered: 04/10/2020)
04/10/2020	2	CIVIL COVER SHEET filed..(Mancini, A.) (Entered: 04/10/2020)
04/10/2020	3	AO 120 FORM TRADEMARK - NOTICE OF SUBMISSION BY ATTORNEY. AO 120 Form Patent/Trademark for case opening submitted to court for review..(Mancini, A.) (Entered: 04/10/2020)
04/10/2020	4	RULE 7.1 CORPORATE DISCLOSURE STATEMENT. No Corporate Parent. Document filed by 3M Company..(Mancini, A.) (Entered: 04/10/2020)
04/10/2020	5	REQUEST FOR ISSUANCE OF SUMMONS as to Performance Supply, LLC, re: 1 Complaint,. Document filed by 3M Company..(Mancini, A.) (Entered: 04/10/2020)
04/13/2020		***NOTICE TO ATTORNEY REGARDING DEFICIENT PLEADING. Notice to Attorney A. John P. Mancini to RE-FILE Document No. 1 Complaint,. The filing is deficient for the following reason(s): the wrong party/parties whom the pleading is against were selected;. Re-file the pleading using the event type Complaint found under the event list Complaints and Other Initiating Documents - attach the correct signed PDF - select the individually named filer/filers - select the individually named party/parties the pleading is against. (jgo) (Entered: 04/13/2020)
04/13/2020		***NOTICE TO ATTORNEY REGARDING CIVIL CASE OPENING STATISTICAL ERROR CORRECTION: Notice to attorney A. John P. Mancini. The following case opening statistical information was erroneously selected/entered: County code New York;. The following correction(s) have been made to your case entry: the County code has been modified to XX Out of State;. (jgo) (Entered: 04/13/2020)
04/13/2020		CASE OPENING INITIAL ASSIGNMENT NOTICE: The above-entitled action is assigned to Judge Loretta A. Preska. Please download and review the Individual Practices of the assigned District Judge, located at https://nysd.uscourts.gov/judges/district-judges . Attorneys are responsible for providing courtesy copies to judges where their Individual Practices require such. Please download and review the ECF Rules and Instructions, located at https://nysd.uscourts.gov/rules/ecf-related-instructions ..(jgo) (Entered: 04/13/2020)
04/13/2020		Magistrate Judge Kevin Nathaniel Fox is so designated. Pursuant to 28 U.S.C. Section 636(c) and Fed. R. Civ. P. 73(b)(1) parties are notified that they may consent to proceed before a United States Magistrate Judge. Parties who wish to consent may access the necessary form at the following link: https://nysd.uscourts.gov/sites/default/files/2018-06/AO-3.pdf . (jgo) (Entered: 04/13/2020)

04/13/2020		Case Designated ECF. (jgo) (Entered: 04/13/2020)
04/13/2020	6	ELECTRONIC SUMMONS ISSUED as to Performance Supply, LLC..(jgo) (Entered: 04/13/2020)
04/13/2020	7	AO 120 FORM TRADEMARK - CASE OPENING - SUBMITTED. In compliance with the provisions of 15 U.S.C. 1116, the Director of the U.S. Patent and Trademark Office is hereby advised that a court action has been filed on the following trademark(s) in the U.S. District Court Southern District of New York. Director of the U.S. Patent and Trademark Office electronically notified via Notice of Electronic Filing (NEF).. (jgo) (Entered: 04/13/2020)
04/13/2020		***NOTICE TO ATTORNEY REGARDING DEFICIENT TRADEMARK FORM. Notice to Attorney A. John P. Mancini re: Document No. 3 AO 120 Form Patent/Trademark - Notice of Submission by Attorney. The filing is deficient for the following reason(s): the Docket Number field on the AO 120 Patent/Trademark form was not completed by the attorney;.. DO NOT re-file the form. The Court has corrected the deficiency/deficiencies.. (jgo) (Entered: 04/13/2020)
04/13/2020	8	NOTICE OF APPEARANCE by Jonathan Webster Thomas on behalf of 3M Company..(Thomas, Jonathan) (Entered: 04/13/2020)
04/13/2020	9	COMPLAINT against Performance Supply, LLC. Document filed by 3M Company. (Attachments: # 1 Exhibit 1, # 2 Exhibit 2, # 3 Exhibit 3, # 4 Exhibit 4, # 5 Exhibit 5, # 6 Exhibit 6, # 7 Exhibit 7, # 8 Exhibit 8).(Mancini, A.) (Entered: 04/13/2020)
04/16/2020	10	MOTION for Carmine R. Zarlenga to Appear Pro Hac Vice . Filing fee \$ 200.00, receipt number ANYSDC-19470482. Motion and supporting papers to be reviewed by Clerk's Office staff. Document filed by 3M Company. (Attachments: # 1 Exhibit Declaration in Support of Pro Hac Vice Motion, # 2 Exhibit Ohio Good Standing Certificate, # 3 Exhibit DC Good Standing Certificate, # 4 Text of Proposed Order). (Zarlenga, Carmine) (Entered: 04/16/2020)
04/16/2020		>>>NOTICE REGARDING PRO HAC VICE MOTION. Regarding Document No. 10 MOTION for Carmine R. Zarlenga to Appear Pro Hac Vice . Filing fee \$ 200.00, receipt number ANYSDC-19470482. Motion and supporting papers to be reviewed by Clerk's Office staff.. The document has been reviewed and there are no deficiencies. (ad) (Entered: 04/16/2020)
04/17/2020	11	ORDER GRANTING MOTION FOR ADMISSION PRO HAC VICE OF CARMINE R. ZARLENGA III granting 10 Motion for Carmine R. Zarlenga III to Appear Pro Hac Vice. IT IS HEREBY ORDERED that Applicant is admitted to practice Pro Hac Vice in the above captioned case in the United States District Court for the Southern District of New York. All attorneys appearing before this Court are subject to the Local Rules of this Court, including the Rules governing discipline of attorneys. (Signed by Judge Loretta A. Preska on 4/17/2020) (va) Modified on 4/20/2020 (va). (Entered: 04/17/2020)
04/24/2020	12	EMERGENCY MOTION for Temporary Restraining Order <i>and Preliminary Injunction Against Performance Supply, LLC</i> . Document filed by 3M Company..(Mancini, A.) (Entered: 04/24/2020)

04/24/2020	13	MEMORANDUM OF LAW in Support re: 12 EMERGENCY MOTION for Temporary Restraining Order <i>and Preliminary Injunction Against Performance Supply, LLC.</i> . Document filed by 3M Company..(Mancini, A.) (Entered: 04/24/2020)
04/24/2020	14	DECLARATION of Charles Stobbie in Support re: 12 EMERGENCY MOTION for Temporary Restraining Order <i>and Preliminary Injunction Against Performance Supply, LLC.</i> . Document filed by 3M Company. (Attachments: # 1 Exhibit 1, # 2 Exhibit 2, # 3 Exhibit 3, # 4 Exhibit 4, # 5 Exhibit 5, # 6 Exhibit 6, # 7 Exhibit 7).(Mancini, A.) (Entered: 04/24/2020)
04/24/2020	15	DECLARATION of David A. Crist in Support re: 12 EMERGENCY MOTION for Temporary Restraining Order <i>and Preliminary Injunction Against Performance Supply, LLC.</i> . Document filed by 3M Company. (Attachments: # 1 Exhibit 1, # 2 Exhibit 2, # 3 Exhibit 3, # 4 Exhibit 4, # 5 Exhibit 5, # 6 Exhibit 6, # 7 Exhibit 7, # 8 Exhibit 8, # 9 Exhibit 9).(Mancini, A.) (Entered: 04/24/2020)
04/24/2020	16	DECLARATION of A. John P. Mancini, Esq. in Support re: 12 EMERGENCY MOTION for Temporary Restraining Order <i>and Preliminary Injunction Against Performance Supply, LLC.</i> . Document filed by 3M Company. (Attachments: # 1 Exhibit 1, # 2 Exhibit 2, # 3 Exhibit 3, # 4 Exhibit 4, # 5 Exhibit 5, # 6 Exhibit 6, # 7 Exhibit 7, # 8 Exhibit 8, # 9 Exhibit 9, # 10 Exhibit 10, # 11 Exhibit 11, # 12 Exhibit 12). (Mancini, A.) (Entered: 04/24/2020)
04/24/2020	17	Vacated as per Judges Order dated 5/4/2020, Doc. #22 ORDER TO SHOW CAUSE FOR TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION AGAINST PERFORMANCE SUPPLY, LLC filed by 3M Company. IT IS HEREBY ORDERED that 3M's Application is GRANTED in its entirety. It is hereby further ORDERED that: 1. Defendant appear before The Honorable Loretta A. Preska, District Judge, United States District Court for the Southern District of New York, on May 4, 2020, 11:00 am, by telephone at a dial-in number to be provided, and show cause (the "Show Cause Hearing") as to why the Court should not enter an Order, pursuant to Fed. R. Civ. P.64(a), that: (As further set forth herein this Order.) 3. Pursuant to this Court's equitable powers and discretion, because of its financial situation 3M need not post a bond. 4. 3M and/or its authorized representative(s) must serve a copy of this Order, together with 3M's Memorandum of Law, and the Declarations, in Support of 3M's Application, on Defendant and/or Defendant's registered agent via personal service and/or overnight courier or mail at 3 Westbrook Way, Manalapan, New Jersey 07726, delivered on or before 5:00 pm April 25, 2020. The foregoing shall constitute proper service and notice of this Order. 5. This Court shall retain jurisdiction to hear and determine all matters arising out of, relating to, and/or concerning the interpretation and/or enforcement of this Order. 6. Opposition papers shall be filed no later than noon on April 30; reply papers, if any, shall be filed no later than noon on May 2. SO ORDERED this 24th day of April, 2020 at 11:45 am. Show Cause Hearing set for 5/4/2020 at 11:00 AM before Judge Loretta A. Preska. Show Cause Response due by 4/30/2020. (Signed by Judge Loretta A. Preska on 4/24/2020) (va) Modified on 4/27/2020 (va). Modified on 5/4/2020 (va). (Entered: 04/24/2020)
04/24/2020		Set/Reset Deadlines: Replies due by 5/2/2020. (va) (Entered: 04/24/2020)

04/27/2020	18	SUMMONS RETURNED EXECUTED Summons and Complaint served. Performance Supply, LLC served on 4/14/2020, answer due 5/5/2020. Service was accepted by Ronald Romano, authorized agent. Document filed by 3M Company..(Mancini, A.) (Entered: 04/27/2020)
04/27/2020	19	AFFIDAVIT OF SERVICE of Order to Show Cause and Supporting Documents served on Performance Supply LLC on April 24, 2020. Service was accepted by Ron Romano. Document filed by 3M Company..(Mancini, A.) (Entered: 04/27/2020)
04/30/2020	20	ORDER: The dial in for the conference in this action set for Monday, May 4 is (888) 363-4734, access code: 4645450. The parties are directed to call in at 11:00 a.m. SO ORDERED. (Signed by Judge Loretta A. Preska on 4/30/2020) (va) (Entered: 04/30/2020)
05/04/2020	21	REPLY MEMORANDUM OF LAW in Support re: 12 EMERGENCY MOTION for Temporary Restraining Order <i>and Preliminary Injunction Against Performance Supply, LLC</i> . . Document filed by 3M Company. (Attachments: # 1 Text of Proposed Order). (Zarlenga, Carmine) (Entered: 05/04/2020)
05/04/2020	22	ORDER ON PLAINTIFF 3M COMPANY'S APPLICATION FOR A PRELIMINARY INJUNCTION AGAINST DEFENDANT PERFORMANCE SUPPLY, LLC: BASED ON THE FOREGOING, the Court hereby GRANTS 3M's Application for a preliminary injunction against Defendant in its entirety, and ORDERS as follows: 1. Pursuant to FED. R. CIV. P. 65(a): a. Defendant, its agents, servants, employees, officers and all persons and entities in active concert and participation with them, are enjoined during the pendency of this action from using the 3M Marks and 3M Slogan, and any other word, name, symbol, device, or combination thereof that is confusingly similar to the 3M Marks and/or the 3M Slogan, for, on, and/or in connection with the manufacture, distribution, advertising, promoting, offering for sale, and/or sale of any goods or services, including, without limitation, Plaintiff's 3M- brand N95 respirators, and b. Defendant, its agents, servants, employees, officers and all persons and entities in active concert and participation with them, are also enjoined during the pendency of this action from engaging in any false, misleading, and/or deceptive conduct in connection with 3M and its products, including, without limitation, representing itself as being an authorized distributor, vendor, agent, representative, retailer, and/or licensee of 3M and/or any of 3M's products (including, without limitation, 3M-brand N95 respirators); falsely representing to have an association or affiliation with, sponsorship by, and/or connection with, 3M and/or any of 3M's products; falsely representing that 3M has increased the price(s) of its 3M- brand N95 respirators; and offering to sell any of 3M's products at a price and/or in a manner that would constitute a violation of NEW YORK GENERAL BUSINESS LAW § 369-R. 2. Pursuant to this Court's equitable powers and discretion, because of 3M's financial situation, it need not post a bond. 3. 3M and/or its authorized representative(s) must serve a copy of this Order on Defendant and/or Defendant's registered agent via overnight mail or courier and/or personal service at 3 Westbrook Way, Manalapan, New Jersey 07726, delivered on or before 5:00 pm on May 6, 2020. The foregoing shall constitute proper service and notice of this Order. 4. This Court shall retain jurisdiction to hear and determine all matters arising out of, relating to, and/or otherwise concerning the interpretation and/or enforcement of this Order. 5. The Temporary Restraining Order entered against

		Defendant in this action on April 24, 2020 (Dkt. No. 17) is vacated and superseded by this Order. 6. Counsel shall inform the Court by letter no later than June 4, 2020 of the status of the action. SO ORDERED this 4 day of May, 2020. (Signed by Judge Loretta A. Preska on 5/4/2020) (va) (Entered: 05/04/2020)
05/04/2020	23	FINDINGS OF FACT AND CONCLUSIONS OF LAW: Accordingly, the preliminary injunction shall issue. SO ORDERED. (Signed by Judge Loretta A. Preska on 5/4/2020) (va) (Entered: 05/04/2020)
05/04/2020		Transmission to Orders and Judgments Clerk. Transmitted re: 23 Order to the Orders and Judgments Clerk.(va) (Entered: 05/05/2020)
05/04/2020		Minute Entry for proceedings held before Judge Loretta A. Preska: Show Cause Hearing held on 5/4/2020. (Court Reporter Present) (mph) (Entered: 06/09/2020)
05/07/2020	24	AFFIDAVIT OF SERVICE of Order Granting Application for Preliminary Injunction 22 served on Performance Supply, LLC on May 5, 2020. Service was accepted by Ronald Romano. Document filed by 3M Company..(Mancini, A.) (Entered: 05/07/2020)
05/08/2020	25	NOTICE OF CHANGE OF ADDRESS by Carmine R. Zarlenga on behalf of 3M Company. New Address: Mayer Brown LLP, 1999 K Street NW, Washington, DC, 20006, (202) 263-3000..(Zarlenga, Carmine) (Entered: 05/08/2020)
05/12/2020	26	TRANSCRIPT of Proceedings re: CONFERENCE held on 5/4/2020 before Judge Loretta A. Preska. Court Reporter/Transcriber: Alena Lynch, (212) 805-0300. Transcript may be viewed at the court public terminal or purchased through the Court Reporter/Transcriber before the deadline for Release of Transcript Restriction. After that date it may be obtained through PACER. Redaction Request due 6/2/2020. Redacted Transcript Deadline set for 6/12/2020. Release of Transcript Restriction set for 8/10/2020..(McGuirk, Kelly) (Entered: 05/12/2020)
05/12/2020	27	NOTICE OF FILING OF OFFICIAL TRANSCRIPT Notice is hereby given that an official transcript of a CONFERENCE proceeding held on 5/4/2020 has been filed by the court reporter/transcriber in the above-captioned matter. The parties have seven (7) calendar days to file with the court a Notice of Intent to Request Redaction of this transcript. If no such Notice is filed, the transcript may be made remotely electronically available to the public without redaction after 90 calendar days....(McGuirk, Kelly) (Entered: 05/12/2020)
06/04/2020	28	LETTER addressed to Judge Loretta A. Preska from Carmine R. Zarlenga dated June 5, 2020 re: To Update the Court on Developments Since the Issuance of the Preliminary Injunction Order. Document filed by 3M Company..(Zarlenga, Carmine) (Entered: 06/04/2020)

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08/04/2020 11:22:21

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**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

3M COMPANY,

Plaintiff,

-against-

PERFORMANCE SUPPLY, LLC,

Defendant.

Case No.:

Jury Trial Demand

COMPLAINT

Plaintiff 3M Company (“Plaintiff” or “3M”), by and through its undersigned attorneys, as and for its Complaint against Defendant Performance Supply, LLC (“Defendant”), hereby alleges as follows based on knowledge of its own actions, and on information and belief as to all other matters:

NATURE OF THE ACTION

1. This lawsuit concerns Defendant’s use of Plaintiff’s famous “3M” trademarks to perpetrate a false and deceptive price-gouging scheme on unwitting consumers, including agencies of government, during the global COVID-19 pandemic.

2. Throughout its history, 3M has been providing state-of-art, industry-leading scientific and medical products to consumers throughout the world under its famous 3M marks. Based on this longstanding, continuous use, consumers associate the 3M marks uniquely with 3M. Now, more than ever, consumers are also relying on the famous 3M marks to indicate that the products offered thereunder are of the same superior quality that consumers have come to expect over the past century. This is especially true with respect to 3M’s numerous industry-leading healthcare products and personal protective equipment (“PPE”), including Plaintiff’s 3M-brand N95 respirators.

3. Healthcare professionals and other first responders are heroically placing their health and safety on the line to battle COVID-19. To assist in the battle against COVID-19, 3M is supplying healthcare workers and other first responders with 3M-brand N95 respirators. For example, in the last week of March 2020, 3M supplied healthcare workers throughout the United States with 10 million of its 3M-brand N95 respirators. 3M also recently announced that it will import 166.5 million of its 3M-brand N95 respirators into the United States in the next three months to supplement its US production, and has invested the capital and resources necessary to double its current annual global production of 1.1 billion respirators. In response to the COVID-19 outbreak and surge in need for N95 respirators, 3M has doubled its global output rate to nearly 100 million respirators per month, and it expects to produce around 50 million respirators per month in the United States by June 2020.

4. The demand for 3M-branded respirators has grown exponentially in response to the pandemic, and 3M has been committed to seeking to meet this demand while keeping its respirators priced fairly. 3M has not increased the prices that it charges for 3M respirators as a result of the COVID-19 outbreak.

5. Unfortunately, any number of wrongdoers seek to exploit the current public health emergency and prey on innocent parties through a variety of scams involving 3M N95 respirators and other products in high demand. These scams include unlawful price-gouging, fake offers, counterfeiting, and other unfair and deceptive practices—all of which undercut the integrity of the marketplace and constitute an ongoing threat to public health and safety.

6. In response to fraudulent activity, price-gouging and counterfeiting related to N95 respirator masks that has spiked in the marketplace in response to the pandemic, 3M is taking an active role in combating these activities. 3M's actions include working with law enforcement

authorities around the world, including the U.S. Attorney General, state Attorneys General and local authorities, and creating a “3M COVID-19 Fraud hotline” for the United States and Canada that end users and purchasers of 3M products can call for information to help detect fraud and avoid counterfeit products. 3M is also publishing information on its website to help inform the purchasing public about 3M’s prices and products so that they can avoid fraud. Further information about 3M’s efforts is set forth in the 3M press release and publication attached hereto as **Exhibits 1 and 2**. This Complaint is another part of these efforts.

7. Despite 3M’s extensive efforts during COVID-19, unsavory characters continue their quests to take advantage of healthcare workers, first responders, and others in a time of need and trade off the fame of the 3M brand and marks. Defendant is a prime example of this unlawful behavior.

8. On or about March 30, 2020, Defendant sent a Formal Quote to New York City’s Office of Citywide Procurement, offering to sell millions of Plaintiff’s 3M-brand N95 respirator masks at a grossly inflated aggregate price of approximately \$45 million. Defendant is not an authorized distributor of any of Plaintiff’s products and has no rights to use Plaintiff’s famous 3M marks. Nonetheless, to confuse and deceive New York City officials into believing that Defendant was an authorized distributor of Plaintiff’s products, Defendant reproduced the famous 3M marks throughout the Formal Quote, and attached to it Technical Specification Sheets that prominently feature Plaintiff’s famous 3M marks. The Formal Quote itself also sought to confuse its recipient by referring to the St. Paul, Minnesota headquarters of 3M as opposed to Defendant’s New Jersey headquarters, as well as repeatedly referring to the offer’s acceptance being at 3M’s discretion—implying, falsely, that the Formal Quote came from 3M. Defendant’s scheme worked. Indeed, as part of the Citywide Procurement Office’s quality-assurance measures, officials prepared a Bid

Evaluation Request, wherein they mistakenly identified Defendant as a “vendor” of 3M-brand N95 respirators—twice. Compounding Defendant’s bad acts, the prices at which it offered to sell 3M-brand N95 respirators to New York City’s Procurement Office were 500%-600% *above* 3M’s list price. This offer constituted extreme price-gouging by any measure, including under New York State’s statutory provision (NEW YORK GENERAL BUSINESS LAW § 396-r). Not only does such price-gouging further strain the limited resources available to combat COVID-19, but such conduct justifiably has caused public outrage, which threatens imminent and irreparable harm to 3M’s brand as Defendant and similar pandemic profiteers promote an improper association between 3M’s marks and exploitative pricing behavior.

9. 3M does not – and will not – tolerate individuals or entities deceptively trading off the fame and goodwill of the 3M brand and marks for personal gain. This is particularly true against those who seek to exploit the surge in demand for 3M-brand products during the COVID-19 global pandemic, which already has claimed tens of thousands of lives worldwide and more than 5,000 lives in New York State alone.

10. Accordingly, to further protect governmental actors and consumers from confusion and mistake, to reduce the amount of time and energy that government officials are forced to waste interacting with such schemes, as well as to forestall any further diminution to the 3M brand and marks’ reputation, fame, and goodwill, Plaintiff brings this lawsuit against Defendant for federal and state trademark infringement, unfair competition, false association, false endorsement, false designation of origin, trademark dilution, false advertising, and deceptive acts and practices. Plaintiff also seeks preliminary and permanent injunctive relief. As described below, any damages, costs, or fees recovered by Plaintiff will be donated to charitable COVID-19 relief efforts.

THE PARTIES

11. Plaintiff 3M Company is a Delaware corporation, with a principal place of business and corporate headquarters located at 3M Center, St. Paul, Minnesota 55144.

12. On information and belief, Defendant Performance Supply, LLC is a New Jersey limited liability company, with a principal place of business at 3 Westbrook Way, Manalapan, New Jersey 07726.

JURISDICTION AND VENUE

13. The claims for trademark infringement, unfair competition, false association, false endorsement, false designation of origin, trademark dilution, and false advertising, respectively, asserted in Counts I - IV, *infra*, arise under the Trademark Act of 1946 (as amended; the “Lanham Act”), namely, 15 U.S.C. §§ 1051 *et seq.* Accordingly, this Court has original and subject-matter jurisdiction over Counts I – IV pursuant to 28 U.S.C. §§ 1331, 1338(a), and 15 U.S.C § 1121(a).

14. The claims for deceptive acts and practices, false advertising, dilution, trademark infringement and unfair competition, respectively, asserted in Counts V - IX, *infra*, arise under New York statutory and common law, and are so related to the federal claims asserted in Counts I - IV, *infra*, that they form part of the same case or controversy. Accordingly, this Court has supplemental jurisdiction over Counts V - IX pursuant to 28 U.S.C. §§ 1338(b) and 1367(a).

15. Defendant has purposefully availed itself of the privilege of transacting business in this District. Defendant has also committed and intentionally directed tortious acts towards residents and governmental agencies in this District. For example, Defendant recently used Plaintiff’s famous 3M marks as part of a price-gouging scheme to deceive New York City officials located in this District into believing that Defendant was authorized by 3M to sell millions of 3M-brand N95 respirator masks for an aggregate price of roughly \$45 million—

several multiples of the 3M list price. 3M's claims arise out of and relate to Defendant's transactions of business, and tortious acts committed in this District. Based on the foregoing, this Court has long-arm jurisdiction over Defendant pursuant to CPLR NEW YORK CIVIL PRACTICE LAW AND RULES § 302(a)(1)-(2), and FED. R. CIV. P. 4(k).

16. A substantial part of the events giving rise to the claims asserted, *infra*, occurred in this District. Therefore, venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2).

17. Defendant is subject to personal jurisdiction in this District. Therefore, venue is also proper in this District pursuant to 28 U.S.C. § 1391(b)(3).

FACTS COMMON TO ALL CLAIMS FOR RELIEF

I. Plaintiff

A. 3M

18. 3M has grown from humble beginnings in 1902 as a small-scale mining venture in Northern Minnesota to what it is today, namely: an industry-leading provider of scientific, technical, and marketing innovations throughout the world. Today, 3M's portfolio includes more than 60,000 goods and services, ranging from household and school supplies, to industrial and manufacturing materials, to medical supplies and equipment.

B. The 3M Brand

19. 3M offers its vast array of goods and services throughout the world under numerous brands, including, for example: ACE; POST-IT; SCOTCH; NEXCARE; and more. 3M also uses its famous "3M Science. Applied to Life" slogan in connection with the promotion of its goods and services. Notwithstanding the widespread goodwill and resounding commercial success enjoyed by these brands, 3M's most famous and widely recognized brand is its eponymous "3M" brand.

20. The 3M brand is associated with products and materials for a wide variety of medical devices, supplies, and PPE, including, for example: respirators; stethoscopes; medical tapes; surgical gowns, blankets, and tape; bandages and other wound-care products; and more. As such, 3M-branded products are highly visible throughout hospitals, nursing homes, and other care facilities where patients, care providers, and procurement officers value and rely upon the high quality and integrity associated with the 3M brand.

C. The Famous “3M” Marks

21. Over the past century, Plaintiff has invested hundreds of millions of dollars in advertising and promoting its 3M-brand products to consumers throughout the world (including, without limitation, its 3M-brand N95 respirator) under the standard-character mark “3M” and the inset 3M design mark (together, the “3M Marks”):



22. For decades, products offered under Plaintiff’s 3M Marks have enjoyed enormous commercial success (including, without limitation, its 3M-brand N95 respirator). Indeed, in 2019, alone, sales of products offered under Plaintiff’s 3M Marks exceeded several hundred million USD.

23. Over the same period of time, products offered under Plaintiff’s 3M Marks have regularly been the subject of widespread, unsolicited media coverage and critical acclaim.

24. Based on the foregoing, consumers associate the 3M Marks uniquely with Plaintiff and recognize them as identifying Plaintiff as the exclusive source of goods and services offered under the 3M Marks. Based on the foregoing, the 3M Marks have also become famous among consumers in the United States.

25. To strengthen Plaintiff's common-law rights in and to its famous 3M Marks, Plaintiff has obtained numerous federal trademark registrations, including, without limitation: (i) U.S. Trademark Reg. No. 3,398,329, which covers the standard-character 3M mark in Int. Classes 9 and 10 for, *inter alia*, respirators (the "329 Registration"); (ii) U.S. Trademark Reg. No. 2,793,534, which covers the 3M design mark in Int. Classes 1, 5, and 10 for, *inter alia*, respirators (the "534 Registration"); and (iii) U.S. Trademark Reg. No. 5,469,903, which covers the "3M Science. Applied to Life" slogan in a number of Int. Classes, including Int. Class 9 for facial masks and respirators (the "903 Registration"). *See Exhibits 3-5.*

26. The '329, '534, and '903 Registrations are valid, in effect, and on the Principal Trademark Register.

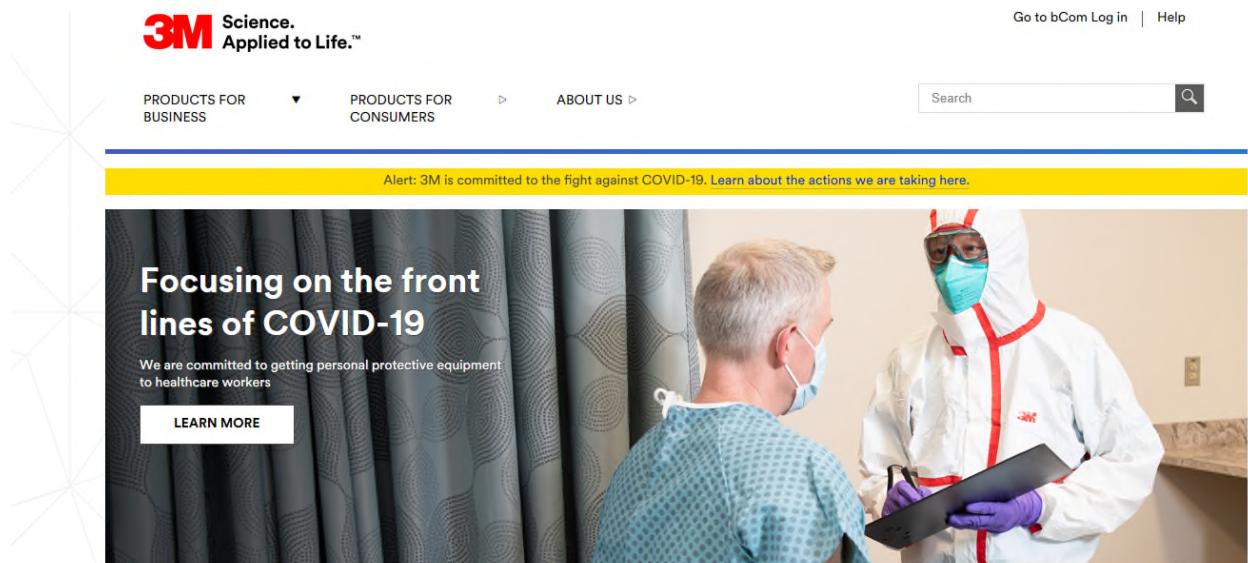
27. The '329 and '534 Registrations are "incontestable" within the meaning of 15 U.S.C. § 1065. Accordingly, the '329 and '534 Registrations constitute conclusive evidence of: (i) Plaintiff's ownership of the 3M Marks; (ii) the validity of the 3M Marks; (iii) the validity of the registration of the 3M Marks; and (iv) Plaintiff's exclusive right to use the 3M Marks throughout the United States for, *inter alia*, respirators. Relatedly, the '903 Registration constitutes *prima facie* evidence of: (i) Plaintiff's ownership of the "3M Science. Applied to Life" slogan; (ii) the validity of the "3M Science. Applied to Life" slogan; (iii) the validity of the registration of the "3M Science. Applied to Life" slogan; and (iv) Plaintiff's exclusive right to use the "3M Science. Applied to Life" slogan throughout the United States for, *inter alia*, respirators (the "3M Slogan").

28. Plaintiff's famous 3M Marks do more than identify Plaintiff as the exclusive source of goods and services offered thereunder. Indeed, the famous 3M Marks also signify to consumers that 3M-brand products offered under the 3M Marks are of the highest quality and adhere to the strictest quality-control standards. Now, more than ever, consumers rely on the famous 3M Marks'

ability to signify that products offered under the 3M Marks are of the same high quality that consumers have come to expect of the 3M brand over the past century.

D. Plaintiff's Extensive Efforts to Assist With the Battle Against COVID-19

29. Medical professionals and first responders throughout the world are donning extensive PPE as they place their health and safety on the line in the battle against COVID-19. As Plaintiff states on the homepage of its website, it is "committed to getting personal protective equipment to healthcare workers":



30. Among the PPE that 3M is providing to the heroic individuals on the front lines of the battle against COVID-19 are Plaintiff's 3M-brand N95 respirators.

31. Inset, below, is an image of Plaintiff's 3M-brand, Model 8210 respirator:



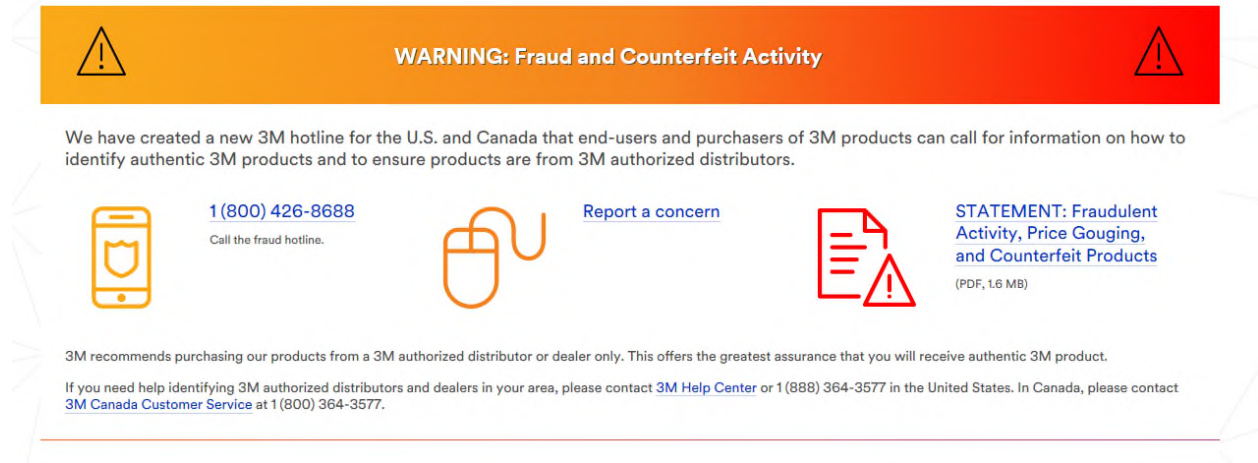
32. Authentic N95 respirators reduce exposure to airborne biological particles and liquid contamination when appropriately selected, fitted, and worn.

33. Based on the exponential increase in demand for 3M-brand N95 respirators, Plaintiff has invested the necessary capital and resources to double its global annual production of 1.1 billion 3M-brand N95 respirators. *See* Exhs. 1,2 **What 3M has *not* done, though, is increase its prices.** *See id.*

34. Unfortunately, certain third parties do not share 3M's sense of civic responsibility during this time of crisis. Indeed, opportunistic third parties are seeking to exploit the increased demand for Plaintiff's 3M-brand N95 respirators by offering to sell them for exorbitant prices, selling counterfeit versions of them, and accepting money for 3M-brand N95 respirators despite not having the product to sell and/or never intending to deliver the product to the unwitting buyer—in many instances, a public authority, such as the City of New York, which struggles to address the enormous financial and logistical challenges presented by COVID-19.

35. Accordingly, to protect consumers on the front lines of the COVID-19 battle from deception and inferior products, to reduce time wasted by governmental officials on scams, as well as to protect the widespread reputation and goodwill enjoyed by Plaintiff's carefully curated 3M brand, Plaintiff is working diligently with law enforcement, retail partners, and others to combat unethical and unlawful business practices related to 3M-brand N95 respirators. For example, in late-March 2019, 3M's Chief Executive Officer, Mike Roman, sent a letter to U.S. Attorney General, William Barr, and the President of the National Governor's Association, Larry Hogan of Maryland, to offer 3M's partnership in combatting price-gouging. As shown in the inset image, additional examples of 3M's efforts to combat price-gouging, counterfeiting, and other unlawful conduct during COVID-19 include:

- a. 3M posted on its website the list price for its 3M-brand N95 respirators so that consumers can readily identify price-gouging (*See Exhibit 6*);
- b. 3M created a form on its website that consumers can use to report suspected incidents of price-gouging and counterfeiting (*See Exhibit 7*); and
- c. 3M created a fraud “hotline” that consumers can call to report suspect incidents of price-gouging and counterfeiting:



II. Defendant’s Unlawful Conduct

36. Despite Plaintiff’s extensive measures to combat price-gouging and counterfeiting of its 3M-brand N95 respirators, these illicit activities continue. Defendant is a prime example of this unlawful behavior, which is damaging to the 3M brand and public health.

37. On or about March 30, 2020 – while New York City was reporting record numbers of COVID-19 positive tests and deaths – Defendant emailed a document, titled *Formal Quote*, to Ebony Roberson of New York City’s Office of Citywide Procurement. *See Exhibit 8*.

38. In the Formal Quote, Defendant offered to sell New York City’s Procurement Office: (i) 2 million 3M-brand, N95 Model 8210 respirators for \$6.05 each, and (ii) 5 million 3M-brand, N95 Model 1860 respirators for \$6.35 each. *See Exh. 8*.

39. In the one-page Formal Quote, Defendant reproduced Plaintiff’s famous 3M marks *nine* times. *See Exh. 8*.

40. Defendant also attached to the Formal Quote a Technical Specification Sheet for both Models of 3M-brand N95 respirators that Defendant purportedly had available for sale. *See* Exh. 8. Plaintiff's famous 3M design mark, and 3M Slogan, prominently appeared in the upper left-hand corner of both Technical Specification Sheets. *See id.* Plaintiff's famous 3M design mark also appeared in the lower left-hand corner of both Technical Specification Sheets. *See id.* Additionally, Plaintiff's famous standard-character 3M mark appeared in the Technical Specification Sheets. *See id.*

41. Defendant's rampant use of the 3M Marks throughout the Formal Quote, combined with the presence of the Plaintiff's 3M Marks and 3M Slogan in Technical Specification Sheets, caused New York City officials to mistakenly believe that Defendant was an authorized distributor of Plaintiff's products and/or otherwise had an association or affiliation with Plaintiff and its products. To be sure, after Defendant sent the Formal Quote to Ms. Roberson, New York City officials prepared an "Evaluation Request – Bid Document Review" as part of their quality-assurance measures. *See* Exh. 8. In the Evaluation Request, New York City officials identified Defendant as a "vendor" – twice – of 3M-brand, N95 Model 8210 and 1860 respirators. *See id.* However, the New York City officials were mistaken. Defendant is not, and never has been, an authorized distributor or vendor of Plaintiff's products. Defendant also does not have, and has never had, an association or affiliation with Plaintiff.

42. Defendant's Formal Quote also contained false, misleading, and/or deceptive statements. For example, in the Formal Quote, Defendant stated:

"Due to the national emergency, acceptance of the purchase order is at the full discretion of 3M and supplies are based upon availability. The N95 masks 3M can begin shipping in 2-4 weeks CIF at any of 3M [sic] plants in the USA or 3M Plants Overseas according to their manufacturing schedule. 3M choose the plant. Order may be shipped in whole or in part." *See* Exh. 8.

43. The level of specificity in the above-quoted portion of the Formal Quote, including, for example, that any purchase order is subject to 3M's discretionary approval, that 3M allegedly ships its products CIF, and that 3M will determine the production site for the order, are all false and likely to mislead and/or deceive a reasonable consumer into believing that Defendant is an authorized distributor of 3M products and/or has an association or affiliation with 3M. Sadly, in this case, Defendant's Formal Quote actually misled and deceived experienced buyers in the Procurement Office of one of the world's largest cities into believing that Defendant was an authorized "vendor" of approximately \$45 million-worth of 3M-brand N95 respirators.

44. Another equally detestable element of Defendant's unlawful conduct is price-gouging. Defendant's quote of \$6.05 per 3M brand, N95 Model 8120 respirator is approximately 600% over 3M's suggested list price of \$1.02-\$1.31 per respirator. *See* Exh. 3. Defendant's quote of \$6.35 per 3M brand, N95 Model 1860 respirator is 500% increase over 3M's list price of \$1.27 per respirator. *See* Exh. 3.

45. The mere association of 3M's valuable brand with such shameless price-gouging harms the brand, not to mention its more serious threat to public health agencies that are under strain in the midst of a worldwide pandemic.

46. Based on the foregoing, Plaintiff seeks relief against Defendant for federal and state trademark infringement, unfair competition, false association, false endorsement, false designation of origin, trademark dilution, false advertising, and deceptive acts and business practices.

CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

*(Trademark Infringement Under Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1))
(Infringement of the Federally Registered 3M Marks and 3M Slogan)*

47. Plaintiff repeats and incorporates by reference the statements and allegations in paragraphs 1 - 46 of the Complaint as though set forth fully herein.

48. Count I is a claim for trademark infringement under 15 U.S.C. § 1114.

49. Plaintiff is the exclusive owner of each of the federally registered 3M Marks, and the 3M Slogan.

50. Plaintiff has the exclusive right to use each of the 3M Marks, and the 3M Slogan, in United States commerce for, *inter alia*, advertising, promoting, offering for sale, and selling Plaintiff's 3M-brand N95 respirators.

51. Plaintiff's exclusive rights in and to each of the 3M Marks, and the 3M Slogan, predate any rights that Defendant could establish in and to any mark that consists of "3M" in whole and/or in part.

52. Both of the 3M Marks, and the 3M Slogan, are fanciful and/or arbitrary when used for respirators and, therefore, are inherently distinctive.

53. Both of the 3M Marks, and the 3M Slogan, identify Plaintiff as the exclusive source of products offered under the 3M Marks (including, without limitation, 3M-brand N95 respirators) and, therefore, the 3M Marks, and the 3M Slogan, have acquired distinctiveness.

54. Defendant is using the 3M Marks, and the 3M Slogan, in commerce to advertise, promote, offer for sale, and sell 3M-brand N95 respirators, including, for example, in the Formal Quote.

55. Defendant's use of the 3M Marks, and the 3M Slogan, in commerce on, for, and/or in connection with the advertising, promotion, offering for sale, and/or sale of products, as alleged, herein, is causing, and is likely to continue causing, consumer confusion, mistake, and/or deception about whether Defendant is 3M, and/or whether Defendant is a licensee, authorized distributor, and/or affiliate of 3M and/or products that Plaintiff offers under its 3M Marks and/or 3M Slogan, including, without limitation, 3M-brand N95 respirators.

56. Defendant's use of the 3M Marks, and the 3M Slogan, in commerce on, for, and/or in connection with the advertising, promotion, offering for sale, and/or sale of products, as alleged, herein, is causing, and is likely to continue causing, consumer confusion, mistake, and/or deception about whether Defendant and/or Defendant's products are affiliated, connected, and/or associated with 3M and/or products that Plaintiff offers under its 3M Marks and/or 3M Slogan, including, without limitation, 3M-brand N95 respirators.

57. Defendant's use of the 3M Marks, and the 3M Slogan, in commerce on, for, and/or in connection with the advertising, promotion, offering for sale, and/or sale of products, as alleged, herein is causing, and is likely to continue causing, consumer confusion, mistake, and/or deception about whether Defendant and/or Defendant's products originate with, and/or are sponsored or approved by, and/or offered under a license from, 3M or vice versa.

58. Plaintiff has not consented to the use of its famous 3M Marks, or 3M Slogan, by Defendant.

59. Based on Plaintiff's longstanding and continuous use of its 3M Marks, and 3M Slogan, in United States commerce, as well as the federal registration of Plaintiff's 3M Marks, and 3M Slogan, Defendant had actual and constructive knowledge of Plaintiff's superior rights in and to the 3M Marks, and the 3M Slogan, when Defendant began using the 3M Marks, and the 3M Slogan, as part of its bad-faith scheme to confuse and deceive consumers, as alleged, herein.

60. Upon information and belief, Defendant adopted and uses the 3M Marks, and the 3M Slogan, in furtherance of Defendant's willful, deliberate, and bad-faith scheme of exploiting the extensive consumer goodwill, reputation, fame, and commercial success of products that Plaintiff offers under its 3M Marks, and its 3M Slogan, including, without limitation, 3M-brand N95 respirators.

61. Upon information and belief, Defendant has made, and will continue to make, substantial profits and gain from its unauthorized use of Plaintiff's 3M Marks, and 3M Slogan, to which Defendant is not entitled at law or in equity.

62. Upon information and belief, Defendant's acts and conduct complained of herein constitute trademark infringement in violation of 15 U.S.C. § 1114(a).

63. Plaintiff has suffered, and will continue to suffer, irreparable harm from Defendant's acts and conduct complained of herein, unless restrained by law. The damage suffered by Plaintiff is exacerbated by the fact that Defendant is advertising and offering for sale 3M-branded N95 respirator masks at exorbitantly inflated prices during a global pandemic when Plaintiff's products are necessary to protect public health. Such conduct has inspired intense public criticism of the manner in which Plaintiff's respirator masks are being distributed and sold during the COVID-19 pandemic and significant confusion about Plaintiff's role in the marketplace for masks that are essential to safeguarding public health. Whereas Plaintiff's corporate values and brand image center around the application of science to improve lives, Defendant's conduct imminently and irreparably harms Plaintiff's 3M brand.

64. Plaintiff has no adequate remedy at law.

SECOND CLAIM FOR RELIEF

*(Unfair Competition, False Endorsement, False Association, and False Designation of Origin Under Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A))
(Use of the 3M Marks and 3M Slogan)*

65. Plaintiff repeats and incorporates by reference the statements and allegations in paragraphs 1 - 64 of the Complaint as set forth fully herein.

66. Count II is a claim for federal unfair competition, false endorsement, false association, and false designation of origin under 15 U.S.C. § 1125(a)(1)(A).

67. Upon information and belief, Defendant's acts and conduct complained of herein constitute unfair competition, false endorsement, false association, and/or false designation of origin in violation of 15 U.S.C. § 1125(a)(1)(A).

68. Upon information and belief, Defendant's use of Plaintiff's famous 3M Marks, and 3M Slogan, to advertise, market, offer for sale, and/or sell purported 3M-brand N95 respirators to consumers at exorbitant prices, in general, and during a global pandemic such as COVID-19, specifically, also constitutes unfair competition in violation of 15 U.S.C. § 1125(a)(1)(A).

69. Defendant has also falsely held itself out to be an agent of and/or authorized by Plaintiff to sell and/or distribute 3M-branded products, when this is not the case.

70. Plaintiff has suffered, and will continue to suffer, irreparable harm from Defendant's acts and conduct complained of herein, unless restrained by law.

71. Plaintiff has no adequate remedy at law.

THIRD CLAIM FOR RELIEF

(Trademark Dilution Under Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c))
(Dilution of the Famous 3M Marks)

72. Plaintiff repeats and incorporates by reference the statements and allegations in paragraphs 1 - 71 of the Complaint as though set forth fully herein.

73. Count III is a claim for federal trademark dilution under 15 U.S.C. § 1125(c).

74. Plaintiff's 3M Marks were famous before and at the time Defendant began using the 3M Marks in commerce on, for, and/or in connection with the advertising, promotion, offering for sale, and/or sale of products (including, without limitation, 3M-brand N95 respirators).

75. Defendant's use of Plaintiff's famous 3M Marks in commerce on, for, and/or in connection with the advertising, promotion, offering for sale, and/or sale of products (including, without limitation, 3M-brand N95 respirators) is likely to dilute the distinctive quality of the

famous 3M Marks, such that famous 3M Marks' established selling power and value will be whittled away.

76. Defendant's use of Plaintiff's famous 3M Marks in commerce on, for, and/or in connection with the advertising, promotion, offering for sale, and/or sale of products (including, without limitation, 3M-brand N95 respirators) is likely to dilute the distinctive quality of the famous 3M Marks, such that famous 3M Marks' ability to identify Plaintiff as the exclusive source of products offered under the 3M Marks (including, without limitation, Plaintiff's 3M-brand N95 respirators) will be whittled away.

77. Defendant's use of Plaintiff's famous 3M Marks in commerce on, for, and/or in connection with the advertising, promotion, offering for sale, and/or sale of products (including, without limitation, 3M-brand N95 respirators) at exorbitant prices, in general, and during a global pandemic such as COVID-19, specifically, is likely to dilute the reputation of the famous 3M Marks, such that famous 3M Marks' established ability to indicate the superior quality of Products offered under such Marks (including, without limitation, Plaintiff's 3M-brand N95 respirators), will be whittled away.

78. Upon information and belief, Defendant's acts and conduct complained of herein constitute trademark dilution in violation of 15 U.S.C. § 1125(c).

79. Plaintiff has suffered, and will continue to suffer, irreparable harm from Defendant's acts and conduct complained of herein, unless restrained by law. The damage suffered by Plaintiff is exacerbated by the fact that Defendant is advertising and offering for sale 3M-branded N95 respirators at exorbitantly inflated prices during a global pandemic when Plaintiff's products are necessary to protect public health. Such conduct has inspired intense public criticism of the manner in which Plaintiff's respirators are being distributed and sold during the COVID-19

pandemic and significant confusion about Plaintiff's role in the marketplace for respirators that are essential to safeguarding public health. Whereas Plaintiff's corporate values and brand image center around the application of science to improve lives, Defendant's conduct imminently and irreparably harms Plaintiff's 3M brand.

80. Plaintiff has no adequate remedy at law.

FOURTH CLAIM FOR RELIEF

(False Advertising Under Section 43(a)(1)(B) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B))
(Defendant's Formal Quote)

81. Plaintiff repeats and incorporates by reference the statements and allegations in paragraphs 1 - 80 of the Complaint as though set forth fully herein.

82. Count IV is a claim for false and deceptive advertising under 15 U.S.C. § 1125(a)(1)(B).

83. The statements that Defendant made in its Formal Quote constitute commercial advertising and/or commercial promotion.

84. The statements that Defendant made in its Formal Quote contained false, misleading, and/or deceptive statements about the nature, characteristics, qualities, and/or geographic origin of Defendant and/or the products that Defendant allegedly had available for sale.

85. The statements that Defendant made in its Formal Quote contained false, misleading, and/or deceptive statements about the nature, characteristics, qualities, and/or geographic origin of Plaintiff and Plaintiff's 3M-brand products, including, without limitation, Plaintiff's 3M-brand N95 respirators.

86. The false, misleading, and/or deceptive statements in Defendant's Formal Quote were material to New York City's purchasing decisions, including, without limitation, its preparation of the aforementioned Evaluation Request, wherein officials mistakenly identified Defendant as a "vendor" of 3M-brand N95 respirators, twice.

87. Defendant placed its Formal Quote into interstate commerce by, *inter alia*, sending it to at least one New York City official's email account, namely, Ms. Roberson.

88. Defendant's Formal Quote directly and/or proximately caused and/or is likely to cause Plaintiff to suffer harm in the form of lost sales (including, without limitation, lost sales of Plaintiff's 3M-brand N95 respirators), as well as irreparable diminution to the 3M brand and 3M Marks' reputation, fame, and goodwill.

89. Upon information and belief, Defendant's acts and conduct complained of herein constitute false advertising in violation of 15 U.S.C. § 1125(a)(1)(B).

90. Plaintiff has suffered, and will continue to suffer, irreparable harm from Defendant's acts and conduct complained of herein, unless restrained by law. The damage suffered by Plaintiff is exacerbated by the fact that Defendant is advertising and offering for sale 3M-branded N95 respirator masks at exorbitantly inflated prices during a global pandemic when Plaintiff's products are necessary to protect public health. Such conduct has inspired intense public criticism of the manner in which Plaintiff's respirator masks are being distributed and sold during the COVID-19 pandemic and significant confusion about Plaintiff's role in the marketplace for masks that are essential to safeguarding public health. Whereas Plaintiff's corporate values and brand image center around the application of science to improve lives, Defendant's conduct imminently and irreparably harms Plaintiff's 3M brand.

91. Plaintiff has no adequate remedy at law.

FIFTH CLAIM FOR RELIEF

*(Deceptive Acts and Practices Under NEW YORK GENERAL BUSINESS LAW § 349)
(Use of the 3M Brand, Famous 3M Marks, and 3M Slogan; Defendant's Formal Quote)*

92. Plaintiff repeats and incorporates by reference the statements and allegations in paragraphs 1 - 91 of the Complaint as though set forth fully herein.

93. Count V is a claim for deceptive acts and practices under NEW YORK GENERAL BUSINESS LAW (“GBL”) § 349.

94. By using Plaintiff’s 3M Marks, and 3M Slogan, to confuse consumers during a global pandemic, such as COVID-19, about the source, price, availability, quality, and/or origin of 3M-brand N95 respirators, Defendant’s conduct poses a direct and/or proximate threat to the health and safety of the general public, including consumers within this District. For example, because of Defendant’s use of Plaintiff’s famous 3M Marks, and 3M Slogan, throughout the Formal Quote, New York City officials mistakenly believed that Defendant was an authorized vendor of 3M-brand N95 respirators. Based on the mistaken belief that Defendant was an authorized distributor of 3M-brand N95 respirators, New York City officials took steps to commit approximately \$45 million-worth of critical resources during the height of COVID-19 to purchasing products from Defendant (including, for example, preparing the Evaluation Request). Accordingly, Defendant’s acts and conduct complained of herein go above and beyond ordinary trademark infringement.

95. Upon information and belief, Defendant’s acts and conduct complained of herein constitute deceptive acts and practices in violation of GBL § 349.

96. Plaintiff has suffered, and will continue to suffer, irreparable harm from Defendant’s acts and conduct complained of herein, unless restrained by law.

97. Plaintiff has no adequate remedy at law.

SIXTH CLAIM FOR RELIEF
(False Advertising Under NEW YORK GENERAL BUSINESS LAW § 350)
(Defendant’s Formal Quote)

98. Plaintiff repeats and incorporates by reference the statements and allegations in paragraphs 1 - 97 of the Complaint as though set forth fully herein.

99. Count VI is a claim for false advertising under GBL § 350.

100. By creating the false, misleading, and/or deceptive impression that Defendant was an authorized distributor of 3M-brand N95 respirators during the height of COVID-19, Defendant's conduct poses a direct and/or proximate threat to the health and safety of the general public, including consumers within this District. For example, the false, misleading, and/or deceptive statements in Defendant's Formal Quote misled and deceived New York City officials into believing that Defendant was an authorized distributor of 3M-brand N95 respirators. Based on the mistaken belief that Defendant was an authorized distributor of 3M-brand N95 respirators, New York City official took steps to commit approximately \$45 million-worth of critical resources during the height of COVID-19 to purchasing products from Defendants (including, for example, preparing the Evaluation Request). Accordingly, Defendant's acts and conduct complained of herein go above and beyond ordinary false advertising.

101. Upon information and belief, Defendant's acts and conduct complained of herein constitute false advertising in violation of NEW YORK GENERAL BUSINESS LAW § 350.

102. Plaintiff has suffered, and will continue to suffer, irreparable harm from Defendant's acts and conduct complained of herein, unless restrained by law.

Plaintiff has no adequate remedy at law.

SEVENTH CLAIM FOR RELIEF

*(Dilution and Injury to Business Reputation Under NEW YORK GENERAL BUSINESS LAW § 360-l)
(Dilution of, Injury to the 3M Brand, Famous 3M Marks, and 3M Slogan)*

103. Plaintiff repeats and incorporates by reference the statements and allegations in paragraphs 1 - 102 of the Complaint as though set forth fully herein.

104. Count VII is a claim for dilution under GBL § 360-l.

105. Upon information and belief, Defendant's acts and conduct complained of herein constitute dilution and injury to business reputation in violation of GBL § 360-1.

106. Plaintiff has suffered, and will continue to suffer, irreparable harm from Defendant's acts and conduct complained of herein, unless restrained by law.

107. Plaintiff has no adequate remedy at law.

EIGHTH CLAIM FOR RELIEF

*(Trademark Infringement Under New York Common Law)
(Infringement of the 3M Marks and 3M Slogan)*

108. Plaintiffs repeat and incorporate by reference the statements and allegations in paragraphs 1 - 107 of the Complaint as though set forth fully herein.

109. Count XIII is a claim for trademark infringement under New York common law.

110. Upon information and belief, Defendant's acts and conduct complained of herein constitute trademark infringement in violation of New York common law.

111. Plaintiff has suffered, and will continue to suffer, irreparable harm from Defendant's acts and conduct complained of herein, unless restrained by law.

112. Plaintiff has no adequate remedy at law.

NINTH CLAIM FOR RELIEF

*(Unfair Competition and Passing Off Under New York Common Law)
(Use of the 3M Marks and 3M Slogan)*

113. Plaintiff repeats and incorporates by reference the statements and allegations in paragraphs 1 - 112 of the Complaint as though set forth fully herein.

114. Count IX is a claim for unfair competition under New York common law.

115. Upon information and belief, Defendant's acts and conduct complained of herein constitute unfair competition and passing off in violation of New York common law.

116. Plaintiff has suffered, and will continue to suffer, irreparable harm from Defendant's acts and conduct complained of herein, unless restrained by law.

117. Plaintiff has no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, based on Defendant's conduct complained of, herein, Plaintiff asks that this Court:

A. To enter an Order, finding in Plaintiff's favor on each Claim for Relief asserted herein;

B. Pursuant to 15 U.S.C. § 1116:

1. Preliminarily and permanently enjoining Defendant, its agents, servants, employees, officers and all persons and entities in active concert and participation with them from using the 3M Marks (or any other mark(s) confusingly similar thereto) for, on, and/or in connection with the manufacture, distribution, advertising, promoting, offering for sale, and/or sale of any goods or services, including, without limitation, Plaintiff's 3M-brand N95 respirator Marks;

2. Preliminarily and permanently enjoining Defendant, its agents, servants, employees, officers and all persons and entities in active concert and participation with them from falsely representing itself as being a distributor, authorized retailer, and/or licensee of Plaintiff and/or any of Plaintiff's products (including, without limitation, Plaintiff's 3M-brand N95 respirator) and/or otherwise falsely representing to have an association or affiliation with, sponsorship by, and/or connection with, Plaintiff and/or any of Plaintiff's products; and

3. Ordering Defendant to file with the Court and serve upon Plaintiff's counsel, within 30 days after service of the order of injunction, a report in writing under oath setting forth in detail the manner and form in which Defendant has complied with the injunction;

C. Pursuant to 15 U.S.C. § 1117:

1. Order Defendant to provide Plaintiff with a full accounting of all manufacture, distribution and sale of products under the 3M Marks (including, without limitation, Plaintiff's 3M-brand N95 respirators), as well as all profits derived therefrom;

2. Order Defendant to pay to Plaintiff—so as to be donated charitably pursuant to subpart G, *infra*—all of Defendant's profits derived from the sale of infringing goods offered under the 3M Marks (including, without limitation, Plaintiff's 3M-brand N95 respirators);

3. Award Plaintiff treble actual damages—so as to be donated charitably pursuant to subpart G, *infra*—in connection with Defendant's infringement of the 3M Marks;

4. Find that Defendant's acts and conduct complained of herein render this case "exceptional"; and

5. Award Plaintiff—so as to be donated charitably pursuant to subpart G, *infra*—its costs and reasonable attorneys' fees incurred in this matter;

D. Pursuant to 15 U.S.C. § 1118, order the destruction of all unauthorized goods and materials within the possession, custody, and control of Defendant and Defendant's client that bear, feature, and/or contain any copy or colorable imitation of Plaintiff's 3M Marks;

E. Award Plaintiff pre-judgment and post-judgment interest against Defendant;

F. Award Plaintiff such other relief that the Court deems just and equitable; and

G. Requiring that all monetary payments awarded to Plaintiff be donated to a COVID-19 charitable organization(s)/cause(s) of Plaintiff's choosing.

DEMAND FOR JURY TRIAL

Plaintiff requests a trial by jury for all issues so triable pursuant to FED. R. CIV. P. 38(b) and 38(c).

Dated: April 10, 2020
New York, New York

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**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

3M COMPANY,

Plaintiff,

-against-

PERFORMANCE SUPPLY, LLC,

Defendant.

Case No.: 1:20-cv-02949 (LAP)(KNF)

Jury Trial Demanded

**MEMORANDUM OF LAW
IN SUPPORT OF PLAINTIFF 3M COMPANY'S APPLICATION
FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION**

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Plaintiff 3M Company (“3M”), by and through its undersigned counsel, respectfully submits this Memorandum of Law, and the concurrently filed Declarations of David A. Crist (the “Crist Decl.”), Charles Stobbie (the “Stobbie Decl.”), and A. John P. Mancini, Esq. (the “Mancini Decl.”), in support of 3M’s Application for a Temporary Restraining Order (“TRO”) and Preliminary Injunction (“PI”) (the “Application”) against Defendant Performance Supply, LLC (“Defendant”). Pursuant to Local Civil Rule 7.1(a)(1), 3M also submits concurrently herewith a Proposed Order to Show Cause.

I. PRELIMINARY STATEMENT

The world currently faces the largest public health crisis in modern history, and sadly New York City has now become the epicenter of the crisis. The exponential growth in the number of COVID-19 cases in the United States has placed increased pressure on healthcare personnel to treat patients, regardless of access to proper personal protective equipment (“PPE”). 3M’s PPE products, including N95 respirators, are in immediate need to protect medical professionals, first responders, and others who are working on the front lines of the crisis. As a leading provider of PPE, 3M is committed to getting its PPE in the hands of those who need it most in these unprecedented times. To meet the growing demand, 3M has ramped up respirator production, but the demand still exceeds the supply, especially in virus hotspots like New York City.

Unscrupulous parties, such as Defendant, are using this time of desperation to fabricate false associations with 3M and trade off of 3M’s famous brand and goodwill for self-gain—all at the immeasurable expense of 3M, but more importantly at the expense of healthcare workers, first responders, and the public at-large. In this instance, Defendant is falsely portraying an affiliation with and authorization by 3M to sell 3M-branded products, and in doing so is offering N95 respirators to New York City’s Office of Citywide Procurement at grossly inflated prices. However, Defendant is not an authorized distributor, agent, broker, or vendor of 3M products, has

no right to use 3M's famous 3M marks, and has no authority to make offers or solicit orders on 3M's behalf. Defendant's exploitation of a global health disaster to confuse and deceive government officials into believing that Defendant is an authorized representative of 3M's products—and offering those products for sale at inflated prices—threatens immediate and irreparable harm to 3M's brand and to those desperately in need of PPE, including healthcare workers working on the front lines of COVID-19.

The damage to the famous 3M brand and its associated goodwill as a result of Defendant's unlawful conduct is immediate, immeasurable and irreparable, and has the potential to define the 3M brand in the eyes of consumers for years to come. Indeed, Defendant's offer to sell 3M-brand N95 respirators supposedly subject to "acceptance...at the full discretion of 3M" at a price that is 400-600% higher than 3M's list price gives the false impression that 3M is inflating its prices and condoning price-gouging in the midst of a national emergency. This is not the case, and is antithetical to 3M's organizational mission and values. In fact, 3M has not increased its prices for PPE in response to the pandemic, despite costly measures to increase worldwide production.

Based on the foregoing, a TRO and PI are fully warranted. Absent injunctive relief, 3M is likely to suffer reputational damage and loss of goodwill that would be impossible to quantify. In this case and in other cases, public procurement agencies strapped for resources and operating in a crisis mode are confused and misled by the false association tactics employed here. Absent a TRO and PI preventing Defendant from infringing and diluting 3M's trademarks, unfairly competing, falsely claiming association with 3M, and engaging in false advertising and otherwise deceptive practices, 3M will suffer immediate injury to the goodwill and business reputation that it has worked for decades to build. 3M is also likely to succeed on the merits of its claims, including, in particular, its federal and state claims for trademark infringement, unfair competition,

false endorsement, false association, and false designation of origin, because Defendant is using 3M's name and goodwill without authorization or endorsement from 3M, and for nefarious purposes that is causing immediate harm 3M's name and reputation. Accordingly, this Court should grant 3M's Application for a TRO and PI that prohibits Defendant from such unlawful conduct, for which 3M has no adequate remedy at law.

II. STATEMENT OF FACTS

A. COVID-19 and the Current National Emergency

Over the last four months, the world has seen an outbreak of a highly contagious virus, known as COVID-19, creating an international state of emergency. The virus is believed to pass from person-to-person via airborne particles and liquids. *See* Mancini Decl. at ¶ 5, Ex. 1.

Current guidelines recommend that healthcare personnel wear respiratory protection, like 3M's N95 respirator, when interacting with infected patients in order to minimize the workers' risk of exposure to the virus. *See* Mancini Decl. at ¶ 6, Ex. 2. According to the Center for Disease Control and Prevention, reported illnesses resulting from exposure "range[] from very mild (including some with no reported symptoms) to severe, including illness resulting in death." *See id.* at Ex. 1, p. 3. The number of cases of COVID-19 increases every day in the United States, with New York accounting for nearly 35% of all domestic cases. *See id.* at ¶ 7, Ex. 3.

N95 respirators can prevent virus-carrying particles from reaching the wearer when appropriately selected, fitted, and worn over the mouth and nose. *See* Stobbie Decl. at ¶ 5. The 3M-branded N95 respirators are one of three respirator levels that meet the National Institute of Occupational Safety and Health standards for minimum filtration efficiency levels as prescribed by regulation 42 C.F.R. Part 84. *Id.*

B. The Parties and the Products

1. 3M, and its Famous Brand and Trademarks

For decades, 3M has been a leading provider of personal protective equipment for healthcare professionals, industry workers and the public. *See* Stobbie Decl. at ¶ 4. Indeed, 3M is a leading manufacturer of N95 respirators (*id.*), and has sold N95 respirators in the United States under the 3M brand name for decades. *See* Crist Decl. at ¶ 10. Since the outbreak began, the public has become familiar with 3M as a manufacturer of the N95 respirators and other equipment essential to protecting healthcare personnel and workers from exposure to airborne particles, including viruses like COVID-19. *See id.* at ¶ 17; Stobbie Decl. at ¶ 13.

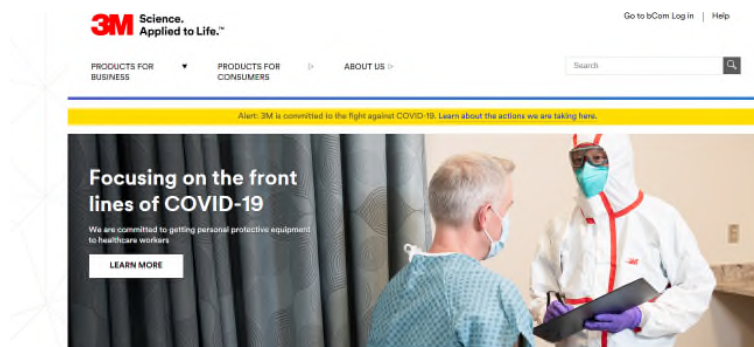
Over the past century, 3M has invested hundreds of millions of dollars in advertising, promoting, offering for sale, and selling its vast array of goods and services under its standard-character mark “3M” and 3M design mark **3M** (together, the “3M Marks”). *See* Crist Decl. at ¶ 10. 3M also uses its famous “3M Science. Applied to Life” slogan (the “3M Slogan”) in connection with the promotion of its goods and services. *Id.* During this period, 3M’s goods and services offered under its 3M Marks have been the subject of widespread, unsolicited media coverage and critical acclaim. *Id.* at ¶ 11. Goods and services offered under 3M Marks also enjoy enormous commercial success, with annual revenues exceeding hundreds of millions of dollars. *Id.* at ¶ 12.

To protect its rights over the 3M Marks, 3M has obtained numerous federal trademark registrations for these marks, including, but not limited to, U.S. Trademark Reg. Nos.: (i) 3,398,329, covering the standard-character 3M mark for International Classes 9 and 10 for, *inter alia*, respirators (the “329 Registration”), (ii) 2,793,534, which covers the 3M design mark in, *inter alia*, International Class 10 for respirators (the “534 Registration”), and (iii) 5,469,903, which covers the 3M Slogan in a number of Int. Classes, including Int. Class 9 for facial masks

and respirators (the “‘903 Registration”). *See* Crist Decl. at ¶¶ 13-6, Exs. 4, 6, 8. The ‘329, ‘534, and ‘903 Registrations are valid, in effect, and on the Principal Trademark Register. *See id.* The ‘329 and ‘534 Registrations are “incontestable” within the meaning of 15 U.S.C. § 1065. *See id.* Exs. 5, 7.

2. 3M’s Production and Sale of N95 Respirators During COVID-19

3M is proudly “on the front lines of COVID-19”:



3M is providing the heroic individuals on the front lines of the battle against COVID-19 with 3M-brand N95 respirators, which “are considered the gold standard by medical workers and public-health officials.” Mancini Decl. at ¶ 8, Ex. 4. Since the outbreak of COVID-19 in early 2020, 3M has doubled its global output rate of respirators (including N95 respirators) to 1.1 billion per year to ensure that an adequate supply of its respirators is available to governments and healthcare personnel, as well as to workers in other critical industries, including food, energy, and pharmaceuticals. *See* Stobbie Decl. at ¶¶ 8, 9, Exs. 1-3. In the last seven days of March 2020, 3M sent 10 million N95 respirators to healthcare facilities around the United States. *Id.* at ¶ 10, Ex. 1. 3M has also invested the necessary capital and resources to double its current global production of 1.1 billion 3M-brand N95 respirators per year to 2 billion per year. *See id.* at ¶ 11, Exs. 1, 3.

Notwithstanding the surging demand and public need for PPE during COVID-19, 3M has confirmed publicly that it will not increase prices of its 3M-brand N95 respirators in authorized sales and will work to eliminate price-gouging by third parties in the midst of this crisis. *See*

Stobbie Decl. at ¶ 12, Ex. 3; *see also id.* at ¶¶ 14-6. These efforts protect the public from defective and/or inferior products and outrageous and unwarranted price inflation. *Id.*

3. Defendant and its Purported Business

Defendant purportedly operates out of Englishtown, New Jersey. *See* Stobbie Decl. at ¶ 19, Ex. 7; *see also* Crist Decl. at ¶ 19, Ex. 9. Defendant does not appear to have any website or social media. *See* Mancini Decl. at ¶¶ 14, 15. Defendant's president, Mr. Ronald Romano, appears to sell vehicles as his primary business. *Id.* at ¶ 16, Exs. 10-12.

4. Defendant's False and Deceptive Formal Quote to New York City

Defendant is not, and has never been, a licensed or authorized distributor, agent, or representative of 3M-branded N95 respirators. *See* Stobbie Decl. at ¶¶ 21, 23; Crist Decl. at ¶¶ 21, 23. Yet, on or about March 30, 2020, Defendant sent Ms. Ebony P. Roberson, a Purchasing Agent at New York City's Office of Citywide Procurement, a detailed Formal Quote, offering to sell seven million 3M N95 respirators. *See id.* at ¶ 19, Ex. 17; ¶ 19, Ex. 9. Defendant stated that it would sell the respirators for \$6.05 per mask for 2 million 3M 8210 masks and for \$6.35 per mask for 5 million 3M 1860 masks. *See id.* As shown in the table below, Defendant's mark-up over 3M's listed single-case prices is more than five times as much:

3M Model	3M's Per-Mask Price	Defendant's Per-Mask Price	Markup
1860	\$1.27	\$6.35	500%
8210	\$1.02-\$1.31	\$6.05	460-590%

In its one-page Formal Quote, Defendant reproduced 3M's marks *nine times* and referenced 3M's headquarters in St. Paul, Minnesota, seeking to imply a connection that does not exist. *See* Stobbie Decl. at ¶ 20; Crist Decl. at ¶ 20. Defendant also attached to the Formal Quote a 3M Technical Specification Sheet for both Models of 3M-brand N95 respirators that Defendant offered

for sale. *See id.* Plaintiff's famous 3M design mark and well-known 3M Slogan prominently appeared in the upper left-hand corner of both Technical Specification Sheets. *Id.* Plaintiff's famous 3M design mark also appeared in the lower left-hand corner of both Technical Specification Sheets. *Id.* Plaintiff's famous standard-character 3M mark also appeared in the Technical Specification Sheets. *Id.*

Based on Defendant's Formal Quote, Ms. Roberson prepared an "Evaluation Request – Bid Document Review" as part of the City's quality-assurance measures. *See* Stobbie Decl. at ¶ 21; Crist Decl. at ¶ 21. In the Evaluation Request, New York City officials twice identified Defendant as a "vendor" of 3M-brand, N95 Model 8210 and 1860 respirators. *See id.* However, the New York City officials were mistaken. Indeed, as stated, *supra*, Defendant is not, and never has been, an authorized distributor, vendor, or representative of Plaintiff's products. Defendant also does not have, and has never had, an association or affiliation with Plaintiff. *See* Stobbie Decl. at ¶¶ 21, 23; Crist Decl. at ¶¶ 21, 23. Defendant's Formal Quote is permeated with false, misleading, and/or deceptive statements. For example, in the Formal Quote, Defendant stated:

Due to the national emergency, ***acceptance of the purchase order is at the full discretion of 3M*** and supplies are based upon availability. The N95 masks 3M can begin shipping in 2-4 weeks CIF at any of 3M [sic] plants in the USA or 3M Plants Overseas according to their manufacturing schedule. ***3M chooses the plant.*** Order may be shipped in whole or in part.

See Stobbie Decl. at ¶ 22; Crist Decl. at ¶ 22. (emphasis added).

To be clear, Defendant is not authorized to solicit purchase orders from customers for submission to 3M for approval. Nor is Defendant authorized to state how, where, or in what quantity such orders would be filled. The Formal Quote does not accurately describe how 3M fills N95 orders. *See* Stobbie Decl. at ¶ 22; Crist Decl. at ¶ 23.

The same day that Ms. Roberson received the Formal Quote, she contacted Eileen Simmons, a 3M Business Development Manager for government markets, for verification of

Defendant's claim. *See* Stobbie Decl. at ¶ 24; Crist Decl. at ¶ 24. Ms. Simmons informed Ms. Roberson that Defendant is not associated with 3M, and so that potential sale was averted. *Id.* However, there is nothing to prevent Defendant from making similar offers to other government or healthcare entities around the United States, causing irreparable harm to the 3M brand and putting the public at risk. *Id.*

Based on the foregoing, 3M commenced this action against Defendant on April 10, 2020, asserting claims under federal and New York law for trademark infringement, unfair competition, false endorsement, false association, false designation of origin, false advertising, and deceptive acts and practices. *See* Crist Decl. at ¶ 24; *see also* Dkt No. 1 (as re-filed at Dkt. No. 9). The Summons issued from the Court on April 13, and 3M duly served the Defendant with the Summons and Complaint on April 14.

III. LEGAL STANDARD

3M seeks a TRO and PI against Defendant's use of the famous 3M brand, Marks, and Slogan in conjunction with bogus offers at grossly inflated prices. "In the Second Circuit, the same legal standard governs the issuance of preliminary injunctions and [TROs]." *Mahmood v. Nielsen*, 312 F. Supp. 3d 417, 421 (S.D.N.Y. 2018). To obtain either, 3M must show: "(1) a likelihood of success on the merits [...]; (2) a likelihood of irreparable injury in the absence of an injunction; (3) that the balance of hardships tips in the plaintiff's favor; and (4) that the public interest would not be disserved by the issuance of an injunction." *Benihana, Inc. v. Benihana of Tokyo, LLC*, 784 F.3d 887, 895 (2d Cir. 2015).

Of particular significance here and now, harm both to parties within a lawsuit *and to the public* may be considered when determining if failure to issue a preliminary injunction will result in irreparable harm. *Long Island R.Co. v. Int'l Ass'n of Machinists*, 874 F.2d 901 (2d Cir. 1989)

(preliminary injunction prohibiting union from striking was appropriate where the general public would sustain irreparable harm).

For the reasons cited herein, 3M is entitled to a TRO and PI because it will likely succeed on the merits of its claims; it faces immediate, irreparable harm in the absence of swift injunctive relief and the balance of equities favors issuing the requested injunctive relief. Additionally, harm to the public from price-gouging is readily apparent.

IV. LEGAL ANALYSIS

A. 3M Will Suffer Immediate, Irreparable Harm Absent a TRO and PI

To show irreparable harm, the moving party need only show that “remedies available at law, such as monetary damages, are inadequate to compensate the plaintiff.” *Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322, 334 (S.D.N.Y. 2011) (granting preliminary-injunction motion).

Here, Defendant’s conduct is likely to create immediate *and* continuing irreparable harm to the widespread fame and goodwill of the 3M brand and famous 3M Marks. The 3M brand and Marks are famous and synonymous with superior quality. This is not a coincidence. For more than a century, 3M has invested hundreds of millions of dollars in advertising and marketing products under its 3M Marks and 3M Slogan. *See* Crist Decl. at ¶ 10. 3M also implements rigorous quality-control standards to ensure that all products offered under its famous 3M Marks and 3M Slogan are consistent and of the highest quality. *Id.* at ¶ 9.

3M should not have its carefully curated brand and reputation left to the devices of unsavory characters like the Defendant. Yet, that is precisely what will happen in the absence of an injunction. Indeed, as stated, *supra*, Defendant is not an authorized distributor, agent, or representative of 3M products, including 3M-brand N95 respirators. Nonetheless, Defendant is using the famous 3M Marks to create the false impression that it is authorized to solicit large orders for N95 respirators at grossly inflated prices on 3M’s behalf. Significantly, Defendant is not alone

in its price-gouging quest. Other parties are attempting similar scams and 3M is actively investigating and/or pursuing claims against them. *See* Mancini Decl. at ¶¶ 11-13, Exs. 7-9.

3M's inability to control Defendant's use of the famous 3M Marks and Defendant's suggested affiliation with 3M imperils 3M's brand and reputation—and irreparably so. *See* Crist Decl. at ¶¶ 25-30. To be sure, 3M cannot control whether products offered for sale and/or sold outside of its authorized trade channels adhere to 3M's rigorous standards. *See id.* What is more, no amount of money could repair the damage to 3M's brand and reputation if it is associated with deviating from its superior quality standards or the crime of price-gouging at the expense of healthcare workers and other first responders during COVID-19. *Id.* This constitutes textbook irreparable harm. *See, e.g., New York City Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305, 325 (S.D.N.Y. 2010) (“It is well-settled that a trademark owner's loss of goodwill and ability to control its reputation constitutes irreparable harm sufficient to satisfy the preliminary injunction standard”).

Based on the foregoing, 3M has established irreparable harm.

B. 3M is Likely to Succeed on the Merits of its Claims

To obtain a TRO and preliminary injunction, 3M must establish a likelihood of success on the merits of only one of its claims. *See 725 Eatery Corp. v. City of New York*, 408 F. Supp. 3d 424, 459 (S.D.N.Y. 2019). Nonetheless, because the same standard governs 3M's claims for trademark infringement, unfair competition, false endorsement, false association, and false designation of origin under Section 32 and 43(a)(1)(a) of the Lanham Act, and New York common law (collectively, the “Claims”), 3M analyzes these Claims together for purposes of the instant Application.

For 3M to prevail on its Claims, it must satisfy two elements, namely: (i) that its 3M Marks and 3M Slogan are valid and entitled to protection, and (ii) Defendant is using the famous 3M

Marks and/or 3M Slogan in a manner that is likely to create consumer confusion. *See Lexington Mgmt. Corp. v. Lexington Capital Partners*, 10 F. Supp. 2d 271, 277 (S.D.N.Y. 1998) (This Court applying the same standard to Section 32 and 43(a)(1)(A) claims; granting preliminary injunction); *Avela, Inc. v. Estate of Marilyn Monroe, LLC*, 131 F. Supp. 3d 196, 209 (S.D.N.Y. 2015).

1. 3M is Likely to Establish the Validity of its 3M Marks and 3M Slogan

3M's incontestable '329 and '534 Registrations constitute *conclusive* evidence of, *inter alia*, 3M's ownership, and the validity, of the 3M Marks. *See* 15 U.S.C. § 1115(b); *accord* 15 U.S.C. § 1065, *Lexington Mgmt. Corp.*, 10 F. Supp. 2d at 277-78. 3M's '903 Registration constitutes *prima facie* evidence of, *inter alia*, 3M's ownership, and the validity, of the 3M Slogan. *See* 15 U.S.C. § 1115(a). Accordingly, 3M is likely to establish the first element of its Claims.

2. 3M is Likely to Establish that Defendant's Use of the 3M Marks and Slogan is Likely to Cause Confusion as to Source and/or Quality

"The likelihood-of-confusion prong turns on whether ordinary consumers are likely to be misled or confused as to the source of the product in question because of the entrance in the marketplace of [the junior user's] mark." *Guthrie Healthcare System v. ContextMedia, Inc.*, 826 F.3d 27, 37 (2d Cir. 2016). To determine whether a likelihood of confusion exists, courts in this Circuit use the eight "*Polaroid*" factors, namely: "1) the strength of the plaintiff's mark; 2) the degree of similarity between marks; 3) the proximity of the products or services; 4) the likelihood that the senior user will 'bridge the gap' into the junior user's product or service line; 5) evidence of actual confusion between the marks; 6) whether the defendant adopted the mark in good faith; 7) the quality of defendant's products or services; and 8) the sophistication of the parties' customers." *Lexington Mgmt. Corp.*, 10 F. Supp. 2d at 278 (referencing *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir.)) As demonstrated, herein, 3M is likely to establish that the balance of relevant *Polaroid* factors weighs overwhelmingly in its favor.

a. The First *Polaroid* Factor: the 3M Marks and Slogan are Strong

“The strength of a mark refers to its distinctiveness, that is to say, the mark’s ability to identify goods sold under it as coming from one particular source.” *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 743 (2d Cir. 1998). Courts measure a mark’s distinctiveness in two ways, namely: (i) conceptual strength (*i.e.*, “inherent distinctiveness”), and (ii) commercial strength (*i.e.*, “acquired distinctiveness”). *See Streetwise Maps, Inc.*, 159 F.3d at 743-44.

(i) The 3M Marks are Conceptually Strong

To determine a mark’s conceptual strength, courts use “Judge Friendly’s familiar test for the inherent distinctiveness of trademarks in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976).” *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 377 (2d Cir. 1997). “The Abercrombie test classifies verbal marks into four categories which run in a continuum: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful.” *Landscape Forms, Inc.*, 113 F.3d at 377.

Here, “3M” is not a word, and has no inherent relationship to the goods or services for which the marks are used, namely, N95 respirators. Accordingly, the 3M Marks are fanciful and, thus, inherently distinctive when used for respirators. *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 192 F.3d 337, 344 (2d Cir. 1999) (“[A] fanciful mark is not a real word at all, but is invented for its use as a mark”); *Landscape Forms, Inc.*, 113 F.3d at 377 (“[F]anciful trademarks are inherently distinctive [...]”).

(ii) The 3M Marks are Commercially Strong and Famous

A mark is commercially strong if it has acquired “secondary meaning,” *i.e.*: “in the minds of the public, the primary significance of [the mark] [...] is to identify the source of the product rather than the product itself.” *Christian Louboutin, S.A. v. Yves Saint Laurent America Holdings, Inc.*, 696 F.3d 206, 216 (2d Cir. 2012).

The 3M Marks have acquired secondary meaning as a matter of law because, as discussed above, the 3M Marks are incontestable. *See Times Mirror Magazines, Inc. v. Field & Stream Licenses Co.*, 294 F.3d 383, 391 (2d Cir. 2002) (“Because FSLC continually maintained its registration of the mark, FSLC’s mark is incontestable and, as a matter of law, it has acquired secondary meaning”).

Even in the absence of 3M’s incontestable registrations, it is likely to establish that its 3M Marks and 3M Slogan have acquired secondary meaning. Indeed, as discussed above, 3M has spent millions of dollars in advertising, marketing, and promoting goods and services under the 3M Marks and 3M Slogan; goods sold under the 3M Marks and 3M Slogan, including 3M’s N95 respirators, generate hundreds of millions of dollars in annual revenue; the 3M Marks and 3M Slogan are recognized and well-known in households around the U.S.; and 3M has been the exclusive source of goods and services offered under the 3M Marks and 3M Slogan for several decades. Declaration of [●] at ¶ [●].

Several courts throughout the country have held that the foregoing establishes the commercial strength of the 3M Marks. *See, e.g., 3M Co. v. Christian Investments LLC*, No. 1:11CV0627 TSE/JFA, 2012 WL 6561732, at *8 (E.D. Va. July 12, 2012) (Holding 3M Marks were distinctive and famous; “Plaintiff has used the 3M mark since 1906, it offers more than 50,000 products and services in a wide variety of fields and markets under the 3M mark, the 3M mark is distinctive and distinguishes the source of plaintiff’s products and services [...]”).

Based on the foregoing, the first *Polaroid* factor favors 3M.

b. The Second *Polaroid* Factor: Defendant Reproduced the 3M Marks and Slogan in Their Entirety

Defendant reproduced the 3M Marks and Slogan in their entirety in the Formal Quote and Technical Specification Sheets. Accordingly, the second *Polaroid* factor favors 3M. *See Cadbury*

Beverages, Inc. v. Cott Corp., 73 F.3d 474, 480 (2d Cir. 1996) (“For the purpose of considering the question of the similarity of the marks, the district court correctly determined that as a matter of law these marks [*i.e.*, “COTT” v. “COTT”] are identical”).

c. The Third *Polaroid* Factor: Defendant Purported to Sell the Same Products that 3M is Widely Known for Selling

Under the third *Polaroid* factor, courts consider “the subject matter of the commerce in which the two parties engage [...]” *Guthrie Healthcare Sys.*, 826 F.3d at 39 (likelihood of confusion because, among other things, both parties provides healthcare-related goods and services). Here, as discussed above, Defendant aims to offer the same N95 respirators that 3M already offers under the respective marks. It has become commonplace knowledge that 3M manufactures N95 respirators. Defendant’s offering of N95 respirators under the 3M Marks heightens the likelihood of consumers confusing the source of products from Defendant as originating from 3M. *See Virgin Enterprises Ltd. v. Nawab*, 335 F.3d 141, 150 (2d Cir. 2005) (“[T]he closer the secondary user’s goods are to those the consumer has seen marketed under the prior user’s brand, the more likely that the consumer will mistakenly assume a common source.”). Accordingly, the third *Polaroid* factor favors 3M.

d. The Fourth *Polaroid* Factor: There is No “Gap” to Bridge

The fourth *Polaroid* “factor addresses the question of whether the two companies are likely to compete directly in the same market.” *Gucci America, Inc. v. Guess?, Inc.*, 868 F. Supp. 2d 207, 239-40 (S.D.N.Y. 2012). When, as here, the parties’ goods are the same, this *Polaroid* factor is irrelevant because there is no gap to bridge. *See, e.g., Mister Softee, Inc. Tsirkos*, 2014 WL 2535114, *5 (S.D.N.Y. June 5, 2014) (issuing preliminary injunction; fourth *Polaroid* factor irrelevant where both parties sold ice cream).

e. The Fifth *Polaroid* Factor: Defendant Actually Confused New York City Officials into Identifying Him as a 3M “Vendor”

Here, evidence of actual confusion is demonstrated by Ms. Roberson’s March 30 Evaluation Request, wherein New York City officials mistakenly identified Defendant as a “vendor”—*twice*—of 3M-brand N95 respirators. Accordingly, the fifth *Polaroid* factor favors 3M. *See Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 259 (2d Cir. 1987) (“The existence of some evidence of actual confusion, the fifth *Polaroid* factor, further buttresses the finding of a likelihood of confusion”).

f. The Sixth *Polaroid* Factor: Defendant is Using the 3M Marks in Bad Faith

“A defendant’s good faith—or lack thereof—in adopting its mark is highly consequential among the *Polaroid* factors.” *Louis Vuitton Malletier v. Sunny Merchandise*, 97 F. Supp. 3d 485, 496 (S.D.N.Y. 2015). To be sure, “where the second-comer has adopted its mark in bad faith, the equitable balance is tipped significantly in favor of a finding of infringement. Courts have found a presumption of likelihood of confusion in such circumstances.” *Louis Vuitton Malletier*, 97 F. Supp. 3d at 496.

Moreover, “‘actual or constructive knowledge’ of the prior user’s mark or dress may indicate an absence of good faith or bad faith.” *see also Heritage of Pride, Inc. v. Matinee of NYC*, 2014 WL 12783866, *11 (S.D.N.Y. June 20, 2014). Here, Defendant had both.

Prior to the rise of COVID-19, 3M’s federal trademark registrations placed Defendant on constructive notice of 3M’s superior rights in and to, among other things, the 3M Marks. *See* 15 U.S.C. § 1072 (“Registration of a mark on the principal register [...] [constitutes] constructive notice of the registrant’s claim of ownership thereof”). Subsequent to COVID-19, 3M’s manufacture and sale of N95 respirators has become common, household knowledge, with government officials like President Donald Trump and Vice President Mike Pence drawing

extensive attention to 3M and its respirator masks over the last month. *See* Stobbie Decl. at ¶ 13, Ex. 4.

Accordingly, there is no question that Defendant adopted the 3M Marks with actual knowledge of 3M's rights therein. Thus, there is likewise no question that Defendant uses the 3M Marks to exploit the Marks' widespread fame and goodwill. This is textbook bad faith. *See Louis Vuitton Malletier v. Sunny Merchandise*, 97 F. Supp. 3d 485, 496 (S.D.N.Y. 2015) (explaining that the sixth *Polaroid* factor "is an equitable inquiry which seeks to answer the overarching question of whether defendant adopted its mark with the intention of capitalizing on plaintiff's reputation and goodwill"); *US Polo Ass'n, Inc. v. PRL USA Holdings, Inc.*, 800 F. Supp. 2d 515, 536 (S.D.N.Y. 2011) ("Bad faith generally refers to an attempt by a junior user of a mark to exploit the good will and reputation of a senior user by adopting the mark with the intent to sow confusion between the two companies' products").

Based on the foregoing, the sixth *Polaroid* factor favors 3M. *See Paddington Corp. v. Attiki Importers & Distrib.*, 996 F.2d 577, 586-87 (2d Cir. 1993) (when actual or constructive knowledge "is accompanied by similarities so strong that it seems plain that deliberate copying has occurred, we have upheld findings of bad faith").

g. The Seventh *Polaroid* Factor: Defendant's Use of the 3M Marks Jeopardizes – Irreparably – the Reputation of the 3M Brand and Marks

The seventh *Polaroid* factor concerns "whether the senior user's reputation could be jeopardized by virtue of the fact that the junior user's product is of inferior quality." *Louis Vuitton Malletier*, 97 F. Supp. 3d at 497-98. As discussed, *supra*, that is precisely what will happen to carefully curated 3M brand if Defendant continues using the 3M Marks to create the false impression that it is an authorized representative of 3M products and/or in connection with unlawful price-gouging. Accordingly, the seventh *Polaroid* factor favors 3M. *See Henegan Const.*

Co., Inc. v. Heneghan Contracting Corp., No. 00 CIV.9077 JGK, 2002 WL 1300252, at *8 (S.D.N.Y. June 12, 2002) (“The fact that the plaintiff has maintained high-quality services for so many years makes it more likely that it would be damaged if its reputation were placed beyond its control”); *Cache, Inc. v. M.Z. Berger & Co.*, No. 99CV12320(JGK), 2001 WL 38283, at *12 (S.D.N.Y. Jan. 16, 2001) (explaining that defendants’ use of infringing name leaves plaintiff’s reputation in the hands of defendant).

h. The Eighth *Polaroid* Factor: in the Era of COVID-19, Normally Prudent Purchasers Must Make Rash Purchasing Decisions

The eighth and final *Polaroid* factor concerns “the sophistication of the consumers and the degree of care likely to be exercised in purchasing the product.” *Coty Inc. v. Excell Brands, LLC*, 277 F. Supp. 3d 425, 456 (S.D.N.Y. 2017). In the current pandemic, purchasers of N95 respirators are government entities and hospitals and healthcare providers. These customers are sophisticated and prone to exercise high degrees of care; however, the current state of emergency has stymied the ability of customers to take the time and conduct the diligence necessary to show extensive care. Accordingly, in this unique environment, the eighth *Polaroid* factor favors 3M.

i. The Balance of *Polaroid* Factors Strongly Favors 3M

In sum, the balance of relevant *Polaroid* factors strongly favor 3M. This “powerful showing of a likelihood of confusion” (*Guthrie Healthcare Sys.*, 826 F.3d at 46), combined with the overwhelming strength and validity of the 3M Marks, and Defendant’s bad faith, establish that 3M is likely to succeed on the merits of its Claims.

C. The Balance of Hardships Tips Decidedly in 3M’s Favor

Defendant would not suffer any hardship if this Court restrains and enjoins it from engaging in unlawful activity with respect to 3M’s brand and 3M Marks; 3M, on the other hand,

would suffer substantial hardship if Defendant continues irreparably harming the 3M brand and 3M Marks via its unlawful activity.

1. Defendant Would Not Suffer any Hardship if this Court Grants 3M's Application for a TRO and PI

3M's application concerns Defendant's recent use of the 3M brand, 3M Marks and 3M Slogan during the global COVID-19 pandemic in a manner that creates the false impression that Defendant is an authorized representative of 3M and/or products. 3M's application also concerns Defendant's recent decision to offer to sell purported 3M-brand N95 respirators to resource-strapped government agencies at exorbitant prices.

Put simply, it would not be a "hardship" for Defendant to refrain from engaging in unlawful activities related to 3M's brand (which constitute, *inter alia*, trademark infringement, false association, and price-gouging). This is especially true given that Defendant sells products unrelated to 3M's brand (*e.g.*, vehicles and automobiles), and could continue doing so even if this Court grants 3M's application. *See WpIX, Inc. v. lvl, Inc.*, 691 F.3d 275, 287 (2d Cir. 2012) ("It is axiomatic that an infringer [...] cannot complain about the loss of ability to offer its infringing products"; "[t]he balance of hardships, therefore, clearly tips in plaintiffs' favor"); *see also New York City Triathlon Club, LLC*, 704 F. Supp. 2d at 344 (Balance of hardships favored plaintiff; entering preliminary injunction that did "not prohibit Defendant from operating a training club [in general]. It only prohib[ited] Defendant from operating a training club using the name that infringes upon Plaintiff's Marks").

2. 3M Would Suffer Substantial Hardship Absent a TRO and PI

Unlike Defendant, 3M would suffer substantial hardship in the absence of a TRO and PI. Indeed, as discussed *passim*, Defendant's unlawful conduct is irreparably harming and tarnishing the 3M brand, as well as the widespread fame, goodwill, and reputation enjoyed by famous 3M

Marks and 3M Slogan. Accordingly, the balance of hardships tips decidedly in 3M's favor. *See New York City Triathlon Club, LLC*, 704 F. Supp. 2d at 345 (“The balance of hardships in this case clearly favors Plaintiff. As explained above, Plaintiff faces the threat of irreparable harm absent injunctive relief”).

D. Issuing a TRO and PI Would Serve the Public Interest of Avoiding Confusion

During the current COVID-19 pandemic, consumers and government officials, including those here in New York City, understandably lack the time and resources they would have in normal purchasing environments to ensure that sellers are who they purport to be (*e.g.*, authorized distributors of 3M-brand products), and that products are what sellers claim they are (*e.g.*, genuine 3M-brand products). Accordingly, when the public sees purported 3M-brand N95 respirators available for sale, they are relying on the 3M Marks and 3M Slogan and standards associated with the 3M brand now, more than ever, to indicate that the respirators offered for sale are, in fact, genuine and adhere to the 3M brand's rigorous standards.

Sellers, such as Defendant, are seeking to exploit the fact that consumers are making rapid purchasing decisions during COVID-19 by falsely representing themselves as authorized distributors of 3M-brand products, as well as offering to sell those products at exorbitantly high prices. Not only is this unlawful conduct likely to confuse and deceive the public about the source and quality of purported 3M-brand products offered under the 3M Marks and 3M Slogan, but also it creates an overall purchasing environment that is materially different from, and irreparably harms, the carefully curated 3M brand and customer experience.

Accordingly, unless this Court restrains and enjoins Defendant's unlawful conduct, the public will continue suffering harm in the form of confusion and deception about the source and quality of the purported 3M-brand N95 respirators that Defendant is offering to sell for exorbitantly high prices. *See New York City Triathlon, LLC*, 704 F. Supp. 2d at 344 (consumers

have an “interest in not being deceived—in being assured that the mark [they] associate [] with a product is not attached to goods of unknown origin and quality”); *see also NYP Holdings v. New York Post Pub. Inc.*, 63 F. Supp. 3d 328, 342 (S.D.N.Y. 2014) (consumers have a “protectable interest in being free from confusion, deception and mistake”).

E. 3M Should Not Be Required To Post A Bond

Federal Rule of Civil Procedure 65(c) provides that “[t]he court may issue a preliminary injunction or a temporary restraining order only if the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained.” FED. R. CIV. P. 65(c). Courts have wide discretion in setting the amount of the bond and may dispense with the posting of a bond entirely where the parties sought to be restrained or enjoined “have not shown that they will likely suffer harm absent the posting of a bond.” *Doctor’s Associates, Inc. v. Stuart*, 85 F.3d 975, 985 (2d Cir. 1996). 3M has more than sufficient financial resources to cover any harm resulting from an improvidently granted injunction. A bond is superfluous in these circumstances.

Furthermore, no one, and especially not Defendant, will suffer any harm if the Court grants the requested TRO and preliminary injunction and stops Defendant’s deceptive and infringing activities.

V. CONCLUSION

Based on the foregoing, 3M respectfully requests that this Court grant the enclosed [Proposed] Order to Show Cause, which temporarily restrains and preliminarily enjoins Defendant’s use of the 3M Marks and Slogan pursuant to FED. R. CIV. P. 65(a)-(b). 3M also respectfully requests any further relief the Court deems just and equitable.

Dated: April 22, 2020
New York, New York

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CERTIFICATE OF SERVICE

I, A. John P. Mancini, hereby certify that, on April 24, 2020, I filed a true and correct copy of the foregoing document, titled *Memorandum of Law in Support of Plaintiff 3M Company's Application for a Temporary Restraining Order and Preliminary Injunction*, using this Court's ECF Filing System. I also certify that, on April 22, 2020, before filing the foregoing document, I arranged for service of a true and correct copy of it on Defendant Performance Supply, LLC via personal service and First Class Mail at:

Performance Supply, LLC
c/o Ronald Romano
3 Westbrook Way
Manalapan, New Jersey 07726

/s/ A. John P. Mancini
A. John P. Mancini

Attorney for Plaintiff 3M Company

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

3M COMPANY,

Plaintiff,

-against-

PERFORMANCE SUPPLY, LLC,

Defendant.

20 Civ. 02949 (LAP)(KNF)

FINDINGS OF FACT AND CONCLUSIONS OF LAW

LORETTA A. PRESKA, Senior United States District Judge:

Following the hearing on May 4, 2020, the Court makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

I. Procedural History

1. Plaintiff 3M Company (“3M”) commenced this lawsuit against Defendant Performance Supply, LLC (“Defendant”) on April 10, 2020. *See* Dkt. No 1 (as re-filed at Dkt No. 9; hereinafter, the “Cplt.”). 3M duly served the Defendant’s President, Mr. Ronald Romano, with the Summons and Complaint on April 14, 2020. *See* Dkt. No. 18.

2. In the Cplt., 3M alleges that Defendant is using the “3M” trademarks to perpetrate a false and deceptive price-gouging scheme on unwitting consumers, including agencies of government, in connection with the attempted sale of 3M’s N95 respirators during the global COVID-19 pandemic. Cplt. at ¶ 1.

3. In the Cplt., 3M seeks relief for: (i) federal trademark infringement under Section 32 of the Lanham Act, 15 U.S.C. § 1114; (ii) federal unfair competition, false association, false endorsement, and false designation of origin under Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A); (iii) federal trademark dilution under Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c); (iv) federal false advertising under Section 43(a)(1)(B) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B); (v) deceptive acts and practices under NEW YORK GENERAL BUSINESS LAW (“GBL”) § 349; (vi) false advertising under GBL § 350; (vii) dilution and injury to business reputation under GBL § 360-*l*; (viii) trademark infringement under New York common law; and (ix) unfair competition under New York common law. *See generally* Cplt.

4. On April 24, 2020, 3M duly filed an application (the “Application”) for a temporary restraining order (“TRO”) and preliminary injunction (“PI”) against Defendant. *See* Dkt. No. 12. In support of 3M’s Application, it submitted: (i) a Memorandum of Law; (ii) the Declaration of Charles Stobbie (the “Stobbie Decl.”); (iii) the Declaration of David A. Crist (the “Crist Decl.”); and (iv) the Declaration of A. John P. Mancini, Esq. (the “Mancini Decl.”). *See* Dkt. No. 13-16. 3M also duly served all of the aforementioned documents on Mr. Romano on April 22, 2020 before filing them on April 24. *See* Dkt Nos. 13-16

5. In the Application, 3M sought an Order, pursuant to FED. R. CIV. P. 65(a), that directed Defendant to show cause (the “Order to Show Cause”) as to why this Court should not preliminarily enjoin Defendant, its agents, servants, employees, officers, attorneys, and all persons and entities in active concert or participation with any of them, from engaging in any of the following acts and conduct during the pendency of this lawsuit:

a. using the “3M” trademarks (the “3M Marks,” as defined in the Application), the slogan “3M. Science Applied to Life” (the “3M Slogan”), and any other word, name, symbol, device, or combination thereof that is confusingly similar to the 3M Marks and/or the 3M Slogan, for, on, and/or in connection with the manufacture, distribution, advertising, promoting, offering for sale, and/or sale of any goods or services, including, without limitation, Plaintiff’s 3M-brand N95 respirators, during the pendency of this action, and

b. engaging in any false, misleading, and/or deceptive conduct in connection with 3M and its products, including, without limitation, representing itself as being an authorized distributor, vendor, agent, representative, retailer, and/or licensee of 3M and/or any of 3M’s products (including, without limitation, 3M-brand N95 respirators); falsely representing to have an association or affiliation with, sponsorship by, and/or connection with, 3M and/or any of

3M's products; falsely representing that 3M has increased the price(s) of its 3M-brand N95 respirators; and offering to sell any of 3M's products at a price and/or in a manner that would constitute a violation of GBL § 369-R. *See* Dkt. No. 12 at ¶ 1(a)-(b).

6. In the Application, 3M also sought an Order, pursuant to FED. R. CIV. P. 65(b), that temporarily restrained Defendant, its agents, servants, employees, officers and all persons and entities in active concert and participation with them from engaging in any of the acts and/or conduct described in Paragraph 5(a)-(b), *supra*, from the date of this Court's granting of 3M's Application, through and including the Date of the Show Cause Hearing. *See* Dkt. No. 12 at ¶ 2.

7. On April 24, 2020, this Court granted 3M's Application for the Order to Show Cause in its entirety. *See* Dkt. No. 17. This Court did not require 3M to post a bond. *See* Order to Show Cause at ¶ 3.

8. In the Order to Show Cause, the Court ordered 3M to serve the Order, together with 3M's Memorandum of Law, and the Stobbie, Crist, and Mancini Decls., respectively, on Mr. Romano by overnight courier or mail and/or personal service by April 25, 2020 at 5 pm. *See* Order to Show Cause at ¶ 4. Pursuant to the Order to Show Cause, 3M duly served Mr. Romano with the aforementioned documents via personal service on April 24, 2020 at 5:20 pm. *See* Dkt. No. 19.

9. In the Order to Show Cause, the Court ordered Defendant to file its opposition to 3M's Application by April 30, 2020 at Noon Eastern Daylight Time. *See* Order to Show Cause at ¶ 6. The Court ordered 3M to file its reply papers, if any, by May 2, 2020 at Noon Eastern Daylight Time. *Id.* Defendant did not oppose 3M's application. Accordingly, 3M did not file a reply in further support of its Application.

10. The Court scheduled a telephonic hearing on 3M's Application for May 4, 2020 at 11 am Eastern Daylight Time. *See* Order to Show Cause at ¶ 1.

11. The following Findings of Fact ("FOF") derive from 3M's Application (including its supporting Memorandum of Law, and the Stobbie, Crist, and Mancini Decls.), the record, and the proceedings held to date in this lawsuit.

II. COVID-19 and the Current National Emergency

12. Over the last four months, the world has seen an outbreak of a highly contagious virus, known as COVID-19, creating an international state of emergency. *See* Mancini Decl. at ¶ 5, Ex. 1. According to the Center for Disease Control and Prevention, reported illnesses from COVID-19 "range[] from very mild (including some with no reported symptoms) to severe, including illness resulting in death." *Id.* at Ex. 1, p. 4.

13. The virus that causes COVID-19 (namely, the novel coronavirus) is believed to pass from person-to-person via airborne particles and liquids. *See* Mancini Decl. at Ex. 1. N95 respirators can prevent virus-carrying particles from reaching the wearer when appropriately selected, fitted, and worn over the mouth and nose. *See* Stobbie Decl. at ¶ 5; *see also* Mancini Decl. at Ex. 4, p. 1. Accordingly, current guidelines recommend that healthcare personnel wear respiratory protection, including N95 respirators, when interacting with infected patients in order to reduce the workers' risk of exposure to the virus. *See* Mancini Decl. at Ex. 2, p. 5.

III. Plaintiff 3M

14. 3M (then, Minnesota Mining and Manufacturing company) began over 100 years ago as a small-scale mining venture in Northern Minnesota. *See* Crist Decl. at ¶ 4. 3M has grown into an industry-leading provider of scientific, technical, and marketing innovations throughout the world. *Id.* 3M's portfolio includes more than 60,000 goods and services, ranging from household and school supplies, to medical devices and equipment. *See id.* at Ex. 1.

A. The 3M Brand

15. 3M provides goods and services throughout the world under numerous brands, including well-known brands such as: ACE; POST-IT; SCOTCH; NEXCARE; and more. *See* Crist Decl. at Ex. 2.

16. However, 3M's most famous and widely recognized brand is its eponymous "3M" brand. *See* Crist Decl. at ¶ 7. The 3M brand encompasses products and materials for a wide array of medical devices, supplies, and personal protective equipment ("PPE"), including, for example: stethoscopes; medical tapes; surgical gowns; blankets; bandages and other wound-care products; and respirators. *See id.* at Ex. 3. 3M-branded products are highly visible throughout numerous hospitals, nursing homes, and other care facilities where patients, care providers, and procurement officers value and rely on the high quality and integrity associated with the 3M brand. *Id.* at ¶ 8. 3M employs strict quality-control standards in manufacturing all of its products, including its products used in the fields of healthcare and worker safety. *Id.* at ¶ 9.

B. The 3M Marks

17. Over the past century, 3M has invested hundreds of millions of dollars in advertising and promoting its 3M-brand products to customers throughout the world (including its 3M-brand N95 respirators) under the standard-character mark "3M" and the 3M design mark **3M** (together, the "3M Marks"). *See* Crist Decl. at ¶ 10. 3M also uses its famous "3M Science. Applied to Life" slogan (the "3M Slogan") in connection with the promotion of its goods and services. *Id.*

18. During this period, 3M's goods and services offered under its 3M Marks, in particular, have been the subject of widespread, unsolicited media coverage and critical acclaim. *See* Crist Decl. at ¶ 11. Products offered by 3M using its 3M Marks have also enjoyed enormous

commercial success (including, without limitation, its range of 3M-brand N95 respirators). *Id.* at ¶ 12.

19. To strengthen 3M’s common-law rights in and to its 3M Marks and 3M Slogan, 3M has obtained numerous federal trademark registrations, including, without limitation: (i) U.S. Trademark Reg. No. 3,398,329, which covers the standard-character 3M mark in Int. Classes 9 and 10 for, inter alia, respirators (the “‘329 Registration”); (ii) U.S. Trademark Reg. No. 2,793,534, which covers the 3M design mark in Int. Classes 1, 5, and 10 for, inter alia, respirators (the “‘534 Registration”); and (iii) U.S. Trademark Reg. No. 5,469,903, which covers the “3M Science. Applied to Life” slogan in a number of Int. Classes, including Int. Class 9 for facial masks and respirators (the “‘903 Registration”). *See* Crist Decl. at ¶¶ 13-5, Exs. 4, 6, 8.

20. Pursuant to Section 15 of the Lanham Act, namely, 15 U.S.C. § 1065, on April 2 2014, the United States Patent and Trademark Office (the “PTO”) issued a Notice of Acknowledgement of 3M’s Declaration of Incontestability of the ‘329 Registration. *See* Crist Decl. at Ex. 5. On December 21, 2009, the PTO issued a Notice of Acknowledgement of 3M’s Declaration of Incontestability of the ‘534 Registration. *See id.* at Ex. 7.

C. 3M’s N95 Respirators

21. 3M is a leading manufacturer of N95 respirators. *See* Stobbie Decl. at ¶ 4. In fact, “3M’s N95 [respirators] are considered the gold standard by medical workers and public-health officials.” Mancini Decl. at Ex. 4, p. 3. 3M’s N95-rated filtering facepiece respirators have a filtration efficiency of at least 95% against non-oily particles when tested using the U.S. National Institute for Occupational Safety and Health criteria. *Id.* at p. 1; *see also* Stobbie Decl. at ¶ 5.

22. 3M has sold N95 respirators in the United States under the 3M brand name and 3M Marks for decades. *See* Crist Decl. at ¶ 10. Since the COVID-19 outbreak began, the public has become even more familiar with 3M as a manufacturer of N95 respirators and other equipment essential to protecting healthcare personnel and workers from exposure to airborne particles. *See id.* at ¶ 17; Stobbie Decl. at ¶ 13. For example, in early March 2020, Vice President Pence and Dr. Deborah Birx, made a highly publicized visit to 3M’s corporate headquarters in Minnesota, during which they discussed and “praise[d]” 3M and its N95 respirators. *See* Mancini Decl. at Ex. 5.

D. 3M’s Production and Sale of N95 Respirators During COVID-19

23. Among the PPE that 3M is providing to the heroic individuals on the front lines of the battle against COVID-19 are 3M-brand N95 respirators. Stobbie Decl. at ¶¶ 6, 7.

24. Since the outbreak of COVID-19 in early 2020, 3M has doubled its global output rate of filtering facepiece respirators, such as N95 respirators, to 1.1 billion per year, to seek to ensure that adequate supply is available to governments and healthcare personnel, as well as to workers in other critical industries, including food, energy and pharmaceutical. *See* Stobbie Decl. at Ex. 1. 3M is currently producing 35 million of its 3M-brand N95 respirators each month in the United States. *Id.* at Exs. 1, 2. Approximately 90% of these respirators are now distributed for use by healthcare workers. *Id.* at Exs. 1, 3.

25. Notwithstanding the surging demand and public need for PPE during COVID-19, 3M has confirmed publicly that it will not increase the prices of its 3M-brand N95 respirators as a result of the COVID-19 crisis. *See* Stobbie Decl. at ¶ 12, Ex. 3.

E. 3M’s Efforts to Help Curtail Unlawful Conduct During COVID-19

26. Opportunistic third parties in the United States are seeking to exploit the increased demand for 3M-brand N95 respirators by offering to sell them for exorbitant prices, associating

3M with those exorbitant prices, falsely claiming that their exorbitant prices are a result of 3M price increases, selling counterfeit versions of 3M-brand N95 respirators, and seeking and accepting money for purported quantities of 3M-brand N95 respirators that they do not possess or are not authorized to sell. *See Stobbie Decl.* at ¶ 17.

27. 3M is working with law enforcement, retail partners, and others to help thwart third-party price-gouging, counterfeiting, and fraud in relation to 3M-brand N95 respirators during COVID-19. *See Stobbie Decl.* at ¶ 14. For example, on March 24, 2020, 3M's Chief Executive Officer, Mike Roman, sent a letter to U.S. Attorney General William Barr, and the President of the National Governors' Association, Larry Hogan of Maryland, to offer 3M's partnership in combatting price-gouging. *See id.* at Ex. 4. Additional examples of 3M's efforts to thwart price-gouging, counterfeiting, and fraud during COVID-19 include:

a. 3M posted the single-case U.S. list price for several of its 3M-brand N95 respirators on its website so that customers can more readily identify and avoid inflated prices (*see id.* at Ex. 5);

b. 3M created a form on its website through which customers can report suspected incidents of price-gouging and counterfeiting (*see id.* at Ex. 6); and

c. 3M established a fraud "hotline" that customers can call to verify the authenticity of purported 3M authorized distributors and to report suspect incidents of price-gouging and counterfeiting. *See id.* at Ex. 3. p. 3.

28. 3M also actively investigates and acts on complaints in order to protect the goodwill and reputation of the 3M brand, as well as to protect customers and healthcare workers who rely upon the availability and proven quality of authentic 3M-brand N95 respirators. *See Stobbie Decl.* at ¶ 16.

29. Additionally, 3M has taken legal action against third parties who use the 3M Marks and/or 3M Slogan to confuse and deceive consumers into believing that they are authorized 3M distributors, vendors, or representatives, as well as third parties who offer to sell purported 3M-brand N95 respirators for exorbitant prices. Examples of this legal action include:

a. *3M Company v. Rx2Live, LLC*, Case No. 1:20-cv-00523, presently pending in the United States District Court for the Eastern District of California (*see* Mancini Decl. at Ex. 7);

b. *3M Company v. John Doe, claiming to be the “3M Company Trust Account,”* Cause No. DC-20-05549, presently pending in Dallas County, Texas District Court (*id.* at Ex. 8);

c. *3M Company v. Geftiko, LLC*, Case No. 6:20-cv-00648, presently pending in the United States District Court for the Middle District of Florida, Orlando Division (*id.* at Ex. 9);

d. *3M Company v. King Law Center, Chartered*, Case No. 6:20-cv-00760, presently pending in the United States District Court for the Middle District of Florida, Orlando Division;

e. *3M Company v. TAC2 Global LLC*, Case No. 8:20-cv-01003, presently pending in the United States District Court for the Middle District of Florida, Tampa Division;

f. *3M Company v. 1 Ignite Capital, LLC, et al.*, Case No. 4:20-cv-00225, presently pending in the United States District Court for the Northern District of Florida, Tallahassee Division;

g. *3M Company v. Zachary Puznak, et al.*, Case No. 1:20-cv-01287, presently pending in the United States District Court for the Southern District of Indiana, Indianapolis Division; and

h. *3M Company v. Hulomil LLC*, Case No. 3:20-cv-00394, presently pending in the United States District Court for the Western District of Wisconsin.

IV. Defendant Performance Supply, LLC

30. Defendant purportedly operates out of Englishtown, New Jersey. *See* Stobbie Decl. at ¶ 19, Ex. 7; *see also* Crist Decl. at ¶ 19, Ex. 9. Defendant does not appear to have any website or social media. *See* Mancini Decl. at ¶¶ 14, 15. Defendant's president, Mr. Ronald Romano, appears to sell vehicles as his primary business. *Id.* at ¶ 16, Exs. 10-12.

31. Defendant is not, and has never been, a licensed or authorized distributor, agent, or representative of 3M-brand N95 respirators. *See* Stobbie Decl. at ¶¶ 21, 23; Crist Decl. at ¶¶ 21, 23. Yet, on or about March 30, 2020, Defendant sent Ms. Ebony P. Roberson, a Purchasing Agent at New York City's Office of Citywide Procurement, a detailed Formal Quote, offering to sell seven million 3M N95 respirators. *See id.* at ¶ 19, Ex. 17; ¶ 19, Ex. 9. Defendant stated that it would sell the respirators for \$6.05 per mask for 2 million 3M 8210 masks and for \$6.35 per mask for 5 million 3M 1860 masks. *See id.* As shown in the table below, Defendant's mark-up over 3M's listed single-case prices is more than five times as much:

3M Model	3M's Per-Respirator List Price	Defendant's Per-Respirator Price	Markup
1860	\$1.27	\$6.35	500%
8210	\$1.02-\$1.31	\$6.05	460-590%

32. In its one-page Formal Quote, Defendant reproduced 3M's marks *nine times* and referenced 3M's headquarters in St. Paul, Minnesota, seeking to imply a connection with 3M that does not exist. *See* Stobbie Decl. at ¶ 20; Crist Decl. at ¶ 20. Defendant also attached to the Formal Quote a 3M Technical Specification Sheet for both Models of 3M-brand N95 respirators that Defendant offered for sale. *See id.* The 3M design mark and 3M Slogan prominently appeared on both Technical Specification Sheets. *Id.* The 3M design mark also appeared on

both Technical Specification Sheets. *Id.* The standard-character 3M mark also appeared in the Technical Specification Sheets. *Id.*

33. Based on Defendant's Formal Quote, Ms. Roberson prepared an "Evaluation Request – Bid Document Review" as part of the City's quality-assurance measures. *See* Stobbie Decl. at ¶ 21; Crist Decl. at ¶ 21. In the Evaluation Request, New York City officials twice identified Defendant as a "vendor" of 3M-brand, N95 Model 8210 and 1860 respirators. *See id.* However, the New York City officials were mistaken. As stated, *supra*, Defendant is not, and never has been, an authorized distributor, vendor, or representative of 3M's products. Defendant also does not have, and has never had, an association or affiliation with 3M. *See* Stobbie Decl. at ¶¶ 21, 23; Crist Decl. at ¶¶ 21, 23.

34. In the Formal Quote, Defendant also stated:

Due to the national emergency, ***acceptance of the purchase order is at the full discretion of 3M*** and supplies are based upon availability. The N95 masks 3M can begin shipping in 2-4 weeks CIF at any of 3M [sic] plants in the USA or 3M Plants Overseas according to their manufacturing schedule. ***3M chooses the plant.*** Order may be shipped in whole or in part.

See Stobbie Decl. at ¶ 22; Crist Decl. at ¶ 22. (emphasis added).

35. However, as stated, *supra*, Defendant is not authorized to solicit purchase orders from customers for submission to 3M for approval. *See* Stobbie Decl. at ¶ 22; Crist Decl. at ¶ 23.

Nor is Defendant authorized to state how, where, or in what quantity such orders would be filled. *Id.*

36. Defendant's Formal Quote also does not accurately describe how 3M fills N95 orders. *See* Stobbie Decl. at ¶ 23; Crist Decl. at ¶ 23. 3M fills orders for its N95 respirators by accepting purchase orders from 3M's authorized distributors and wholesalers, or directly from

the government. *Id.* 3M does not accept purchase orders from unauthorized resellers, like Defendant. *Id.*

37. The same day that Ms. Roberson received the Formal Quote, she contacted Eileen Simmons, a 3M Business Development Manager for government markets, for verification of Defendant's claim. *See* Stobbie Decl. at ¶ 24; Crist Decl. at ¶ 24. Ms. Simmons informed Ms. Roberson that Defendant is not associated with 3M, and so that potential sale was averted. *Id.* Absent injunctive relief, however, there is nothing to prevent Defendant from making similar offers to other government or healthcare entities around the United States. *Id.*

CONCLUSIONS OF LAW

1. “In the Second Circuit, the same legal standard governs the issuance of preliminary injunctions and [TROs].” *Mahmood v. Nielsen*, 312 F. Supp. 3d 417, 421 (S.D.N.Y. 2018). To obtain either, 3M must show: “(1) a likelihood of success on the merits [...]; (2) a likelihood of irreparable injury in the absence of an injunction; (3) that the balance of hardships tips in the plaintiff's favor; and (4) that the public interest would not be disserved by the issuance of an injunction.” *Benihana, Inc. v. Benihana of Tokyo, LLC*, 784 F.3d 887, 895 (2d Cir. 2015).

2. 3M is entitled to a PI because: (i) 3M faces irreparable harm in the absence of a PI; (ii) 3M is likely to succeed on the merits of its claims; (iii) the balance of equities favors issuing a PI; and (iv) entering a PI against Defendant would serve the public's interest in avoiding confusion about the source and quality of goods and services during the COVID-19 global pandemic. *See discussion infra.*

I. 3M Will Suffer Irreparable Harm in the Absence of a Preliminary Injunction

3. Irreparable harm exists when “remedies available at law, such as monetary damages, are inadequate to compensate the plaintiff.” *Marks Org., Inc. v. Joles*, 784 F. Supp. 2d 322, 334 (S.D.N.Y. 2011) (granting preliminary-injunction motion). Of particular significance

here and now, harm both to parties within a lawsuit *and to the public* may be considered when determining if failure to issue a preliminary injunction will result in irreparable harm. *Long Island R. Co. v. Int'l Ass'n of Machinists*, 874 F.2d 901 (2d Cir. 1989) (preliminary injunction prohibiting union from striking was appropriate where the general public would sustain irreparable harm).

4. Here, Defendant's conduct is likely to irreparably harm 3M in two respects, namely: (i) quality and (ii) reputation.

5. The 3M brand and Marks are synonymous with superior quality. This is not a coincidence. For more than a century, 3M has invested hundreds of millions of dollars in advertising and marketing products under its 3M Marks and 3M Slogan. FOF at ¶¶ 17, 21. 3M also implements rigorous quality-control standards to ensure that all products offered under its famous 3M Marks and 3M Slogan are consistent and of the highest quality. *Id.* at ¶ 16.

6. However, 3M cannot control whether the products that Defendant is offering for sale and/or selling outside of its authorized trade channels adhere to 3M's rigorous quality-control standards. *See* Crist Decl. at ¶¶ 28-9. This constitutes irreparable harm. *See El Greco Leather Prods. Co., Inc. v. Shoe World*, 806 F.2d 392, 395 (2d Cir. 1986) ("One of the most valuable and important protections afforded by the Lanham Act is the right to control the quality of the goods manufactured and sold under the holder's trademark"); *Mister Softee, Inc. v. Tsirkos*, No. 14-cv-1975-LTS-RLE, 2015 WL 7458619, *5 (S.D.N.Y. Nov. 23, 2015) (Finding irreparable harm because "Plaintiffs have no actual control over the quality of Defendant's products or services").

7. Defendant also is using the 3M Marks to create the false impression that it is authorized to solicit large orders for N95 respirators at inflated prices on 3M's behalf during the

COVID-19 global pandemic. No amount of money could repair the damage to 3M's brand and reputation if it is associated with the crime of price-gouging at the expense of healthcare workers and other first responders in the midst of the COVID-19 crisis. *See* Crist Decl. at ¶¶ 25-7. This too constitutes irreparable harm. *See, e.g., New York City Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305, 325 (S.D.N.Y. 2010) ("It is well-settled that a trademark owner's loss of goodwill and ability to control its reputation constitutes irreparable harm sufficient to satisfy the preliminary injunction standard").

8. In short, 3M should not have its carefully curated brand and reputation left to the devices of Defendant's scheme to profit from a pandemic. Yet, that is precisely what will happen in the absence of PI. Accordingly, 3M has established irreparable harm.

II. 3M Has Established a Likelihood of Success on the Merits of its Claims

9. To obtain a PI, 3M must establish a likelihood of success on the merits of only one of its claims. *See 725 Eatery Corp. v. City of New York*, 408 F. Supp. 3d 424, 459 (S.D.N.Y. 2019). However, because 3M is likely to succeed on the merits of its claims for trademark infringement, unfair competition, false endorsement, false association, and false designation of origin under Section 32 and 43(a)(1)(a) of the Lanham Act, and New York common law (collectively, the "Claims"), 3M seeks a PI on all of these Claims.

10. For 3M to prevail on its Claims, it must satisfy two elements, namely: (i) that its 3M Marks and 3M Slogan are valid and entitled to protection, and (ii) Defendant is using the famous 3M Marks and/or 3M Slogan in a manner that is likely to create consumer confusion. *See Lexington Mgmt. Corp. v. Lexington Capital Partners*, 10 F. Supp. 2d 271, 277 (S.D.N.Y. 1998) (The same standard governs Section 32 and 43(a)(1)(A) claims; granting preliminary

injunction); *Avela, Inc. v. Estate of Marilyn Monroe, LLC*, 131 F. Supp. 3d 196, 209 (S.D.N.Y. 2015).

A. 3M is Likely to Establish the Validity of its 3M Marks and 3M Slogan

11. The '329 and '534 Registrations for the 3M Marks are “incontestable” within the meaning of 15 U.S.C. § 1065. FOF at ¶¶ 19, 20. Accordingly, the 3M Marks are conclusively valid and entitled to protection. *See* 15 U.S.C. § 1115(b); *accord Lexington Mgmt. Corp.*, 10 F. Supp. 2d at 277-78. The '903 Registration for the 3M Slogan is on the Principal Trademark Register. FOF at ¶¶ 19, 20. Accordingly, the 3M Slogan is *prima facie* valid and entitled to protection. *See* 15 U.S.C. § 1115(a).

12. Based on the foregoing, 3M is likely to establish the validity and protectability of its 3M Marks and 3M Slogan.

B. 3M is Likely to Establish that Defendant’s Use of the 3M Marks and 3M Slogan is Likely to Cause Confusion as to Source and/or Quality

13. “The likelihood-of-confusion prong turns on whether ordinary consumers are likely to be misled or confused as to the source of the product in question because of the entrance in the marketplace of [the junior user’s] mark.” *Guthrie Healthcare System v. ContextMedia, Inc.*, 826 F.3d 27, 37 (2d Cir. 2016).

14. To determine whether a likelihood of confusion exists, courts in this Circuit use the eight “*Polaroid*” factors, namely: “1) the strength of the plaintiff’s mark; 2) the degree of similarity between marks; 3) the proximity of the products or services; 4) the likelihood that the senior user will ‘bridge the gap’ into the junior user’s product or service line; 5) evidence of actual confusion between the marks; 6) whether the defendant adopted the mark in good faith; 7) the quality of defendant’s products or services; and 8) the sophistication of the parties’

customers.” *Lexington Mgmt. Corp.*, 10 F. Supp. 2d at 278 (referencing *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir.))

15. Here, 3M is likely to establish that the balance of relevant *Polaroid* factors weighs overwhelmingly in its favor.

i. The First *Polaroid* Factor: the 3M Marks and Slogan are Strong

16. “The strength of a mark refers to its distinctiveness, that is to say, the mark’s ability to identify goods sold under it as coming from one particular source.” *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 743 (2d Cir. 1998). Courts measure a mark’s distinctiveness in two ways, namely: (i) conceptual strength (*i.e.*, “inherent distinctiveness”), and (ii) commercial strength (*i.e.*, “acquired distinctiveness”). *See Streetwise Maps, Inc.*, 159 F.3d at 743-44.

a. The 3M Marks are Conceptually Strong

17. To determine a mark’s conceptual strength, courts use “Judge Friendly’s familiar test for the inherent distinctiveness of trademarks in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976).” *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 377 (2d Cir. 1997). “The Abercrombie test classifies verbal marks into four categories which run in a continuum: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful.” *Landscape Forms, Inc.*, 113 F.3d at 377.

18. Here, “3M” is not a word, and has no inherent relationship to the goods or services for which the marks are used, namely, N95 respirators. Accordingly, the 3M Marks are fanciful and, thus, inherently distinctive when used for respirators. *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 192 F.3d 337, 344 (2d Cir. 1999) (“[A] fanciful mark is not a real word at all, but is invented for its use as a mark”); *Landscape Forms, Inc.*, 113 F.3d at 377 (“[F]anciful trademarks are inherently distinctive [...]”).

b. The 3M Marks are Commercially Strong and Famous

19. A mark is commercially strong if it has acquired “secondary meaning,” *i.e.*: “in the minds of the public, the primary significance of [the mark] [...] is to identify the source of the product rather than the product itself.” *Christian Louboutin, S.A. v. Yves Saint Laurent America Holdings, Inc.*, 696 F.3d 206, 216 (2d Cir. 2012).

20. As discussed, *supra*, the 3M Marks are incontestable. Accordingly, the 3M Marks have acquired secondary meaning as a matter of law. *See Times Mirror Magazines, Inc. v. Field & Stream Licenses Co.*, 294 F.3d 383, 391 (2d Cir. 2002) (“Because FSLC continually maintained its registration of the mark, FSLC’s mark is incontestable and, as a matter of law, it has acquired secondary meaning”).

21. Even in the absence of 3M’s incontestable registrations, it is likely to establish that its 3M Marks and 3M Slogan have acquired secondary meaning. As discussed, *supra*, 3M has invested hundreds of millions of dollars in advertising, marketing, and promoting goods and services under the 3M Marks and 3M Slogan; goods sold under the 3M Marks and 3M Slogan, including 3M’s N95 respirators, enjoy enormous commercial success; the 3M Marks and 3M Slogan are recognized and well-known in households around the U.S.; and 3M has been the exclusive source of goods and services offered under the 3M Marks and 3M Slogan for several decades. FOF at ¶¶ 17-8, 21-22; *accord 3M Co. v. Christian Investments LLC*, No. 1:11CV0627 TSE/JFA, 2012 WL 6561732, at *8 (E.D. Va. July 12, 2012) (Holding 3M Marks were distinctive and famous; “Plaintiff has used the 3M mark since 1906, it offers more than 50,000 products and services in a wide variety of fields and markets under the 3M mark, the 3M mark is distinctive and distinguishes the source of plaintiff’s products and services [...]”).

22. Based on the foregoing, the first *Polaroid* factor favors 3M.

ii. The Second *Polaroid* Factor: Defendant Reproduced the 3M Marks and Slogan in Their Entirety

23. Defendant reproduced the 3M Marks and Slogan in their entirety in the Formal Quote and Technical Specification Sheets. FOF at ¶¶ 32, 33. Accordingly, the second *Polaroid* factor favors 3M. *See Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 480 (2d Cir. 1996) (“For the purpose of considering the question of the similarity of the marks, the district court correctly determined that as a matter of law these marks [*i.e.*, “COTT” v. “COTT”] are identical”).

iii. The Third *Polaroid* Factor: Defendant Purported to Sell the Same Products that 3M is Widely Known for Selling

24. It has become commonplace knowledge that 3M manufactures and sells N95 respirators under its 3M Marks. FOF at ¶¶ 21-2. Accordingly, Defendant’s offering of N95 respirators under the 3M Marks heightens the likelihood of consumers confusing the source of products from Defendant as originating from 3M. *See Guthrie Healthcare Sys.*, 826 F.3d at 39 (Under the third *Polaroid* factor, courts consider “the subject matter of the commerce in which the two parties engage [...]”; finding a likelihood of confusion because, among other things, both parties provides healthcare-related goods and services); *Virgin Enterprises Ltd. v. Nawab*, 335 F.3d 141, 150 (2d Cir. 2005) (“[T]he closer the secondary user’s goods are to those the consumer has seen marketed under the prior user’s brand, the more likely that the consumer will mistakenly assume a common source.”). Accordingly, the third *Polaroid* factor favors 3M.

iv. The Fourth *Polaroid* Factor: There is No “Gap” to Bridge

25. The fourth *Polaroid* “factor addresses the question of whether the two companies are likely to compete directly in the same market.” *Gucci America, Inc. v. Guess?, Inc.*, 868 F. Supp. 2d 207, 239-40 (S.D.N.Y. 2012). When, as here, the parties’ goods are the same, this *Polaroid* factor is irrelevant because there is no gap to bridge. *See, e.g., Mister Softee, Inc.*

Tsirkos, 2014 WL 2535114, *5 (S.D.N.Y. June 5, 2014) (issuing preliminary injunction; fourth *Polaroid* factor irrelevant where both parties sold ice cream).

v. The Fifth *Polaroid* Factor: Defendant Actually Confused New York City Officials into Identifying Him as a 3M “Vendor”

26. Here, evidence of actual confusion is demonstrated by Ms. Roberson’s March 30 Evaluation Request, wherein New York City officials mistakenly identified Defendant as a “vendor”—*twice*—of 3M-brand N95 respirators. FOF at ¶¶ 32-34. Accordingly, the fifth *Polaroid* factor favors 3M. *See Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 259 (2d Cir. 1987) (“The existence of some evidence of actual confusion, the fifth *Polaroid* factor, further buttresses the finding of a likelihood of confusion”).

vi. The Sixth *Polaroid* Factor: Defendant is Using the 3M Marks in Bad Faith

27. “A defendant’s good faith—or lack thereof—in adopting its mark is highly consequential among the *Polaroid* factors.” *Louis Vuitton Malletier v. Sunny Merchandise*, 97 F. Supp. 3d 485, 496 (S.D.N.Y. 2015). To be sure, “where the second-comer has adopted its mark in bad faith, the equitable balance is tipped significantly in favor of a finding of infringement. Courts have found a presumption of likelihood of confusion in such circumstances.” *Louis Vuitton Malletier*, 97 F. Supp. 3d at 496.

28. Prior to the rise of COVID-19, 3M’s federal trademark registrations placed Defendant on constructive notice of 3M’s superior rights in and to, among other things, the 3M Marks. *See* 15 U.S.C. § 1072 (“Registration of a mark on the principal register [...] [constitutes] constructive notice of the registrant’s claim of ownership thereof”). Subsequent to COVID-19, 3M’s manufacture and sale of N95 respirators has become common, household knowledge, with government officials like President Donald Trump and Vice President Mike Pence drawing

extensive attention to 3M and its respirator masks over the last month. *See* Stobbie Decl. at ¶ 13, Ex. 4.

29. Accordingly, there is no question that Defendant also adopted the 3M Marks with actual knowledge of 3M’s rights therein. There is likewise no question that Defendant uses the 3M Marks to exploit the Marks’ widespread fame and goodwill. Indeed, Defendant’s primary line of business is selling vans and other vehicles, and it did not begin attempting to sell purported 3M-brand N95 respirators until after the COVID-19 global pandemic began. FOF at ¶ 31. This is textbook bad faith. *See Louis Vuitton Malletier v. Sunny Merchandise*, 97 F. Supp. 3d 485, 496 (S.D.N.Y. 2015) (explaining that the sixth *Polaroid* factor “is an equitable inquiry which seeks to answer the overarching question of whether defendant adopted its mark with the intention of capitalizing on plaintiff’s reputation and goodwill”).

30. Based on the foregoing, the sixth *Polaroid* factor favors 3M. *See Paddington Corp. v. Attiki Importers & Distrib.*, 996 F.2d 577, 586-87 (2d Cir. 1993) (when actual or constructive knowledge “is accompanied by similarities so strong that it seems plain that deliberate copying has occurred, we have upheld findings of bad faith”).

vii. The Seventh *Polaroid* Factor: Defendant’s Use of the 3M Marks Jeopardizes – Irreparably – the Reputation of the 3M Brand and Marks

31. The seventh *Polaroid* factor concerns “whether the senior user’s reputation could be jeopardized by virtue of the fact that the junior user’s product is of inferior quality.” *Louis Vuitton Malletier*, 97 F. Supp. 3d at 497-98. As discussed, *supra*, that is precisely what will happen to carefully curated 3M brand if Defendant continues using the 3M Marks to create the false impression that it is an authorized representative of 3M products and/or in connection with unlawful price-gouging. Accordingly, the seventh *Polaroid* factor favors 3M. *See Henegan Const. Co., Inc. v. Heneghan Contracting Corp.*, No. 00 CIV.9077 JGK, 2002 WL 1300252, at

*8 (S.D.N.Y. June 12, 2002) (“The fact that the plaintiff has maintained high-quality services for so many years makes it more likely that it would be damaged if its reputation were placed beyond its control”).

viii. The Eighth *Polaroid* Factor: In the Era of COVID-19, Normally Prudent Purchasers Must Make Rash Purchasing Decisions

32. The eighth and final *Polaroid* factor concerns “the sophistication of the consumers and the degree of care likely to be exercised in purchasing the product.” *Coty Inc. v. Excell Brands, LLC*, 277 F. Supp. 3d 425, 456 (S.D.N.Y. 2017). In the current pandemic, purchasers of N95 respirators are government entities and hospitals and healthcare providers. *See, e.g.*, Stobbie Decl. at ¶ 25. These customers are sophisticated and prone to exercise high degrees of care; however, the current state of emergency has stymied the ability of customers to take the time and conduct the diligence necessary to show extensive care. For example, to obtain purported 3M-brand N95 respirators as quickly as possible, one New York City procurement official offered to drive an unknown distance, late at night, to inspect the respirators. *See* Stobbie Decl. at ¶ 25. Accordingly, in this unique environment, the eighth *Polaroid* factor favors 3M.

ix. All of the *Polaroid* Factors Strongly Favor 3M

33. In sum, each of the relevant *Polaroid* factors strongly favor 3M. This “powerful showing of a likelihood of confusion” (*Guthrie Healthcare Sys.*, 826 F.3d at 46), combined with the overwhelming strength and validity of the 3M Marks, and Defendant’s bad faith, establish that 3M is likely to succeed on the merits of its Claims.

C. 3M is Likely to Succeed on its Claim for False Advertising Under Section 43(a)(1)(B)

34. 3M also is likely to succeed on the merits of its claim for false advertising under Section 43(a)(1)(B) of the Lanham Act.

35. In the Formal Quote, Defendant made detailed factual representations concerning the nature of 3M's business operations. *See* FOF at ¶ 34. For example, Defendant represented that, “[d]ue to the national emergency, acceptance of the purchase order is at the full discretion of 3M.” *Id.* Defendant further represented in the Formal Quote that 3M allegedly ships its products CIF, and that 3M will determine the production site for the order. *Id.* However, these representations are false on their face. *See* FOF at ¶ 36. Given the level of specificity in these representations, they also are likely to – and, in fact, *did* – deceive a reasonable consumer into believing that Defendant is an authorized distributor of 3M products and/or has an association or affiliation with 3M. Sadly, in this case, Defendant's Formal Quote actually misled and deceived experienced buyers in the Procurement Office of one of the world's largest cities into believing that Defendant was an authorized “vendor” of approximately \$45 million-worth of 3M-brand N95 respirators. *See* FOF at ¶¶ 31-37.

36. Based on the foregoing, 3M also is likely to succeed on its claim under Section 43(a)(1)(B) of the Lanham Act for false advertising. *Accord Church & Dwigh v. SPD Swiss Precision Diagnostics*, 843 F.3d 48, 65 (2d Cir. 2016).

D. 3M is Likely to Succeed on its Claims for Deceptive Acts and Practices, and False Advertising, Under GBL §§ 349, 350

37. In addition to creating confusion about the source and quality of the purported 3M-brand N95 respirators that Defendant attempted to sell, Defendant's conduct results in a diversion of critical public resources, which places lives at risk. *See* Crist Decl. at ¶ 29. These resources include the time spent by public officials to pursue false/fraudulent leads and the money spent to purchase products at inflated prices. *Id.* This waste of resources further diminishes the ability of public officials and procurement officers to investigate and identify

other counterfeit and inferior quality supplies as buyers are pressured to place large orders swiftly for essential PPE. *Id.*

38. Accordingly, because Defendant's trademark infringement, unfair competition, and false advertising presents a substantial threat to public health and safety, 3M also is likely to prevail on the merits of claims for deceptive acts and practices, and false advertising, under GBL §§ 349, 350. *See Securitron Magnalock Corp. v. Schnabolk*, 65 F.3d 256, 265-22 (2d Cir. 1995) (§ 349 claim stated where defendant provided false information to regulatory agency tasked with protecting public health and safety); *In re Houbigant Inc.*, 914 F. Supp. 964, 983-84 (S.D.N.Y. 1995) (§§ 349, 350 claims stated where defendants were part "of an unlawful scheme" to, *inter alia*, "deceive customers as to the source and origin of the products" at issue).

III. The Balance of Hardships Tips Decidedly in 3M's Favor

39. It would not be a "hardship" for Defendant to refrain from engaging in unlawful activities related to 3M's brand (which constitute, *inter alia*, trademark infringement, false association, and price-gouging). This is especially true given that Defendant sells products unrelated to 3M's brand (*e.g.*, vehicles and automobiles), and could continue doing so under a PI. FOF at ¶ 31; *see also WpIX, Inc. v. lvl, Inc.*, 691 F.3d 275, 287 (2d Cir. 2012) ("It is axiomatic that an infringer [...] cannot complain about the loss of ability to offer its infringing products"; "[t]he balance of hardships, therefore, clearly tips in plaintiffs' favor"); *see also New York City Triathlon Club, LLC*, 704 F. Supp. 2d at 344 (Entering preliminary injunction that did "not prohibit Defendant from operating a training club [in general]. It only prohib[ited] Defendant from operating a training club using the name that infringes upon Plaintiff's Marks").

40. Unlike Defendant, 3M would suffer substantial hardship in the absence of a TRO and PI. Indeed, as discussed, *supra*, Defendant's unlawful conduct is likely to irreparably harm the 3M brand, 3M Marks and 3M Slogan. Accordingly, the balance of hardships tips decidedly

in 3M's favor. *See New York City Triathlon Club, LLC*, 704 F. Supp. 2d at 345 (“The balance of hardships in this case clearly favors Plaintiff. As explained above, Plaintiff faces the threat of irreparable harm absent injunctive relief”).

IV. Issuing a Preliminary Injunction Would Serve the Public Interest of Avoiding Confusion and Protecting Healthcare Workers, First Responders, and Critical Infrastructure Operations from the Risk of Receiving Protective Equipment of Unknown Quality and Inflated Prices

41. During the current COVID-19 pandemic, consumers and government officials, including those here in New York City, understandably lack the time and resources they would have in normal purchasing environments to ensure that sellers are who they purport to be (*e.g.*, authorized distributors of 3M-brand products), and that products are what sellers claim they are (*e.g.*, genuine 3M-brand products). Accordingly, when the public sees purported 3M-brand N95 respirators available for sale, they are relying on the 3M Marks and 3M Slogan and standards associated with the 3M brand now, more than ever, to indicate that the respirators offered for sale are, in fact, genuine and adhere to the 3M brand's rigorous standards.

42. Sellers, such as Defendant, are seeking to exploit the fact that consumers are making rapid purchasing decisions during COVID-19 by falsely representing themselves as authorized distributors of 3M-brand products, as well as offering to sell those products at exorbitantly high prices. Not only is this unlawful conduct likely to confuse and deceive the public about the source and quality of purported 3M-brand products offered under the 3M Marks and 3M Slogan, but also it creates an overall purchasing environment that is materially different from, and irreparably harms, the carefully curated 3M brand and customer experience.

43. Accordingly, unless this Court enjoins Defendant's unlawful conduct, the public will continue suffering harm in the form of confusion and deception about the source and quality of the purported 3M-brand N95 respirators that Defendant is offering to sell for exorbitantly high

prices. *See New York City Triathlon, LLC*, 704 F. Supp. 2d at 344 (consumers have an “interest in not being deceived—in being assured that the mark [they] associate [] with a product is not attached to goods of unknown origin and quality”); *see also NYP Holdings v. New York Post Pub. Inc.*, 63 F. Supp. 3d 328, 342 (S.D.N.Y. 2014) (consumers have a “protectable interest in being free from confusion, deception and mistake”).

44. Unquestionably, the protection of healthcare professionals who are putting their lives on the line in the fight against COVID 19 is in the public interest. Those brave and selfless professionals deserve trustworthy supply lines of authentic PPE, including N95 respirators, that are free of misrepresentations, false designations of origin, and unscrupulous profiteering.

45. Likewise, precious public resources should not be squandered on needless inquiries and investigations into the truth and the legality of basic commercial terms and representations made in the procurement process. If the market (and the participants in the market) cannot be trusted, procurement will grind to a halt. When lives are at stake and time is of the essence, as is clearly the case in this crisis, the public interest demands accountability.

Accordingly, the preliminary injunction shall issue.

SO ORDERED.

Dated: May 4, 2020
New York, New York



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June 4, 2020

Via ECF

The Honorable Loretta A. Preska
United States District Judge
United States District Court, S.D.N.Y.
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, New York 10007

**Re: *3M Company v. Performance Supply, LLC*; Case No. 1:20-cv-02949-LAP
Update on Status of the Action**

Dear Judge Preska:

We represent Plaintiff 3M Company (“3M”) in the above-referenced civil action. Pursuant to this Court’s May 4, 2020 Order (Dkt. No. 22 at ¶ 6), I write to update the Court on two developments that have occurred since it entered a preliminary injunction against Defendant Performance Supply, LLC (“Defendant”) on May 4. *See* Dkt. No. 22.

First, Defendant failed to respond to the Complaint by its May 5, 2020 deadline to do so. *See* Dkt. No. 18.

Second, on May 21, 2020, the United States District Attorney for the Southern District of New York charged Defendant’s principal, Mr. Ronald Romano, in a three-Count criminal Complaint regarding his participation in an alleged “multi-faceted fraud scheme” to sell 3M-branded N95 respirators to government agencies at grossly inflated prices during the COVID-19 global pandemic. I enclose a copy of the unsealed criminal Complaint for the Court’s convenience.

As alleged in the criminal Complaint, Mr. Romano participated in the alleged conspiracy with three co-conspirators, three brokers, and a vendor. 3M is working diligently to unravel this vast, complex alleged conspiracy to assess whether it should: (i) seek leave to file an Amended Complaint in this action based on the allegations in the criminal Complaint, and/or (ii) obtain a Certificate of Default, and then move for a Default Judgment against Defendant. We expect to move forward soon.

The Honorable Loretta A. Preska
June 4, 2020
Page 2

Respectfully submitted,

/s/ Carmine R. Zarlenga
Carmine R. Zarlenga

Enclosure

cc (via USPS):
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