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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

OMEGA SA,

 Plaintiff,

 v.

XIE ZHENMIN, *et al.*,

 Defendants.

Civil Action No.: 12-cv-9338 (SAS)

ORDER GRANTING APPLICATION FOR ENTRY OF PRELIMINARY INJUNCTION

THIS CAUSE came before the Court upon Plaintiff's *Ex Parte* Application for Entry of Temporary Restraining Order and Preliminary Injunction. The Court entered a Temporary Restraining Order ("TRO") on December 21, 2012, and convened a hearing on January 18, 2013, at which counsel for Plaintiff was present and available to present evidence supporting the Application for Preliminary Injunction. Defendants have not responded to Plaintiff's Motion, nor made any filing in this case, nor have Defendants appeared in this matter either individually or through counsel.

UPON CONSIDERATION of the Motions, the pertinent portions of the Record, and being otherwise fully advised in the premises, the Court enters the following Order.




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I. FACTUAL BACKGROUND¹

Omega is a Swiss corporation with its principal place of business at 96 Rue Jakob Stampfli, CH-25009 Bienne, Switzerland. For over 150 years, Omega has manufactured and sold watches under, among others, the OMEGA and Ω marks.

Omega is, and at all times relevant hereto has been, the owner of all rights in and to the following federally registered trademarks:

| Trademark | Registration No. | Registration Date | Class(es)/Goods |
|--|-------------------------|--------------------------|---|
|  OMEGA | 25,036 | May 23, 1894 | IC 014: Watch movements and watch cases |
| OMEGA | 566,370 | November 4, 1952 | IC 014: Watches and parts thereof |
|  | 734,891 | July 14, 1962 | IC 014: Timepieces and parts thereof |
|  | 3,757,932 | March 9, 2010 | IC 014: jewelry and precious stones; horological and chronometric instruments. |
| SEAMASTER | 556,602 | March 25, 1952 | IC 014: Watches, watch parts and watch movements |
| SPEEDMASTER | 672,487 | January 13, 1959 | IC 014: Watches and clocks |
| CONSTELLATION | 1,223,349 | January 11, 1983 | IC 014: Watches and parts thereof |
| DE VILLE | 1,309,929 | December 18, 1984 | IC 014: Watches, Wrist Watches, Portfolio Watches, Pendant Watches, and Miniature Clocks; and Parts Thereof |
| HOUR VISION | 3,681,927 | September 15, 2009 | IC 014: Horological |

¹ This factual background is from Plaintiff's complaint and papers supporting its motion for a temporary restraining order.

| | | | |
|--------------|-----------|----------------|--|
| | | | and chronometric instruments |
| PLANET OCEAN | 3,085,659 | April 25, 2006 | IC 014: Watches and watch parts |
| BROAD ARROW | 3,418,186 | April 29, 2008 | IC 014: Watches, watch straps, watch bracelets and parts thereof; chronometers, chronographs, watches made of precious metals, watches partly or entirely set with precious stones |

(the "Omega Marks"). *See*, Ex. A to the Complaint (Omega's trademark registrations).

The Defendants have advertised, offered for sale, and/or sold, watches bearing what Plaintiff has determined to be counterfeits, of the Omega Marks. The Defendants are not now, nor have they ever been, authorized or licensed to use, reproduce, or make counterfeits of the Omega Marks (Decl. of C. Hurley at ¶10).

Omega through its agents have investigated suspected sales of counterfeit Omega watches by the Defendants. As part of its investigation, Omega accessed the Internet websites operating under the following domain names:

- (1) <http://www.watches-vogue.com>
- (2) <http://www.watchdear.com>
- (3) <http://www.queenofwatches.com>
- (4) <http://www.replicaup.com>
- (5) <http://www.watchmimic.com>
- (6) <http://www.watchkind.com>
- (7) <http://www.myfavomega.com>
- (8) <http://www.omegaonlineoutlet.com>
- (9) <http://www.omegaonlineoutlet.biz>
- (10) <http://www.omegaonlineoutlet.net>
- (11) <http://www.qualityreplica.biz>
- (12) <http://www.qualityreplica.info>
- (13) <http://www.qualityreplica.us>
- (14) <http://www.bestreplicawatchesok.com>
- (15) <http://www.swisskiss.net>
- (16) <http://www.sinohorloge.com>
- (17) <http://www.salesswiss.com>
- (18) <http://watchesyes.net>
- (19) <http://replicavip.org>
- (20) <http://www.watchc.com>
- (21) <http://www.watchespay.net>
- (22) <http://www.replicabuy.net>
- (23) <http://www.watch7750.com>
- (24) <http://www.swissale.net>
- (25) <http://www.replicafind.net>
- (26) <http://www.salesreplicas.com>
- (27) <http://www.replicawalker.com>
- (28) <http://replicaprice.com>
- (29) <http://www.watchesfull.com>

("Counterfeit Websites").

As reflected in the images captured from the Counterfeit Websites, each site states that it is selling "Replica" OMEGA watches. L. Kennedy Decl. at Exs. 1-29.

Omega accessed each of the 29 counterfeit websites between November 27, 2012 and December 13, 2012. Images captured from each of the Counterfeit Websites, are attached to the Lauren Kennedy declaration submitted in support of Omega's Motion for a temporary restraining order and preliminary injunction. L. Kennedy Decl. at Exs. 1-29 ("Counterfeit Website Screen Shots"). Colleen Hurley, the Omega Sales Operations Manager of Omega's exclusive US Distributor, The Swatch Group (US), Inc. who is personally knowledgeable regarding the differences between genuine and counterfeit OMEGA watches, personally reviewed the images captured from the Counterfeit Websites, and determined that these websites were advertising and offering for sale counterfeit OMEGA watches.

On December 21, 2012, Plaintiff filed its Complaint against Defendants for trademark counterfeiting and infringement, false designation of origin, common law unfair competition and false advertising. On December 21, 2012, Plaintiff also filed its *Ex Parte* Application for Entry

of Temporary Restraining Order and Preliminary Injunction. On December 21, 2012, this Court granted Plaintiffs' Motion for a Temporary Restraining Order. The Order enjoined Defendants from, among other actions, continuing to manufacture, promote, and/or sell any product bearing the Omega Marks. Pursuant to the Court's December 21, 2012 Order, Plaintiffs properly served, via email and publication to the posting site <http://notice-lawsuit.com>, each Defendant with a copy of the *Ex Parte* Application for Entry of Temporary Restraining Order and Preliminary Injunction and supporting papers, the Court's December 21, 2012 Temporary Restraining Order, Complaint, and all filings in this matter.

II. LEGAL STANDARD

Plaintiff has filed claims pursuant to 15 U.S.C. §§ 1114, 1116, and 1125. Section 1116(a) provides the Court "shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under subsection (a), (c), or (d) of section 1125 of this title." 15 U.S.C. § 1116.

Injunctive relief is also available under section 1116(a) for a violation of section 1114(1)(a). See 15 U.S.C. § 1116(d)(1)(A).

A "party seeking a preliminary injunction must establish (1) irreparable injury and (2) a likelihood of success on the merits or a sufficiently serious question going to the merits and a balance of hardships tipping decidedly in the moving party's favor." *Laureyssens v. Idea Group, Inc.*, 964 F.2d 131, 135-136 (2d Cir. 1992).

III. ANALYSIS

The declarations Plaintiff submitted in support of its application for preliminary relief support the following conclusions of law:

A. Plaintiff has a very strong probability of proving at trial that consumers are likely to be confused by Defendants' advertisement, promotion, sale, offer for sale, and/or distribution of watches and related goods bearing counterfeits, reproductions, and/or colorable imitations of the Omega Marks, and that the products Defendants are selling are copies of Plaintiff's Omega watches.

B. Because of the infringement and counterfeits of the Plaintiff's Omega Marks, Plaintiff is likely to suffer immediate and irreparable injury if a preliminary injunction is not granted. It clearly appears from the following specific facts, as set forth in Plaintiff's Complaint, Application for Preliminary Injunction, and accompanying declarations on file, that immediate and irreparable loss, damage, and injury will result to Plaintiff and to consumers because it is likely that:

1. Defendants own or control Internet website businesses which are each part of an illegal enterprise which advertises, promotes, offers for sale, and sells, at least watches bearing counterfeit and infringing trademarks in violation of Plaintiff's rights;

2. There is good cause to believe that more counterfeit and infringing products bearing Plaintiff's Omega trademarks will appear in the marketplace; that consumers are likely to be misled, confused, and disappointed by the quality of these products; and that Plaintiff may suffer loss of sales for their respective genuine products and an unnatural erosion of the goodwill of their Omega Marks and products;

3. Plaintiff has well-founded fears that unless the injunction is granted, Defendants can easily and quickly transfer the registrations for many of the Subject Domain Names, or modify registration data and content, change hosts, and redirect traffic to other websites, thereby thwarting Plaintiff's ability to obtain meaningful relief;

4. The balance of potential harm to Defendants in restraining their trade in counterfeit and infringing branded goods if a preliminary injunction is issued is far outweighed by the potential harm to Plaintiff, their respective reputations, and goodwill as manufacturers and distributors of high quality products if such relief is not issued; and

5. The public interest favors issuance of the preliminary injunction order in order to protect Plaintiff's trademark interests and protect the public from being defrauded by the palming off of counterfeit goods.

IV. ORDER

For the foregoing reasons, it is **ORDERED AND ADJUDGED** that Plaintiff's Application for Preliminary Injunction is hereby **GRANTED** as follows:

(1) Each Defendant, its officers, directors, employees, agents, subsidiaries, distributors, and all persons in active concert or participation with any Defendant having notice of this Order are hereby temporarily restrained and enjoined, pending termination of this action:

a. From manufacturing, importing, advertising, promoting, offering to sell, selling, distributing, or transferring any products bearing the Omega Marks, or any confusingly similar trademarks, other than those actually manufactured or distributed by Plaintiff; and

b. From secreting, concealing, destroying, selling off, transferring, or otherwise disposing of: (i) any products, not manufactured or distributed by Plaintiff, bearing the Omega Marks, or any confusingly similar trademarks; or (ii) any evidence relating to the manufacture, importation, sale, offer for sale, distribution, or transfer of any products bearing the Omega Marks, or any confusingly similar trademarks.

(2) Each Defendant, its officers, directors, employees, agents, subsidiaries, distributors, and all persons in active concert or participation with any Defendant having notice of this Order shall, until the conclusion of this proceeding, discontinue the use of the Omega Marks or any confusingly similar trademarks, on or in connection with all Internet websites owned, operated, or controlled by them, including the Counterfeit Websites;

(3) The Registrar GoDaddy shall continue to maintain the Counterfeit Websites in Account No. 58252161, to be held in trust for the Court during the pendency of this action. Additionally, GoDaddy shall maintain the Domain Name System (“DNS”) data it maintains for the Counterfeit Websites, which link the domain names to the IP addresses where their associated websites are hosted, to ns1.softlayer.com and ns2.softlayer.com, which will cause the domain names to resolve to a website where copies of the Complaint, Summonses, this Order, and all other documents on file in this action are displayed. Alternatively, GoDaddy may institute a domain name forwarding which will automatically redirect any visitor to the Counterfeit Websites to the following Uniform Resource Locator (“URL”) <http://www.notice-lawsuit.com> whereon copies of the Complaint, Summonses, this Order, and all other documents on file in this action are displayed. The Counterfeit Websites shall be placed on Lock status, preventing the modification or deletion of the domains by GoDaddy, any other Registrar or Defendants;

(4) Unless Plaintiff's counsel requests otherwise, the top-level domain (TLD) Registries for the Counterfeit Websites' domain names (including Verisign, Neustar, Afilias and Public Interest Registry), shall not remove the domain names for the Counterfeit Websites from the Registrar GoDaddy, and shall place the domain names on Registry Lock, or similar status which will allow GoDaddy to perform the actions set forth in Paragraph 3 of this Order.

(5) Each Defendant shall continue to preserve copies of all computer files relating to the use of any of the Counterfeit Websites and shall continue to take all steps necessary to retrieve computer files relating to the use of the Counterfeit Websites that may have been deleted before the entry of this Order;

(6) PayPal, Inc. shall continue to restrain and enjoin any accounts it has identified as related to the Counterfeit Websites or email addresses associated therewith, from transferring or disposing of any money or other of Defendants' assets, not allowing such funds to be transferred or withdrawn, pending further order from this Court. Upon request by Plaintiff's counsel and within five (5) days after receiving notice of this Order, PayPal shall transfer any funds seized from Defendants' accounts pursuant to the TRO or this Order, to Plaintiff's attorney's trust account, where said funds shall be held in trust pending a further Order of this Court.

(7) To the extent not already completed, Visa and MasterCard, along with the merchant banks identified by Visa and MasterCard, namely, Bank of Communications, Ltd. and the Agricultural Bank of China Ltd., shall within ten (10) days after receipt of this Order, provide copies of all documents and records in such entity's possession or control relating to: (a) the identities and addresses of Defendants and any person acting in concert or participating with them, including identifying information associated with Defendants' Counterfeit Websites and

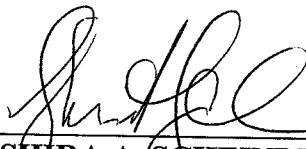
financial accounts; (b) Defendants' Counterfeit Websites and any transactions performed therewith; and (c) any financial accounts owned or controlled by Defendants;

(8) Plaintiff shall maintain its security in the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00), as payment of damages to which Defendants may be entitled for a wrongful injunction or restraint, during the pendency of this action, or until further Order of the Court;

(9) This Preliminary Injunction shall remain in effect during the pendency of this action, or until such further date as set by the Court or stipulated to by the parties; and

(10) This file is hereby unsealed. The Clerk of the Court is directed to remove the seal.

IT IS SO ORDERED


SHIRA A. SCHEINDLIN
UNITED STATES DISTRICT JUDGE

Dated: January 18, 2013