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|---|--|------------|----------------|--|
| SOUTHERN DISTRICT OF NEW YORKX CARTIER INTERNATIONAL AG and CARTIER, a division of RICHEMONT NORTH AMERICA, Plaintiffs, V. HAUTELOOK, INC.,   | John P. Margiotta<br>Laura Popp-Rosenberg<br>FROSS ZELNICK LEHRMAN & ZISSU<br>866 United Nations Plaza<br>New York, New York 10017<br>Tel: (212) 813-5900<br>jmargiotta@frosszelnick.com<br>lpopp-rosenberg@frosszelnick.com | 10         | CIV 5          | 845<br>CEIVEN<br>UD COS 2010<br>DIC S.D. N.Y.  |
| CARTIER, a division of RICHEMONT NORTH<br>AMERICA,<br>Plaintiffs,<br>v.<br>HAUTELOOK, INC.,<br>Civil Action No<br>COMPLAINT<br>JURY TRIAL DEMANDED  |  | ζ.         |                | and the second sec |
| v. JURY TRIAL DEMANDED  | CARTIER, a division of RICHEMONT NORTH AMERICA,  |            |                |  |
|   | v.   |            | JURY TRIAI     | L DEMANDED   |
| Defendant. :  | Defendant.   |            |                |  |

Plaintiffs, for their Complaint against Defendant, allege as follows:

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#### SUBSTANCE OF THE ACTION

1. Plaintiff Cartier International AG, operating in the United States through Plaintiff Cartier, a division of Richemont North America, is one of the world's most renowned luxury watch, jewelry and accessory design houses. For more than a century, products bearing the CARTIER mark have been highly regarded throughout the world as finely crafted works of art. Today, the CARTIER name represents one of the world's most prestigious and sought-after brands.

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2. Defendant HauteLook, Inc. ("HauteLook") is a recently established business attempting to build its reputation as a company offering "flash sales" of designer goods (claiming that they are never secondhand) at deeply discounted prices – prices it supposedly is able to offer due to its unique partnerships with the various brands it sells. But, at least as far as its offerings of Plaintiffs' goods are concerned, HauteLook's claims are false. HauteLook has never partnered with Plaintiffs and is not an authorized dealer of Plaintiffs' merchandise. And, despite the claim on HauteLook's website that the company "never" sells "secondhand merchandise, ever," HauteLook has sold secondhand CARTIER watches. HauteLook also has sold CARTIER brand goods that are damaged, that are shipped in the wrong packaging (packaging of a separate brand altogether) and/or that are accompanied by defaced and damaged Certificates of Authenticity. In addition, HauteLook fails to adequately disclose to its customers that the CARTIER products it sells are not backed by Plaintiffs' manufacturer's warranty, even going so far as to include Cartier's warranty booklet along with the CARTIER merchandise it sells, which would certainly lead consumers to believe that the watches are covered by the manufacturer's warranty.

3. HauteLook's actions, as noted above and as further described herein, are causing immediate and irreparable harm to the CARTIER brand and trademark, and also are harming consumers. To redress the harm being done to Plaintiffs and to the public, Plaintiffs bring claims for false advertising and unfair competition under Section 43(a)(1)(A) and (B) of the United States Trademark Act of 1946, as amended (the "Lanham Act"), 15 U.S.C. § 1125(a)(1)(A) & (B); trademark infringement under Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1); trademark dilution under Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c); and related

claims under New York's statutory and common law. Plaintiffs seek injunctive and monetary relief.

#### JURISDICTION AND VENUE

4. This Court has jurisdiction under Section 39 of the Lanham Act, 15 U.S.C. § 1121, and under Sections 1331 and 1338(a) and (b) of the Judicial Code, 28 U.S.C. §§ 1331, 1338(a) & (b), and under principles of pendent jurisdiction. Supplemental jurisdiction exists over Plaintiffs' state law claims pursuant to 28 U.S.C. § 1367. Venue is proper under Section 1391(b) of the Judicial Code, 28 U.S.C. § 1391(b), because a substantial part of the events giving rise to the claims occurred in this district and, upon information and belief, Defendant resides and may be found here.

#### **THE PARTIES**

 Plaintiff Cartier International AG is a public limited company organized and existing under the laws of Switzerland, having its principal place of business at Hinterbergstrasse
 22, 6330 Cham, Switzerland.

6. Plaintiff Cartier, a division of Richemont North America, Inc., is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business at 653 Fifth Avenue, New York, New York 10022-5910. Cartier, a division of Richemont North America, Inc., is the exclusive licensee of CARTIER brand products in the United States. Hereinafter, Plaintiff Cartier International AG and Plaintiff Cartier, a Division of Richemont North America, Inc., are referred to together as "Cartier."

7. Upon information and belief, Defendant HauteLook is a Delaware corporation with a principal place of business at 1212 South Flower Street, Suite 300, Los Angeles,

California 90015. Upon further information and belief, HauteLook also maintains a place of business in this judicial district.

#### FACTS COMMON TO ALL CLAIMS FOR RELIEF

## I. CARTIER AND ITS BUSINESS

8. Cartier is a world-famous supplier of fine jewelry and luxury watches and accessories, all sold under the CARTIER name and mark.

9. Founded in 1847 by Louis-François Cartier, Cartier has built a reputation for fine craftsmanship in the watch and jewelry field. Through over 160 years of use, Cartier has established its CARTIER name and mark as synonymous with high-quality, well-crafted and exquisitely designed watches and jewelry. Today, the company offers a wide range of products including timepieces, fine jewelry and accessories. Cartier's commitment to innovation in design and function, as well as its use of only the finest materials, has brought it renown as a leading maker of luxury goods.

#### A. Cartier's Marks

10. Among the trademarks owned and used by Cartier is the world-famous CARTIER trademark, which has been used continuously in the United States in connection with the advertising and sale of fine jewelry and watches since at least as early as 1859. The CARTIER trademark is the subject of, among other registrations, U.S. Trademark Registration No. 759,201, registered on October 29, 1963, and, in stylized form, U.S. Trademark Registration No. 411,975.<sup>1</sup> Printouts from the online database of the United States Patent and Trademark Office

<sup>&</sup>lt;sup>1</sup> The U.S. registrations identified in paragraph 10 currently list Cartier International N.V. as the owner. Effective December 16, 2009, Cartier International N.V. relocated to Switzerland and changed its corporate name to Cartier International AG. Cartier is in the process of updating the public records to reflect this change of name.

showing the particulars of these registrations are attached hereto as Exhibit <u>A</u>. These registrations are valid, subsisting and in full force and effect and have become incontestable under Section 15 of the Lanham Act, 15 U.S.C. § 1065, and therefore serve as conclusive evidence of the validity of the CARTIER mark, of the registration of the mark, and of Cartier's exclusive right to use the mark in commerce on or in connection with the products for which the mark is registered, as provided by Section 33(b) of the Lanham Act, 15 U.S.C. § 1115(b).

11. In addition to the stylized CARTIER mark that is the subject of U.S. Trademark Registration No. 411,975, Cartier for many years also has used an updated stylized version of its CARTIER mark as follows (the "CARTIER Logo"):

Cartier

#### B. Cartier's Quality Control

12. Cartier maintains strict quality control over products bearing the CARTIER mark. To ensure the quality of CARTIER products, Cartier must necessarily exercise quality control over the entire process, from manufacturing to packaging, from distribution through sale and even through repair, when necessary.

13. Cartier takes steps to ensure that the manufacturing process behind its products produces pieces of only the highest quality, befitting the company's luxury image. Cartier manufactures many of its products itself, including special order jewelry pieces and watches. For those pieces that are manufactured by third parties, Cartier maintains the strictest quality control. Before a workshop is permitted to craft products for Cartier, it must pass through a rigorous vetting process, and every single piece produced by a workshop is sent to a central control unit to ensure the piece's conformity to Cartier's exacting standards.

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14. Once a manufactured piece has been approved as conforming to Cartier's standards, the piece is marked not only with the CARTIER brand, but also with other indicia of authenticity, including a unique serial number. The serial number allows Cartier to track the origin, distribution, sales and repair history of each particular item, and is critical in protecting the marketplace from counterfeit products. Cartier's use of unique serial numbers on all of its products is important for maintaining the integrity of CARTIER products and, consequently, the CARTIER brand.

15. Of course, the CARTIER brand image is not maintained solely through the manufacture of high quality pieces. Part and parcel of the exquisite CARTIER product is the luxury CARTIER packaging in which pieces are sold to consumers. The characteristic red box with gold embellishments and white satin lining in which CARTIER products come packaged has become a hallmark of the brand and ensures that CARTIER products reach customers without damage and in a style that reflects the company's image.

16. Having expended so much time and expense perfecting its product and packaging, Cartier closely oversees the sales process to ensure that customers shopping for CARTIER products experience those products the way they are meant to be experienced. Toward that end, Cartier authorizes CARTIER-branded products to be sold only through the company's own boutiques and through authorized retail stores. Before a third-party retailer is permitted to sell CARTIER products, the retailer is carefully reviewed to ensure that it is capable of delivering a purchasing experience that matches the luxury image of the CARTIER brand.

17. Finally, to ensure that consumers remain satisfied with their CARTIER purchases long after the initial sale is made, each CARTIER product comes with an exclusive Cartier manufacturer's warranty. Because Cartier cannot guarantee either the authenticity or handling of

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products that have been distributed or sold outside of its authorized sales channels, Cartier only provides warrantied service for products sold through its authorized dealers. Thus, each CARTIER piece sold through an authorized retailer comes accompanied with a Certificate of Authenticity on which the authorized retailer is requested to fill in the product's unique serial number and the authorized retailer's own name. The accuracy of this information is certified with a hand stamp that is particular to the authorized retailer. Each piece also is accompanied with a warranty booklet detailing the Cartier warranty. When a customer brings a CARTIER product to Cartier for service, Cartier relies on the information from the Certificate of Authenticity to determine whether its warranty is valid.

18. As should be evident from the above description, Cartier undertakes considerable efforts to build a superior image for its CARTIER brand. Cartier also invests significant time, money and effort to advertise and promote its products and name, spending millions of dollars a year on such efforts. The combination of the highest quality products and extensive promotional activities have kept the CARTIER brand at the forefront of the luxury goods industry for decades and has resulted in millions of dollars of sales year after year. As a result, the CARTIER mark has acquired enormous value and has become extremely well-known to the consuming public and trade as identifying and distinguishing the source of Cartier's products exclusively and uniquely. The CARTIER mark has come to represent enormous goodwill and is famous throughout the United States and the world.

#### II. HAUTELOOK AND ITS BUSINESS

19. Defendant HauteLook is an online retailer that specializes in "flash sales," that is, product sales lasting only a limited time. According to HauteLook's website (located at

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http://www.hautelook.com), HauteLook's flash sales feature "the world's top fashion, accessories, beauty, kids and home brands" at up to 75% off normal retail prices.

20. Upon information and belief, from its beginning, HauteLook promoted itself as making the "sample sale" experience available on the web and as selling products direct from manufacturers. To this day, on its website and, upon information and belief, on other marketing materials, HauteLook repeatedly claims that it is able to offer below-retail prices because it "partners" with "brands." For example, HauteLook's website proclaims, "HauteLook partners with top fashion and lifestyle brands to offer insider access to the highest quality merchandise"; "HauteLook has built partnerships with a number of the world's top brands, so [consumers] have access to authentic, premium merchandise for every style and shopping taste"; and "Through our brand partnerships, HauteLook is able to offer a wide selection and quantity of styles and sizes." The clear and unmistakable message of HauteLook's marketing is that the company acts merely as a conduit for brand-name companies to sell their merchandise directly to consumers.

21. Continuing from its "direct-from-manufacturer" sourcing message, HauteLook's website also promises consumers that all merchandise offered on the site is authentic and none of it is secondhand.

22. With respect to the CARTIER merchandise offered on its site, however, none of HauteLook's representations are true.

#### A. HauteLook's Misrepresentations Concerning Its Relationship with Cartier

23. First, Cartier has never "partnered" with HauteLook or formed any other type of relationship with HauteLook, and has never authorized HauteLook to offer CARTIER merchandise through its site. None of the CARTIER merchandise that has been offered on HauteLook's site has been sourced from Cartier.

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24. Upon information and belief, HauteLook has very recently added an explanation on its site that some of its products are not sourced directly from brand manufacturers. However, this sourcing disclaimer is hidden in fine print on the site. Moreover, HauteLook uses the term "Select Sales Events" to describe its sales of products not sourced from brand manufacturers. This name implies that the sales are of a higher quality than its other sales, not that the sales feature products sourced from someone other than its "partner" brands. Upon information and belief, HauteLook selected and employs this phrase precisely for the misleading impression it creates upon consumers.

25. In addition, while some of HauteLook's sales of CARTIER products have been labeled "Select Sales Events," upon information and belief, not all sales featuring CARTIER products have been so labeled.

26. Further, in connection with its sales featuring CARTIER-branded merchandise, HauteLook makes generous use of the CARTIER Logo. HauteLook has no need to use the CARTIER Logo to inform consumers that it is selling CARTIER-branded products. Upon information and belief, HauteLook uses the logo version of the CARTIER mark in furtherance of its scheme to misrepresent to consumers that its sale of CARTIER-branded merchandise is authorized by Cartier.

#### B. HauteLook's Misrepresentations Concerning the Nature of Its CARTIER Merchandise

27. Second, upon information and belief, HauteLook repeatedly has offered CARTIER watches on its site that are, in fact, secondhand, despite this explicit statement on its website: "<u>no secondhand merchandise, ever.</u>" (Emphasis added.)

28. Cartier, through its agents, has purchased five CARTIER watches from HauteLook through three separate flash sales. Cartier physically inspected each watch and, using each watch's unique serial number, reviewed each watch's manufacture, distribution and

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repair history. Through this process, Cartier determined that all five of the watches were used and therefore secondhand.

29. Not only are the CARTIER-branded watches sold by HauteLook secondhand, some also bear evidence of physical damage, including scratches, evidence of poor polishing and cleaning techniques and even evidence of improper repair.

30. In addition, one of the watches purchased from HauteLook by Cartier's agent – a watch that had obvious physical damage – was sold by HauteLook not in the distinctive, luxury CARTIER packaging that forms part of the CARTIER brand experience, but instead was sent in a damaged box bearing the brand BAUME & MERCIER and was accompanied with BAUME & MERCIER informational inserts.

31. Upon information and belief, HauteLook has sold used and damaged CARTIER watches to consumers other than Cartier's agents.

32. Upon information and belief, the CARTIER watch sold by HauteLook to Cartier's agent in a BAUME & MERCIER box was not the only CARTIER watch sold and distributed by HauteLook in improper or damaged packaging.

33. The sale and distribution of secondhand and damaged CARTIER watches, and the sale of CARTIER watches in improper or damaged packaging, constitutes a material difference from authorized CARTIER products.

## C. HauteLook's Interference with Cartier's Quality Control Mechanisms

34. Third, HauteLook has further degraded the CARTIER image and purchasing experience by including defaced and damaged Certificates of Authenticity with CARTIER products sold through the HauteLook site.

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35. On certain of the Certificates of Authenticity included with the CARTIER products sold to Cartier's agents by HauteLook, the authorized retailer's information was physically removed by scratching the retailer's stamp from the heavy paper. This gives the Certificates of Authenticity a damaged appearance.

36. The obliteration of the retailer information from the Certificates of Authenticity interferes with Cartier's ability to effectively manage and exercise control over its warranty program, since Cartier relies upon accurate Certificates of Authenticity to determine whether a particular product brought to it for service is covered under the manufacturer's warranty.

37. Upon information and belief, the physically altered Certificates of Authenticity provided along with CARTIER watches sold and distributed by HauteLook to Cartier's agent were not the only physically altered Certificates of Authenticity provided by HauteLook along with CARTIER watches.

38. The physical alteration and damage of the Certificates of Authenticity accompanying the watches sold and distributed by HauteLook constitutes a material difference from authorized CARTIER products.

D. <u>HauteLook's Misrepresentations Concerning the Applicability of Cartier's Warranty</u>

39. Fourth, upon information and belief, listings for CARTIER watches on HauteLook do not state that Cartier's warranty will not apply. While some of the CARTIER watch listings may identify the name of a third-party warranty provider, HauteLook does not make clear to consumers that the provided warranty is different from the warranty provided on CARTIER products purchased through authorized channels.

40. Moreover, despite the fact that Cartier's warranty does not apply to any product sold through HauteLook, HauteLook ships the Cartier warranty booklet along with the

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CARTIER products it sells. The Cartier warranty book is literature that Cartier includes with all CARTIER products sold through authorized retailers that explains in several languages the application of the manufacturer's warranty to the purchased CARTIER product. HauteLook's inclusion of the Cartier warranty with the CARTIER-branded products it sells again would lead consumers to mistakenly believe that the Cartier warranty applies.

41. In addition, at least one shipment by HauteLook of a CARTIER watch to Cartier's agent did not include any information about any third-party warranty. It would be virtually impossible for a consumer receiving such a CARTIER watch with the Cartier warranty booklet and without any third party warranty information to understand that the Cartier warranty does not apply.

42. Upon information and belief, Cartier's agent did not receive the sole shipment from HauteLook of a CARTIER watch for which third-party warranty information was not included.

#### III. EFFECT OF HAUTELOOK'S UNLAWFUL ACTIVITIES

43. In sum, HauteLook has undertaken activities in connection with its sale of CARTIER products that misrepresent the source of such products, misrepresent Cartier's approval of the sale of such products, and misrepresent the nature and quality of such products. Upon information and belief, the purpose of HauteLook's deceptive practices is to heighten the appeal of HauteLook's services in the eyes of consumers. Upon information and belief, the effects of HauteLook's actions has been to damage the prestige of the CARTIER brand in the minds of consumers, and to deceive consumers into believing that there is no material difference between CARTIER brand products purchased from CARTIER and its authorized dealers and those sold by HauteLook.

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44. HauteLook's unauthorized sale of CARTIER products, including CARTIER watches that materially differ from their authentically distributed counterparts, together with the disingenuous manner in which HauteLook represents that it has partnered with the brands offered through its website, is likely to deceive, confuse and mislead prospective and actual purchasers into believing that HauteLook's sales are authorized, sponsored or in some way associated with Cartier. The likelihood of confusion, mistake and deception engendered by HauteLook's sale of materially different CARTIER products and its misrepresentations regarding affiliation, sponsorship or association are causing irreparable harm to Cartier and the goodwill associated with the CARTIER brand and the CARTIER mark.

45. Purchasers perceiving a defect, lack of quality or any impropriety associated with the CARTIER products sold by HauteLook are likely to mistakenly attribute such defects to Cartier.

46. Upon information and belief, HauteLook knows, and at all relevant times knew, that it was selling CARTIER products that materially differed from authentic CARTIER products, that is was not an authorized distributor of CARTIER products, that it was not sourcing its CARTIER products from Cartier, and that consumers were likely to believe, based on numerous representations on the HauteLook.com website and in other marketing materials, that HauteLook was sourcing CARTIER products directly from Cartier and was selling such products with Cartier's approval and backing.

47. Upon information and belief, HauteLook undertook the actions described herein with the deliberate intent to create a false impression as to the source and sponsorship of HauteLook's CARTIER-branded products and to dilute the distinctiveness of the CARTIER mark.

48. HauteLook's conduct is intentionally fraudulent, malicious, willful and wanton. HauteLook's conduct has greatly injured – and, if not enjoined, will continue to greatly injure – Cartier and the value of the CARTIER mark.

49. HauteLook's unlawful actions described above commenced many years after Cartier began using the CARTIER mark, many years after the CARTIER mark had achieved worldwide fame, and many years after the CARTIER mark was registered in the United States Patent and Trademark Office.

50. HauteLook's aforesaid deceptive conduct is also harming the public.

#### FIRST CLAIM FOR RELIEF: FALSE REPRESENTATION OF ASSOCIATION IN VIOLATION OF 15 U.S.C. § 1125(a)(1)

51. Cartier repeats and realleges Paragraphs 1 through 50 as if fully set forth herein.
52. By offering CARTIER-branded products on its website on which it also
represents to consumers that it works directly with brand manufacturers, HauteLook
misrepresents to consumers that HauteLook is authorized to sell CARTIER merchandise, that

HauteLook's sales featuring CARTIER merchandise are authorized or sponsored by Cartier, and/or that the CARTIER-branded products offered on HauteLook are sourced directly from Cartier.

53. HauteLook's statements and actions amount to false and misleading descriptions of fact and/or false and misleading representations of fact that are likely to cause confusion, cause mistake and/or deceive as to the affiliation, connection or association between HauteLook and Cartier, or as to Cartier's sponsorship or approval of HauteLook's goods, services and/or commercial activities. By falsely representing itself as being legitimately connected with and/or

authorized by Cartier, HauteLook places the reputation of the CARTIER brand beyond Cartier's control.

54. Upon information and belief, HauteLook made these false and misleading representations of fact to induce consumers to purchase unauthorized CARTIER products from HauteLook.

55. HauteLook's conduct described herein is willful, is intended to reap the benefit of the goodwill of Cartier and the CARTIER brand by association, and violates Section 43(a)(1) of the Lanham Act, 15 U.S.C. § 1125(a)(1).

56. HauteLook's conduct described herein is causing immediate and irreparable injury to Cartier and to its goodwill and reputation, and will continue to damage Cartier and deceive the public unless enjoined by this Court.

57. HauteLook's conduct as described herein is also harming the public.

58. Cartier has no adequate remedy at law.

## SECOND CLAIM FOR RELIEF: FALSE REPRESENTATION OF QUALITY IN VIOLATION OF 15 U.S.C. § 1125(a)(2)

59. Cartier repeats and realleges Paragraphs 1 through 58 as if fully set forth herein.
60. Despite stating that it never sells secondhand merchandise, HauteLook has sold used and damaged CARTIER products.

61. HauteLook's representation that none of its products are "secondhand," coupled with its sale of used and refurbished merchandise, amounts to false and misleading descriptions of facts and/or false and misleading representations of facts in commercial advertising or promotion that misrepresent the nature, characteristics and/or qualities of HauteLook's products, services and commercial activities.

62. HauteLook's conduct described herein is willful and violates Section 43(a)(2) of the Lanham Act, 15 U.S.C. § 1125(a)(2).

63. Upon information and belief, HauteLook made these false and misleading representations of fact in order to induce consumers to purchase unauthorized and used CARTIER products from HauteLook while paying prices for and expecting to receive new merchandise that HauteLook had acquired through "partnering" with Cartier.

64. HauteLook's conduct described herein is causing immediate and irreparable injury to Cartier and to its goodwill and reputation, and will continue to damage Cartier and deceive the public unless enjoined by this Court.

65. HauteLook's conduct as described herein is also harming the public.

66. Cartier has no adequate remedy at law.

### THIRD CLAIM FOR RELIEF: FEDERAL TRADEMARK INFRINGEMENT THROUGH SALE OF MATERIALLY DIFFERENT PRODUCTS IN VIOLATION OF 15 U.S.C. § 1114(1)

67. Cartier repeats and realleges Paragraphs 1 through 66 as if fully set forth herein.

68. By selling and distributing CARTIER watches in boxes bearing a brand name other than CARTIER, and/or accompanied by Certificates of Authenticity that have been defaced, and/or without a Cartier warranty, HauteLook has sold and distributed CARTIER watches that materially differ from CARTIER products authorized for sale by Cartier.

69. Cartier has not authorized HauteLook to sell or distribute CARTIER products, including but not limited to the materially different CARTIER watches sold and distributed by

HauteLook.

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70. The sale of materially different CARTIER products by HauteLook deprives Cartier of the ability to ensure the luxury quality of products bearing the CARTIER mark and to maintain the prestige associated with the CARTIER brand.

71. HauteLook's unauthorized sale of materially different CARTIER products is likely to cause confusion, mistake or deception as to the source or sponsorship of HauteLook's materially different CARTIER products, as the public is likely to believe that the sale of such products has been approved by Cartier when such sales have not been so approved.

72. HauteLook's sale of materially different CARTIER products under the CARTIER mark constitutes a false designation of origin and false description or representation that HauteLook's sale of such products is authorized by Cartier.

73. Upon information and belief, HauteLook's infringement of the federally registered CARTIER mark is willful and deliberate and undertaken with an intent to reap the benefit of the goodwill of Cartier and of its federally registered marks and the goodwill and reputation associated with these marks. HauteLook's actions described herein violate Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1).

74. The aforesaid conduct of Defendants is causing immediate and irreparable injury to Cartier and to its goodwill and reputation, and will continue to damage Cartier and deceive the public unless enjoined by this Court.

75. HauteLook's conduct as described herein is also harming the public.

76. Cartier has no adequate remedy at law.

## FOURTH CLAIM FOR RELIEF: UNFAIR COMPETITION THROUGH SALE OF MATERIALLY DIFFERENT PRODUCTS IN VIOLATION OF 15 U.S.C. § 1125(a)(1)(A)

77. Cartier repeats and realleges Paragraphs 1 through 76 as if fully set forth herein.

78. By selling and distributing CARTIER watches in boxes bearing a brand name other than CARTIER, and/or accompanied by Certificates of Authenticity that have been defaced, and/or without a Cartier warranty, HauteLook has sold and distributed CARTIER products that materially differ from CARTIER products authorized for sale by Cartier.

79. Cartier has not authorized HauteLook to sell or distribute CARTIER products, including but not limited to the materially different CARTIER watches sold and distributed by HauteLook.

80. The sale of materially different CARTIER products by HauteLook deprives Cartier of the ability to ensure the luxury quality of products bearing the CARTIER mark and to maintain the prestige associated with the CARTIER brand.

81. HauteLook's sale of materially different CARTIER products under the CARTIER mark constitutes a false designation of origin and a false description or representation that HauteLook's sale of such products is authorized by Cartier.

82. Upon information and belief, HauteLook's acts of unfair competition are willful and deliberate and undertaken with the intent to reap the benefit of the goodwill and reputation associated with the CARTIER mark.

83. HauteLook's actions described herein violate Section 43(a)(1)(A) of the LanhamAct, 15 U.S.C. § 1125(a)(1)(A).

84. The aforesaid conduct of HauteLook is causing immediate and irreparable injury to Cartier and to its goodwill and reputation, and will continue to damage Cartier and deceive the public unless enjoined by this Court.

85. HauteLook's conduct as described herein is also harming the public.

86. Cartier has no adequate remedy at law.

## FIFTH CLAIM FOR RELIEF: FEDERAL TRADEMARK DILUTION THROUGH SALE OF MATERIALLY DIFFERENT PRODUCTS IN VIOLATION OF 15 U.S.C. § 1125(c)

87. Cartier repeats and realleges Paragraphs 1 through 86 as if fully set forth herein. 88. As a result of extensive use and promotion of the CARTIER mark and the goods and services offered thereunder by Cartier for more than 150 years, the CARTIER mark is famous throughout the United States, is highly distinctive of Cartier's goods and services, and is widely recognized among the consuming public as a designation of source of Cartier's goods and services.

89. The CARTIER mark became famous long before HauteLook commenced its activities described herein.

90. HauteLook's commercial use of the CARTIER mark for goods that are materially different from authorized CARTIER products has diluted and/or is likely to dilute the distinctive quality of the CARTIER mark by impairing the distinctiveness of the CARTIER mark, thereby lessening the capacity of that mark to identify and distinguish Cartier exclusively, and by tarnishing Cartier through association with HauteLook's goods which are materially different. Through HauteLook's acts, Cartier's reputation has been removed from its power and control, in that deficiencies in or complaints about HauteLook's CARTIER-branded goods will redound to the harm of Cartier.

91. Upon information and belief, the foregoing acts were done willfully and deliberately and with an intent to dilute the distinctiveness of the CARTIER mark in violation of Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c).

92. HauteLook's conduct described herein is causing immediate and irreparable

injury to Cartier and to its goodwill and reputation, and will continue to damage Cartier unless enjoined by this Court.

93. HauteLook's conduct as described herein is also harming the public.

94. Cartier has no adequate remedy at law.

#### SIXTH CLAIM FOR RELIEF: UNFAIR COMPETITION THROUGH USE OF THE CARTIER LOGO IN VIOLATION OF 15 U.S.C. § 1125(a)(1)(A)

95. Cartier repeats and realleges Paragraphs 1 through 94 as if fully set forth herein.

96. The CARTIER Logo is distinctive and of incalculable value, and is associated in the public mind with Cartier and goods and services of the highest quality.

97. Without Cartier's authorization or license, and with knowledge of Cartier's prior rights in the CARTIER Logo, HauteLook has used the CARTIER Logo on its website in connection with its unauthorized sale of CARTIER-branded products.

98. HauteLook's unauthorized use of the CARTIER Logo is likely to cause confusion, to cause mistake, or to deceive consumers and the trade as to the origin, sponsorship, or approval of HauteLook's sale of CARTIER-branded products. As a result of HauteLook's unauthorized use of the CARTIER Logo, the public is likely to believe that HauteLook's offering and sale of CARTIER-branded products has been approved or sponsored by Cartier. Such unauthorized use of the CARTIER Logo falsely represents HauteLook as being legitimately affiliated, connected, or associated with and/or authorized by Cartier and places Cartier's reputations beyond its own control.

99. Upon information and belief, HauteLook's acts of unfair competition are willful and deliberate and undertaken with the intent to reap the benefit of the goodwill and reputation associated with the CARTIER mark.

100. HauteLook's actions described herein violate Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A).

101. The aforesaid conduct of HauteLook is causing immediate and irreparable injury to Cartier and to its goodwill and reputation, and will continue to damage Cartier and deceive the public unless enjoined by this Court.

102. HauteLook's conduct as described herein is also harming the public.

103. Cartier has no adequate remedy at law.

#### SEVENTH CLAIM FOR RELIEF: FALSE ADVERTISING IN VIOLATION OF N.Y. GEN. BUS. LAW § 350

104. Cartier repeats and realleges paragraphs 1 through 103 as if fully set forth herein.
105. As set out above, HauteLook has engaged in advertising that is misleading in a material respect. As such, HauteLook's actions constitute false advertising in violation of Section 350 of the New York General Business Law.

106. Upon information and belief, HauteLook engaged in false advertising in order to induce consumers to purchase unauthorized CARTIER products from HauteLook.

107. HauteLook's conduct described herein is causing immediate and irreparable injury to Cartier and to its goodwill and reputation, and will continue to damage Cartier unless enjoined by this Court.

108. HauteLook's conduct as described herein is also harming the public.

109. Cartier has no adequate remedy at law.

## EIGHTH CLAIM FOR RELIEF: UNFAIR COMPETITION THROUGH THE SALE OF MATERIALLY DIFFERENT PRODUCTS IN VIOLATION OF THE COMMON LAW OF NEW YORK

110. Cartier repeats and realleges Paragraphs 1 through 109 as if fully set forth herein.
111. By selling and distributing CARTIER watches in boxes bearing a brand name
other than CARTIER, and/or accompanied by Certificates of Authenticity that have been
defaced, and/or without a Cartier warranty, HauteLook has sold and distributed CARTIER
watches that materially differ from CARTIER products authorized for sale by Cartier.

112. Cartier has not authorized HauteLook to sell or distribute CARTIER products, including but not limited to the materially different CARTIER watches sold and distributed by HauteLook.

113. The material alteration of CARTIER products by HauteLook deprives Cartier of the ability to ensure the luxury quality of products bearing the CARTIER mark and to maintain the prestige associated with the CARTIER brand.

114. HauteLook's sale of materially different CARTIER products under the CARTIER mark constitutes a false designation of origin and false description or representation that HauteLook's sale of such products is authorized by Cartier.

115. Upon information and belief, HauteLook's acts of unfair competition are willful and deliberate and undertaken with the intent to reap the benefit of the goodwill and reputation associated with the CARTIER mark.

116. HauteLook's actions described herein constitute unfair competition under the common law of the State of New York.

117. The aforesaid conduct of HauteLook is causing immediate and irreparable injury

to Cartier and to its goodwill and reputation, and will continue to damage Cartier and deceive the

public unless enjoined by this Court.

118. HauteLook's conduct as described herein is also harming the public.

119. Cartier has no adequate remedy at law.

#### NINTH CLAIM FOR RELIEF: UNFAIR COMPETITION THROUGH USE OF THE CARTIER LOGO IN VIOLATION OF THE COMMON LAW OF NEW YORK

120. Cartier repeats and realleges Paragraphs 1 through 119 as if fully set forth herein.

121. The CARTIER Logo is distinctive and of incalculable value, and is associated in the public mind with Cartier and goods and services of the highest quality.

122. Without Cartier's authorization or license, and with knowledge of Cartier's prior rights in the CARTIER Logo, HauteLook has used the CARTIER Logo on its website in connection with its unauthorized sale of CARTIER-branded products.

123. HauteLook's unauthorized use the CARTIER Logo is likely to cause confusion, to cause mistake, or to deceive consumers and the trade as to the origin, sponsorship, or approval of HauteLook's sale of CARTIER-branded products. As a result of HauteLook's unauthorized use of the CARTIER Logo, the public is likely to believe that HauteLook's offering and sale of CARTIER-branded products has been approved or sponsored by Cartier. Such unauthorized use of the CARTIER Logo falsely represents HauteLook as being legitimately affiliated, connected, or associated with and/or authorized by Cartier and places Cartier's reputations beyond its own control.

124. Upon information and belief, HauteLook's acts of unfair competition are willful and deliberate and undertaken with the intent to reap the benefit of the goodwill and reputation associated with the CARTIER mark.

125. HauteLook's actions described herein constitute unfair competition under the common law of the State of New York.

126. The aforesaid conduct of HauteLook is causing immediate and irreparable injury to Cartier and to its goodwill and reputation, and will continue to damage Cartier and deceive the public unless enjoined by this Court.

127. HauteLook's conduct as described herein is also harming the public.

128. Cartier has no adequate remedy at law.

## TENTH CLAIM FOR RELIEF: TRADEMARK DILUTION THROUGH THE SALE OF MATERIALLY DIFFERENT PRODUCTS IN VIOLATION OF N.Y. GEN. BUS. LAW § 360-1

129. Cartier repeats and realleges paragraphs 1 through 128 as if fully set forth herein. 130. The CARTIER mark is a distinctive, federally registered trademark. As a result of Cartier's extensive and exclusive use of the CARTIER mark in connection with its products for more than a century, the CARTIER mark has become famous and is widely recognized among the consuming public as a designation of source of Cartier's goods. The CARTIER mark became famous long before HauteLook's unlawful activities commenced.

131. HauteLook's commercial use of the CARTIER mark for goods that are materially different from authorized CARTIER products has diluted and/or is likely to dilute the distinctive quality of the CARTIER mark by lessening the capacity of that mark to exclusively identify and distinguish Cartier and its goods, and by tarnishing Cartier through association with HauteLook's goods which are materially different. Through HauteLook's acts, Cartier's reputation has been

removed from its power and control, in that deficiencies in or complaints about HauteLook's CARTIER-branded goods will redound to the harm of Cartier.

132. Upon information and belief, the foregoing acts were done willfully and deliberately and with an intent to dilute the distinctiveness of the CARTIER mark in violation of Section 360-*l* of the New York General Business Law.

133. HauteLook's conduct described herein is causing immediate and irreparable injury to Cartier and to its goodwill and reputation, and will continue to damage Cartier unless enjoined by this Court.

134. HauteLook's conduct as described herein is also harming the public.

135. Cartier has no adequate remedy at law.

#### ELEVENTH CLAIM FOR RELIEF: DECEPTIVE TRADE PRACTICES IN VIOLATION OF N.Y. GEN. BUS. LAW § 349

136. Cartier repeats and realleges paragraphs 1 through 135 as if fully set forth herein.
137. By reason of the acts set forth above, HauteLook has been and is engaged in
deceptive acts or practices in the conduct of a business, trade or commerce, in violation of
Section 349 of the New York General Business Law.

138. Upon information and belief, HauteLook's conduct is willful.

139. Upon information and belief, by reason of the deception caused by the acts set forth above, the public has been and is being damaged.

140. HauteLook's conduct described herein is causing immediate and irreparable injury to Cartier and to its goodwill and reputation, and will continue to damage Cartier unless enjoined by this Court.

141. Cartier has no adequate remedy at law.

WHEREFORE, Cartier demands judgment as follows:

1. That a permanent injunction be issued enjoining HauteLook, any of its respective officers, agents, privies, shareholders, principals, directors, licensees, attorneys, servants, employees, affiliates, subsidiaries, successors and assigns, and all those persons in concert or participation with any of them who receives actual notice of the order by personal service or otherwise, from:

- (a) using any false designation of origin or false or misleading representation of fact, or performing any act, which can, or is likely to, lead members of the trade or public to believe that HauteLook is associated with Cartier or that Cartier authorizes, licenses, sponsors or otherwise approves the sale or distribution of CARTIER-branded products by HauteLook;
- (b) using any false or misleading representations of fact, or performing any act, which can, or is likely to, lead members of the trade or public to hold false beliefs concerning the nature, qualities or characteristics of the CARTIER-branded products advertised, promoted, offered for sale, sold or distributed by HauteLook;
- (c) using any false or misleading representations of fact, including any omissions of facts, or performing any act, which can, or is likely to, lead members of the trade or public to believe that that CARTIER-branded products offered, sold and distributed by HauteLook are backed by a manufacturer's warranty offered by Cartier;
- (d) removing, obscuring or otherwise defacing an authorized retailer stamp on anyCartier Certificate of Authenticity, or advertising, promoting, offering for sale,

selling or distributing any CARTIER product accompanied by a Cartier Certificate of Authenticity;

- (e) using any of Cartier's trademarks or trade names or trade dress, including but not limited to those identified in the Complaint, or any simulation, reproduction, copy, colorable imitation or confusingly similar variation of any of Cartier's trademarks or trade names or trade dress on or in connection with any advertisement, promotion, offering for sale, sale, or distribution of CARTIER-branded products that differ in any material way from CARTIER products offered or sold through authorized channels;
- (f) processing, packaging, importing or transporting any CARTIER-branded products that differ in any material way from CARTIER products offered or sold through authorized channels;
- (g) using the CARTIER Logo, or any simulation, reproduction, copy, colorable imitation or confusingly similar variation of the CARTIER Logo, in connection with any advertisement, promotion, offering for sale, sale or distribution of CARTIERbranded products unless such advertisement, promotion, offering for sale, sale or distribution has been authorized by Cartier;
- (h) engaging in any other activity constituting unfair competition with Cartier, or constituting an infringement of any of Cartier's trademarks or trade names or trade dress;
- (i) engaging in any activity that dilutes or tarnishes, or is likely to dilute or tarnish, any of Cartier's trademarks or trade names or trade dress;

(j) assisting, aiding, or abetting any other person or business entity in engaging in or performing any of the activities referred to in subparagraphs (a) through (i) above or taking any action that contributes to any of the activities referred to in subparagraphs (a) through (i) above.

2. That HauteLook be directed to take such other action as the Court may deem appropriate to prevent the trade and public from deriving the erroneous impression that any goods advertised, promoted, offered, sold or distributed by HauteLook are authorized by Cartier or are identical to goods advertised, promoted, offered, sold or distributed through authorized retailers.

3. That HauteLook be ordered to, at its own expense, immediately deliver up for destruction its entire inventory of goods bearing the CARTIER mark that differ materially from authorized goods.

4. That Cartier be awarded monetary relief, including HauteLook's profits; Cartier's actual damages; trebled damages and/or increased profits as provided to 15 U.S.C. § 1117(a); trebled profits or damages, or, if Cartier elects, statutory damages as the Court considers just, up to \$2,000,000 per counterfeit mark per type of goods sold, offered for sale, or distributed, as provided by 15 U.S.C. § 1117(b) & (c); and punitive and/or enhanced damages as provided for under applicable law.

5. That Cartier be awarded interest, including pre-judgment interest, on the foregoing sums.

6. That Cartier be awarded its costs in this civil action, including reasonable attorneys' fees and expenses, pursuant to 15 U.S.C. § 1117(a) and other applicable laws.

7. That Cartier be awarded such other and further relief as the Court may deem just and proper.

Dated: August 3, 2010

FROSS ZELNICK LEHRMAN & ZISSU, P.C.

magnit By\_

John P. Margiotta Laura Popp-Rosenberg 866 United Nations Plaza New York, New York 10017 Tel: (212) 813-5900 jmargiotta@frosszelnick.com lpopp-rosenberg@frosszelnick.com

Attorneys for Plaintiffs

# EXHIBIT A

Thank you for your request. Here are the latest results from the TARR web server.

This page was generated by the TARR system on 2010-08-02 18:51:33 ET

Serial Number: 72146163 Assignment Information

Trademark Document Retrieval

**Registration Number:** 759201

Mark (words only): CARTIER

Standard Character claim: No

Current Status: This registration has been renewed.

**Date of Status:** 2003-09-12

**Filing Date:** 1962-06-08

Transformed into a National Application: No

**Registration Date:** 1963-10-29

**Register:** Principal

Law Office Assigned: (NOT AVAILABLE)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at <u>TrademarkAssistanceCenter@uspto.gov</u>

Current Location: 830 - Post Registration

Date In Location: 2009-03-11

## LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Cartier, Incorporated

Address: Cartier, Incorporated

New York, NY United States Legal Entity Type: Corporation State or Country of Incorporation: Delaware

#### **GOODS AND/OR SERVICES**

http://tarr.uspto.gov/servlet/tarr?regser=serial&entry=72146163

U.S. Class: 027 (International Class 014) Class Status: Active Watches and Clocks Basis: 1(a) First Use Date: 1859-00-00 First Use in Commerce Date: 1859-00-00

## **ADDITIONAL INFORMATION**

Section 2(f)

**Prior Registration Number(s):** 411975

#### MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

## **PROSECUTION HISTORY**

## NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

- 2009-12-16 Notice Of Suit
- 2009-01-27 Case File In TICRS
- 2006-10-04 Assignment Of Ownership Not Updated Automatically
- 2006-08-30 Review Of Correspondence Complete
- 2003-09-29 PAPER RECEIVED
- 2003-09-12 Second renewal 10 year
- 2003-09-12 Section 8 (10-year) accepted/ Section 9 granted
- 2003-06-23 Combined Section 8 (10-year)/Section 9 filed
- 2003-06-23 PAPER RECEIVED
- 1984-10-25 Section 8 (6-year) accepted & Section 15 acknowledged

1983-10-29 - First renewal

1983-10-11 - First renewal

http://tarr.uspto.gov/servlet/tarr?regser=serial&entry=72146163

# ATTORNEY/CORRESPONDENT INFORMATION

(NOT AVAILABLE)

..

Thank you for your request. Here are the latest results from the TARR web server.

This page was generated by the TARR system on 2010-08-02 18:50:59 ET

Serial Number: 71471859 Assignment Information

Trademark Document Retrieval

**Registration Number: 411975** 

Mark

Cartier

(words only): CARTIER

Standard Character claim: No

Current Status: This registration has been renewed.

**Date of Status:** 2005-01-05

**Filing Date:** 1944-07-01

Transformed into a National Application: No

**Registration Date:** 1945-02-13

**Register:** Principal

Law Office Assigned: (NOT AVAILABLE)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at <u>TrademarkAssistanceCenter@uspto.gov</u>

Current Location: 40S -Scanning On Demand

Date In Location: 2009-01-27

#### LAST APPLICANT(S)/OWNER(S) OF RECORD

1. CARTIER INTERNATIONAL, B.V.

Address:

CARTIER INTERNATIONAL, B.V. HERENGRACHT 436 BP AMSTERDAM Netherlands Legal Entity Type: Corporation State or Country of Incorporation: Netherlands

## **GOODS AND/OR SERVICES**

U.S. Class: 027 (International Class 014)
Class Status: Active
Watches and Clocks and Wrist Watches with Wrist Straps and Bracelets Attached for Securing the Same on the Wrist of the Wearer, and Traveling Clocks and Watches with Covers of Leather, Fabric and the Like for Protecting Them While Traveling
Basis: 1(a)
First Use Date: 1859-00-00
First Use in Commerce Date: 1859-00-00

## ADDITIONAL INFORMATION

(NOT AVAILABLE)

## MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

## **PROSECUTION HISTORY**

# NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2009-12-16 - Notice Of Suit

2009-01-27 - Case File In TICRS

- 2006-10-04 Assignment Of Ownership Not Updated Automatically
- 2005-01-05 Third renewal 10 year

2005-01-05 - Section 8 (10-year) accepted/ Section 9 granted

2004-11-17 - Combined Section 8 (10-year)/Section 9 filed

2004-11-17 - PAPER RECEIVED

2003-09-29 - PAPER RECEIVED

1985-02-13 - Second renewal

1984-08-20 - Section 9 filed/check record for Section 8

## ATTORNEY/CORRESPONDENT INFORMATION

## **Attorney of Record** HELEN M. O'SHAUGHNESSY

## Correspondent

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