	Case 2:24-cv-06649 Document 1	Filed 08/06/24	Page 1 of 22	Page ID #:1	
1 2 3 4 5 6	Tammy J. Terry SB# 230283 Email: terry@obwb.com OSHA BERGMAN WATANABE & BURTC 1100 Louisiana Street, Suite 4900 Houston, TX 77002 Telephone: (713) 228-8600 E-mail: OBWB-TA3-Cupshe@obwb. Attorney for Plaintiff				
7					
8	UNITED STATES DISTRICT COURT				
9	CENTRAL DISTRICT OF CALIFORNIA				
10					
11	TA3, Inc. d/b/a TA3 Swim,	Case No. 2	2:24-cv-6649		
12	Plaintiff,				
13	VS.	COMPL	AINT FOR P	ATENT	
14	Cupshe, LLC and Nanjing Kapeixi	INFRING	GEMENT		
15	Network Technology Co., Ltd. d/b/a				
16	www.cupshe.com				
17	Defendants.	Jury Trial	Demanded		
18					
19	Plaintiff TA3, Inc. d/b/a TA3 S	wim ("TA3" or	· "Plaintiff"). f	for its Complain	

Plaintiff TA3, Inc. d/b/a TA3 Swim ("TA3" or "Plaintiff"), for its Complaint against Defendants Nanjing Kapeixi Network Technology Co., Ltd. d/b/a www.cupshe.com d/b/a Cupshe and Cupshe, LLC (collectively, "Defendants"), alleges as follows, upon actual knowledge with respect to itself and its own acts, and upon knowledge, information, and belief as to all other matters:

## **THE PARTIES**

1. TA3 is a Delaware entity with a principal address at 3013 Gilroy Street, Los Angeles, CA 90039.

2. On information and belief, Cupshe, LLC ("Cupshe") is a New Jersey limited liability company that advertises itself as being "nestled in the vibrant city of Los Angeles" (https://www.cupshe.com/merchants) and has its primary location of business at 757 S Alameda St. Suite 270, Los Angeles, California 90021. On information and belief, Defendant Cupshe is responsible in part or in whole for the swimsuits available for sale on the www.cupshe.com website and on Cupshe stores located on online marketplaces and e-commerce websites. On information and belief, Cupshe can be served either at 757 S Alameda St. Suite 270, Los Angeles, California 90021 or at 5 Stoney Hill Pl., Livingston, NJ 07039-3719. Xilin Zhao is an individual that is listed as a registered agent of Cupshe and, on information and belief, can be served at the same addresses.

3. On information and belief, Nanjing Kapeixi Network Technology Co., Ltd. doing business as <u>www.cupshe.com</u> ("Cupshe.com") is a company organized and existing under the laws of the country of China, with a place of business located at Room 7315, Bldg 7, 23 Huashen Ave. Yuhuatai District, Nanjing City, Jiangsu Province, China 210012, advertises itself as being "nestled in the vibrant city of Los Angeles" (<u>https://www.cupshe.com/merchants</u>), and has its primary location of business at 757 S Alameda St. Suite 270, Los Angeles, California 90021. On information and belief, Defendant Kapeixi is responsible in part or in whole for the swimsuits available for sale on the www.cupshe.com website and on Cupshe stores located on online marketplaces and e-commerce websites. On information and belief, Cupshe.com can be served either at 757 S Alameda St. Suite 270, Los Angeles, California 90021 or at 5 Stoney Hill Pl., Livingston, NJ 07039-3719.

## JURISDICTION AND VENUE

4. This is a complaint for damages and injunctive relief based on Defendants' sales of infringing swimsuits and includes multiple grounds for relief

including patent infringement, false advertising and unfair competition, unjust enrichment, and violations of the Illinois Deceptive Trade Practices Act.

5. Jurisdiction exists at least under 28 U.S.C. §§ 1331 and 1338(a) because this is an action for patent infringement.

6. Defendants are subject to personal jurisdiction in California and in this judicial district and division because they have transacted business in the district by selling, offering to sell, or distributing their swimwear products that infringe TA3's intellectual property rights. Defendants are reaching out to do business with California residents by operating one or more commercial, interactive internet stores through which California residents can purchase infringing products. Defendants have targeted California residents by operating an online store that offers shipping to California and has sold infringing products to California residents.

7. Venue is proper in this District pursuant to the general federal venue statute, 28 U.S.C. § 1391(c) and under the specific venue provision relating to patent infringement cases, 28 U.S.C. § 1400(b). For example, Kapeixi is a Chinese entity organized under the laws of China, with its principal place of business in China and thus, venue is proper in any judicial district. Meanwhile, Cupshe advertises itself as being located in, transacting business in, and most of its core employees are located in this District, making venue proper specifically in this District.

## **THE '606 DESIGN PATENT**

8. TA3 owns all rights and title to design patent U.S. Patent No. D1,037,606 ("the '606 Patent"), including the right to enforce the '606 Patent against infringers. *See* Exhibit 1 (true and correct copy of '606 Patent) and Exhibit 2 (true and correct copy of assignment record).

9. The United States Patent and Trademark Office issued the '606

Patent, entitled "Body Sculpting Garment," on August 6, 2024.

10. The '606 Patent covers a one-piece swimsuit design.

11. The '606 Patent carries a presumption of validity under 35 U.S. C. § 282(a) and is enforceable.

# THE TA3® TRADEMARK

12. TA3 owns the federally registered trademark "TA3" (U.S. Registration No. 5,852,697) which is used in connection with the sale of swimwear in the United States. *See* Exhibit 3 (True and correct copy of the trademark certificate for TA3).

13. The TA3<sup>®</sup> trademark was registered with the United States Patent and Trademark Office on September 3, 2019, as a class 25 trademark for "Bodysuits; Bottoms as clothing for women; Jumpsuits; Lingerie; Shapewear; Swimwear; Women's clothing, namely, shirts, dresses, skirts, blouses; Tops as clothing for women."

## THE SQUAREY® TRADEMARK

14. TA3 owns the federally registered trademark "SQUAREY" (U.S. Registration No. 7,421,872) which is used in connection with the sale of swimwear in the United States. *See* Exhibit 4 (True and correct copy of the trademark certificate for SQUAREY).

15. SQUAREY<sup>®</sup> was registered with the United States Patent and Trademark Office on June 18, 2024, a class 25 trademark for "Bodysuits; Dresses; Shapewear; Swimwear; Tops as clothing."

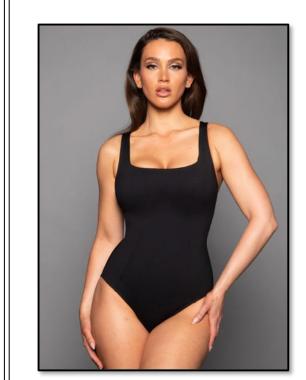
# FACTUAL BACKGROUND

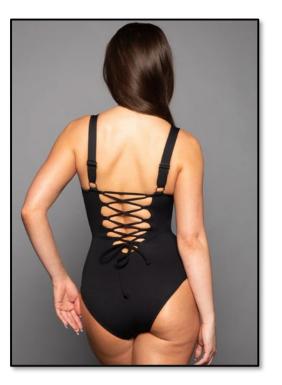
16. Leila Shams founded TA3 with the goal of creating a perfect swimsuit for any body type. In that endeavor Ms. Shams has invented and designed a variety of such swimsuits, including one named "The Squarey," which is a commercial embodiment of the '606 Patent.

# ORIGINAL COMPLAINT - 4

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17. The Squarey<sup>®</sup> is an award-winning one-piece swimsuit with a design that includes a square neckline, lines running generally vertically along the front of the swimsuit contributing to a generally hour-glass appearance, over the shoulder adjustable straps, and criss-cross adjustable lace up back closure, and looks like this:



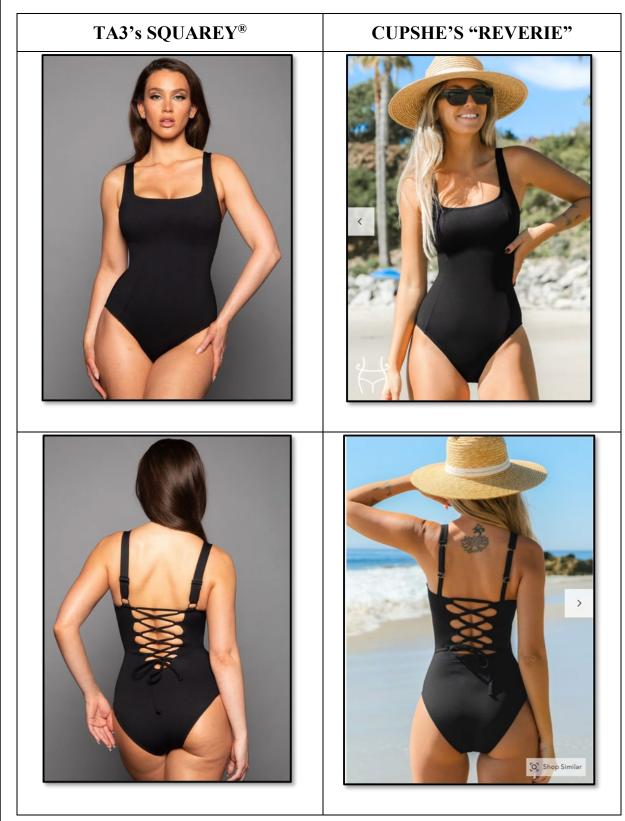


18. On January 20, 2023, Cupshe's VP of Merchandising and Design, Vanessa Ye, ordered a product from TA3 illustrating Cupshe's awareness of TA3's designs before releasing their Accused Designs. See image below:

	#120241 Archived Jan 20, 2023 at 6:40 am • Online Store
Vanessa Ye - 2nd VP, merchandising and design at CUPSHE CUPSHE - University of Southampton, UK New York, New York, United States 369 connections Patti Cazzato and Jessica Holland are mutual connections Connect	Customer WANESSA YE 1 order + vanessa.ye@cupshe.com Shipping and billing address 250 W 93RD ST APT 10F NEW YORK NY 10025-7394 United States M
Activity 382 followers Vanessa Ye commented on a post • 3mo Congrats Marco! It's such a small	Additional details MasonHub: Accepted 1 Order ID: 5688512118829

19. Not long thereafter, Cupshe released a copy of the Squarey<sup>®</sup> swimsuit, which Cupshe called "The Reverie Land Square Neck Slim & Sculpt One Piece" ("Reverie" or "Accused Design").

20. Just like Squarey<sup>®</sup>, Reverie is a one-piece swimsuit with a design that includes a square neckline, lines running generally vertically along the front of the swimsuit contributing to a generally hour-glass appearance, over the shoulder adjustable straps, and criss-cross adjustable lace up back closure. The below table shows images of TA3's Squarey<sup>®</sup> on the left and, on the right, Reverie as sold on Cupshe's website at <u>https://www.cupshe.com/products/reverie-land-square-neck-slim-sculpt-one-piece-CAA12E3L009AA</u>:



21. TA3 subsequently became aware of the Reverie as Cupshe increased its online advertising and marketing of the Reverie in late 2023 and early 2024.

By the summer of 2024, the Reverie had been sold over 32,000 times 22. on the Tik Tok shop alone and is shown as being Cupshe's best seller on Tik Tok. See image below.

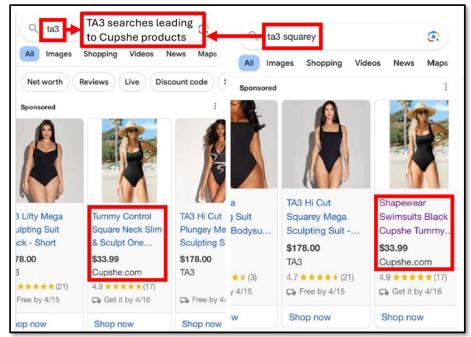
Home	Products	Reviews					
Recommended Bestsellers New releases Pra							
CUPSHE	CUPSHE Women A	djustable Straps					
	<b>Flash Sale</b> 21:55:4	6					
	★★★★≯ 4.5   32.4	1K sold					
	From \$ <b>31.99</b> \$39.99 -20%	\±יִד Buy					

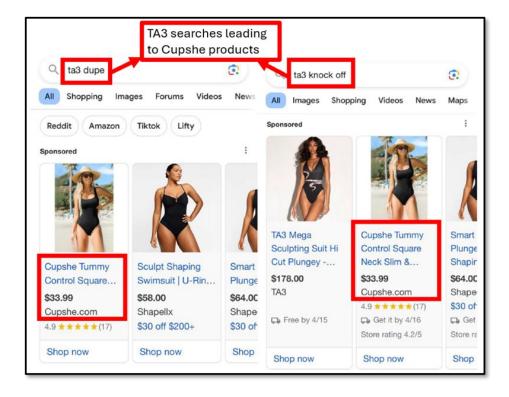
23. In addition to Tik Tok, Cupshe markets and sells the Reverie product on Amazon, as well as its own website, www.cupshe.com.

24. The Reverie copies the ornamental design of the award-winning Squarey<sup>®</sup> and infringes the '606 Patent as discussed in more detail below in Count I.

On information and belief, Cupshe also aggressively copied content 25. from TA3's social media marketing and advertising materials in a manner to intentionally confuse consumers and persuade them to purchase Cupshe's dupe versions of TA3's patented products. In such efforts, and on information and belief, Cupshe even bid on TA3<sup>®</sup> search terms, including specifically using TA3's federally registered trademarks TA3® and SQUAREY®, to intentionally sway consumers seeking to buy TA3's products to instead be led to Cupshe's dupe versions of TA3's patented product.

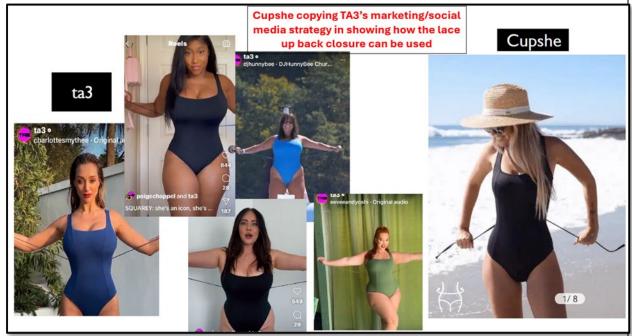
26. Cupshe has engaged in a pattern of copying TA3's content as shown in the below images. These first images show the results of Cupshe bidding on TA3 search terms that include the trademarks TA3<sup>®</sup> and SQUAREY<sup>®</sup>:





27. Specifically, the above images are annotated excerpts of screenshots that show Google search results based on searches using TA3<sup>®</sup>. As can be seen, searches for "ta3," "ta3 squarey," "ta3 dupe," and "ta3 knockoff" return Cupshe's infringing products within the top three search results. This is a result of Cupshe having bid on TA3 search terms that include TA3's federally registered trademarks TA3<sup>®</sup> and SQUAREY<sup>®</sup>.

28. These next images show examples of Cupshe copying TA3's social media content, specifically mimicking how models/consumers pose as they tie the lace up back closure strings:



29. Cupshe has been on actual notice of TA3's belief that The Reverie was a copy of The Squarey since at least February 22, 2024, when TA3, through its legal representatives, sent a letter to Cupshe notifying Cupshe of TA3's thenpending patent rights. Correspondence between the parties continued through March and April 2024. Exhibit 5 (true and correct copies of correspondence between TA3 and Defendants).

30. Despite TA3's warnings regarding willful infringement, Cupshe continued to aggressively market The Reverie following this correspondence throughout the summer of 2024. Exhibit 6 (true and correct copies of examples of Cupshe marketing after receiving TA3 notice letter).

31. Cupshe also released additional color variations, in addition to black, of the same infringing design even after being put on notice of TA3's then-pending patent rights. These color variations mimic the same types of colors offered by TA3 for the Squarey<sup>®</sup>. Some of the copied color variations are shown below:

TA3's SQUAREY®	CUPSHE'S "THE SQUARE NECK"		
ORIGINAL COMPLAINT - 11			

32. Additionally, Cupshe released a new one-piece swimsuit called "Square Neck Back Tie Tummy Control One-Piece" ("The Square Neck"), which, just like The Squarey and The Reverie, also has a design that includes a square neckline, lines running generally vertically along the front of the swimsuit contributing to a generally hour-glass appearance, over the shoulder adjustable straps, and criss-cross adjustable lace up back closure, as shown below:



Cupshe appeared to acknowledge that it was copying TA3's design but 33. took the position that such copying was acceptable because TA3's patent rights had not yet issued. See Exhibit 5 at p. 4 (stating "we noticed that your claim is based on pending patent rights, which means you have not achieved the full patent right currently...").

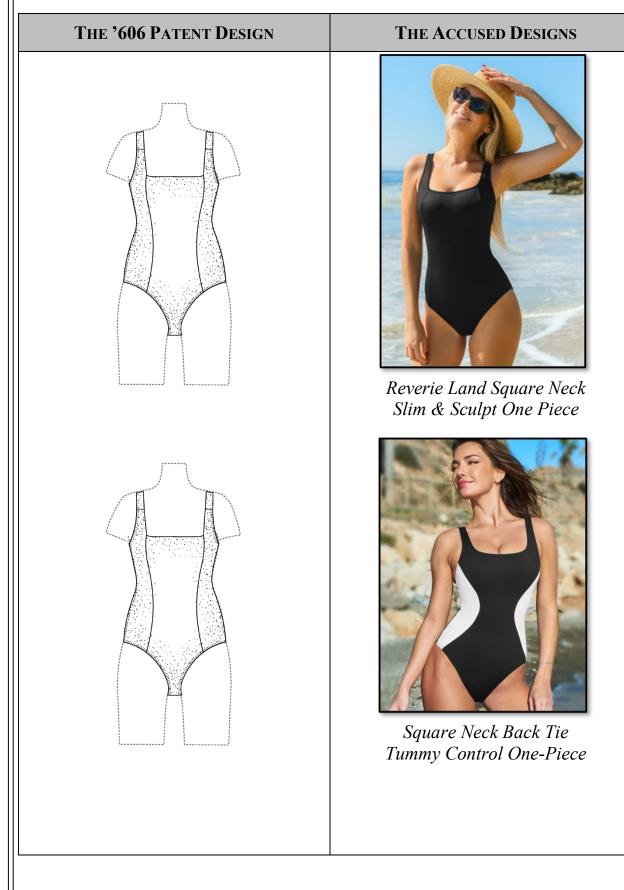
34.

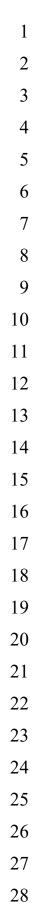
The '606 Patent issued on August 6, 2024.

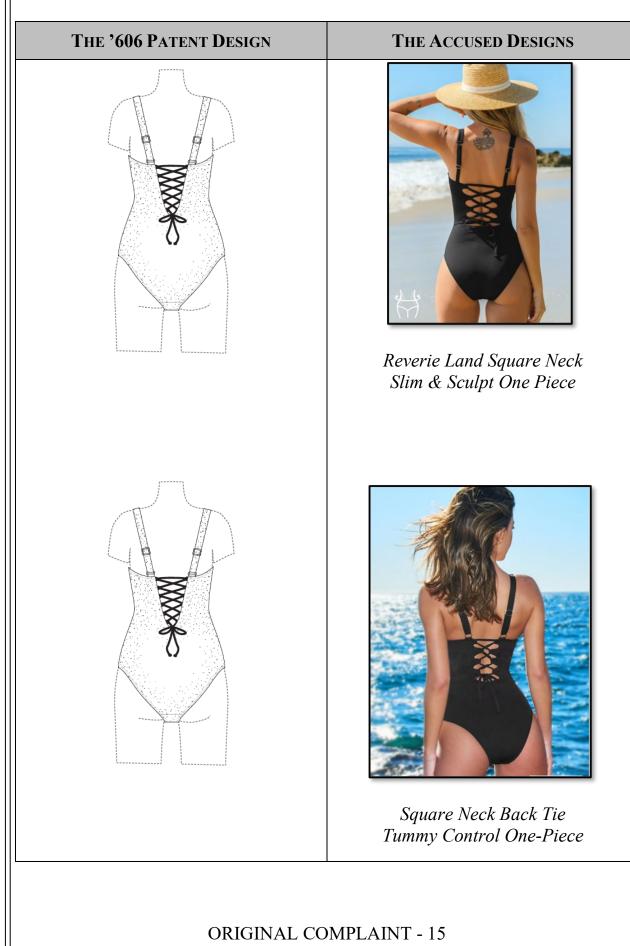
# **COUNT I: INFRINGEMENT OF THE '606 DESIGN PATENT**

35. TA3 re-alleges the foregoing paragraphs as if fully set forth here.

In the eye of the ordinary observer, giving such attention as a 36. purchaser usually gives to the purchase of swimsuits, the design of Defendants' products "The Reverie Land Square Neck Slim & Sculpt One Piece" and "Square Neck Back Tie Tummy Control One-Piece" and its variations ("the Accused Designs") are substantially the same as the design of the '606 Patent, as shown in the following claim chart that compares the '606 Patent's claimed design with the Accused Designs. See Exhibit 7 (copy of a claim chart comparing '606 Design Patent to the Accused Designs).







37. Because the Accused Designs' resemblance to the '606 Patent's claimed design is such as to deceive the ordinary observer and induce the purchase of the Accused Designs supposing them to be the same as the '606 Patent's claimed design, the Accused Designs infringe the '606 Patent.

38. Defendants have directly infringed and continue to infringe the '606 Patent by making, using, selling, and offering for sale in the United States, and/or importing into the United States the Accused Designs without authority or license from TA3 and, therefore, in violation of TA3's rights.

39. Additionally, Defendants have infringed and continue to infringe the '606 Patent by applying the patented design, or a colorable imitation thereof, to an article of manufacture, such as "The Reverie Land Square Neck Slim & Sculpt One Piece" and "Square Neck Back Tie Tummy Control One-Piece" for the purpose of sale and/or by selling, offering, or exposing for sale an article of manufacture, such as "The Reverie Land Square Neck Slim & Sculpt One Piece" and "Square Neck Back Tie Tummy Control One-Piece" to which the design of the '606 Patent or a colorable imitation thereof has been applied.

40. Defendants' actions, therefore, violate 35 U.S.C. §§ 271(a) and 289.

41. Additionally, Defendants have acted in a manner that constitutes willful infringement. This is illustrated by Defendants' actions in copying content from TA3's social media marketing and advertising materials in a manner to intentionally confuse consumers and persuade them to purchase Cupshe's dupe versions of TA3's patented products and continuously copying TA3's patented products after being put on notice of their infringement. Defendants actions in bidding on TA3 search terms in a manner to intentionally sway consumers who are seeking to buy TA3's products to instead be led to look at Cupshe dupe versions of TA3's patented product also constitute willful infringement.

42. This is an exceptional case in view of Defendants' unlawful activities, including Defendants' deliberate, intentional, and willful infringement.

43. TA3 has been, is being, and will continue to be injured and has suffered, is suffering, and will continue to suffer injury and damages for which it is entitled to relief under at least 35 U.S.C. §§ 281, 284, 285, and 289.

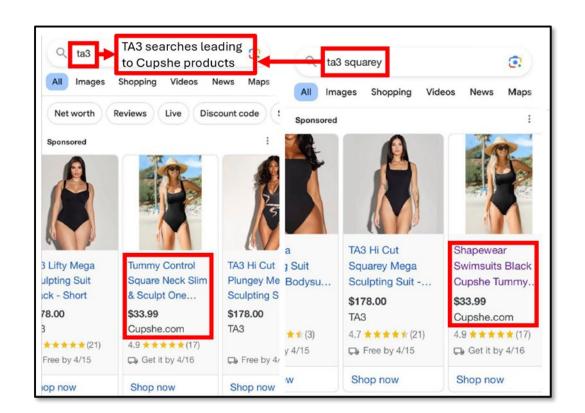
44. Defendants also have caused, are causing, and will continue to cause irreparable harm to TA3 for which there is no adequate remedy at law and for which TA3 is entitled to injunctive relief under at least 35 U.S.C. § 283.

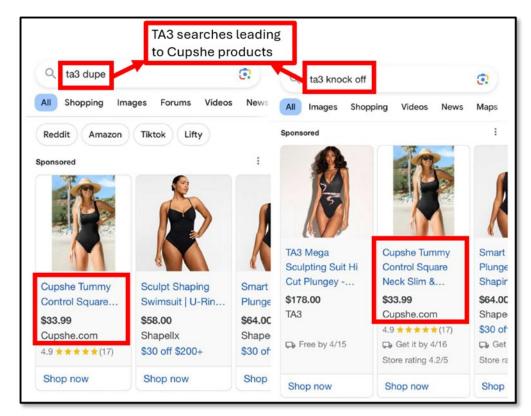
#### **COUNT II: TRADEMARK INFRINGEMENT**

45. TA3 re-alleges the foregoing paragraphs as if fully set forth here.

46. TA3 is the owner of the federally registered trademarks TA3<sup>®</sup> (U.S. Registration No. 5,852,697) and SQUAREY<sup>®</sup> (U.S. Registration No. 7,421,872) which are used in connection with the sale of swimwear in the United States. *See* Exhibits 3 and 4.

47. On information and belief, Cupshe bid on TA3 search terms that specifically included TA3's federally registered trademarks, TA3<sup>®</sup> and SQUAREY<sup>®</sup>, to intentionally sway consumers seeking to buy TA3's products away from TA3's products and instead lead them to Cupshe's dupe versions of TA3's patented product. The following annotated screenshots show Google search results based on searches using TA3<sup>®</sup>—searches for "ta3," "ta3 squarey," "ta3 dupe," and "ta3 knockoff" return Cupshe's infringing products as results, which is a result of Cupshe having bid on TA3 search terms that include TA3's federally registered trademarks TA3<sup>®</sup> and SQUAREY<sup>®</sup>:





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48. Defendants' actions in bidding on search terms that involve TA3's federally registered trademarks to deceive customers into buying a knockoff product constitutes trademark infringement.

49. Accordingly, TA3 alleges trademark infringement against the Defendants based on 15 U.S.C. §§ 1114 and 1125.

## **COUNT III: FALSE ADVERTISING/UNFAIR COMPETITION**

50. TA3 re-alleges the foregoing paragraphs as if fully set forth here.

51. Defendants' activities complained of above constitute false advertising and unfair competition in violation of 15 U.S.C. § 1125(a) to the injury and detriment of TA3.

52. As a direct and proximate result of Defendants' false advertising and unfair competition, TA3 has suffered and will continue to suffer loss of income, profits, and good will, and Defendants will continue to unfairly acquire income, profits, and good will.

# **COUNT IV: UNJUST ENRICHMENT**

53. TA3 re-alleges the foregoing paragraphs as if fully set forth here.

54. Defendants' activities complained of above constitute unjust enrichment, as Defendants have unjustly retained a benefit to TA3's detriment (moneys from sales of The Reverie and other Accused Designs), and Defendants' retention of the benefit violates the fundamental principles of justice, equity and good conscience.

55. Defendants obtained and retained such benefits through unethical, egregious and bad faith marketplace activities including (1) launching a product in competition with TA3 that uses TA3's design, while touting a much lower price point than TA3's; (2) copying TA3's design for such new product; (3) following TA3's lead in its selection of retail channels, to ensure that the copied product would sell side-by-side with the original TA3 product at the same channels; (4)

advertising the copied product as based on "our slimming and sculpting design" when that was not true because it was instead copied from TA3's patented design; (5) copying content from TA3's social media marketing and advertising materials to intentionally confuse consumers and persuade them to purchase Cupshe's dupe versions of TA3's patented products; (6) bidding on TA3 online search terms (including Google ad words) in a manner to intentionally sway consumers seeking to buy TA3's products to instead be led to look at Cupshe dupe versions of TA3's patented product; (7) doing all of the above targeting TA3 to obtain immediate market share diversion through undercutting of TA3's price while selling a cheap knockoff of TA3's product; and (8) acting in a manner calculated to force TA3 out of business and reduce competition by copying TA3's design and forcing TA3 to compete against its own innovations.

56. As a direct and proximate result of Defendants' unjust enrichment, TA3 has suffered and will continue to suffer loss of income, profits, and good will, and Defendants will continue to unfairly acquire income, profits, and good will.

#### **COUNT V: THE CALIFORNIA UNFAIR PRACTICES ACT**

57. TA3 re-alleges the foregoing paragraphs as if fully set forth here.

58. Defendants' activities complained of above constitute deceptive trade practices in violation of the California Business and Professions Code §17500 to the injury and detriment of TA3.

59. As a direct and proximate result of Defendants' deceptive trade practices, TA3 has suffered and will continue to suffer loss of income, profits, and good will, and Defendants will continue to unfairly acquire income, profits, and good will.

## JURY DEMAND

Pursuant to Fed. R. Civ. P. 38, TA3 respectfully demands trial by jury on all issues so triable by jury in this action.

#### **PRAYER FOR RELIEF**

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WHEREFORE, Plaintiffs respectfully request that this Court enter judgment in its favor and grant the following relief:

- A. Entry of judgment in favor of TA3 and against Defendants on all counts;
- B. A judgment and order that Defendants infringe the '606 Patent;
- C. A judgment and order that the '606 Patent is valid and enforceable;
- D. Award TA3 damages in an amount adequate to compensate TA3 for Defendants' infringement of the '606 Patent, but in no event less than a reasonable royalty under 35 U.S.C. § 284;
  - E. Award TA3 pre-judgment and post-judgment interest to the full extent allowed under the law, as well as their costs;
  - F. Enter an order finding that this is an exceptional case and awarding TA3 its reasonable attorneys' fees pursuant to 35 U.S.C. § 285;
  - G. Additional remedy for infringement of a design patent pursuant to 35
    U.S.C. § 289;
  - H. Enter a permanent injunction against all of Defendants' products found to infringe the '606 Patent;
  - I. Award, in lieu of an injunction, a compulsory forward royalty for infringement of the '606 Patent;
    - J. Order an accounting of damages;
  - K. A judgment and order requiring Defendant to pay Plaintiff prejudgment and post judgment interest on the damages awarded; and
  - L. Award such other relief, including equitable relief, as the Court may deem appropriate and just under the circumstances.

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1 2	Date: August 6, 2024		Respectfully submitted, /s/ Tammy J. Terry	
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