1 2 3 4 5 6 7	BENJAMIN C. JOHNSON (SBN: 218518) benjamin.johnson@mgae.com JENNIFER A. MARROW (SBN: 276495) jmarrow@mgae.com MGA ENTERTAINMENT, INC. 9220 Winnetka Ave Chatsworth, CA 91311 Telephone: (818) 894-2525 ext. 6788 Fax: (818) 895-0771 Attorneys for Plaintiffs			
8	MGA Entertainment, Inc.			
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
10	COUNTY OF LOS ANGELES			
11				
12	MGA ENTERTAINMENT, INC., a California corporation,	Case No. COMPLAINT FOR:		
13	Plaintiff,	1. California State Trademark Infringement		
14	vs.	(Cal. Bus. & Prof. Code § 14000, Et. Seq.);Common Law Trademark Infringement;		
15		 State Statutory Unfair Competition (Cal. Bus. & Prof. Code § 17200, Et. Seq.) 		
16	ZURU, LLC, a California Limited Liability Company;	& Froi. Code § 17200, Et. Seq.)		
17	and DOES 1-10 inclusive,			
18	Defendants.			
19	Plaintiffs, MGA ENTERTAINMENT, INC. (referred to as "Plaintiff" or "MGA") for their			
20	Complaint herein allege as follows:			
21	INTRODUCTION			
22	1. This action involves claims for violation of a trademark registered with the State of			
23	California (Cal. Bus. & Prof. Code § 14000, Et	. Seq.), and related state and common law claims (the		
24	"Action"), arising from the infringement of MGA's L.O.L. Surprise! Trade Dress (as defined infra)			
25	by Defendant ZURU LLC (hereinafter collectively referred to as "Defendant" or "Zuru"), and			
26	DOES 1 through 10, inclusive (hereinafter collectively referred to as "Defendants"), including,			
27	without limitation, by manufacturing, importing, exporting, advertising, marketing, promoting,			
28				

1	distributing, displaying, offering for sale, and/or selling of unlicensed, infringing versions of MGA's		
2	L.O.L. Surprise! toys and dolls ("L.O.L. Surprise! Products").		
3	JURISDICTION AND VENUE		
4	2. This Court has specific personal jurisdiction over Defendants as they have		
5	purposefully committed within the State of California, the acts from which these claims arise and/or		
6	has committed tortuous acts outside of California, knowing and intending that such acts would cause		
7	injury to Plaintiff within the State of California.		
8	3. The Court also has general personal jurisdiction over Defendants as they have		
9	continuous and systematic contacts within the State of California, including the County of Los		
10	Angeles.		
11	4. Venue is proper, <i>inter alia</i> , because Defendants conduct, transact, and/or solicit		
12	business in this judicial district.		
13	PARTIES		
14	5. Plaintiff MGA ENTERTAINMENT, INC. is a consumer toy company having an		
15	address and principal place of business at 9220 Winnetka Ave., Chatsworth, California, 91311.		
16	6. Defendant ZURU Inc. is a corporation organized under the laws of the British Virgin		
17	Islands with its principal place of business in Kowloon, Hong Kong. ZURU Inc. is a parent		
18	company that owns 100% of ZURU LLC, ZURU Ltd., ZURU Pty Ltd., and ZURU UK Limited.		
19	7. Upon information and belief, Defendant ZURU LLC is a consumer toy limited		
20	liability company organized under the laws of Oregon with a business address at 228 Nevada Street,		
21	El Segundo, CA 90245.		
22	8. Plaintiffs are not aware of the true names and capacities of Defendants identified		
23	herein as DOES 1 through 10, inclusive, and therefore fictitiously names said Defendants. MGA		
24	will amend this Complaint to allege the true names and capacities of these fictitiously named		
25	Defendants when their identities are ascertained.		
26	9. Upon information and belief, at all times relevant herein, Defendants, including Does		
27	1 through 10, inclusive, and each of them, are the alter egos of each other; are characterized by a		
28	unity of interest in ownership and control among themselves such that any individuality and		
1	2		

separateness between them have ceased; are a mere shell instrumentality and conduit through
which Defendants carried on their business by use of each other's names; completely
controlled, dominated, managed, and operated each other's business to such an extent that any
individuality or separateness of the Defendants does not and did not exist; completely failed
to observe any corporate formalities; and intermingled the assets of each other, and other entities
affiliated with them, to suit the convenience of themselves and in order to evade legal
obligations and liability.

8 10. Plaintiff is informed and believes, and based thereon, alleges that Defendants are in
9 some manner responsible for the acts alleged herein and the harm, losses and damages suffered by
10 Plaintiff as alleged hereinafter.

11

GENERAL ALLEGATIONS

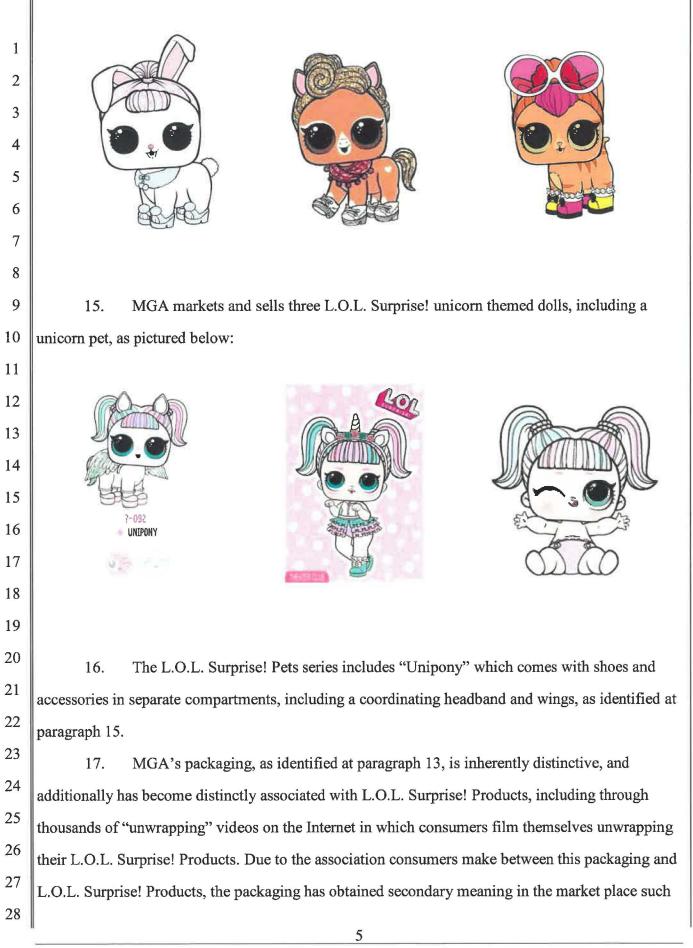
12 11. MGA is a leading designer, developer, marketer, and distributor of innovative
13 children's toys and consumer entertainment products ("Authentic Products"). MGA promotes and
14 sells its Authentic Products throughout the U.S. and the world through major retailers, quality toy
15 stores, department stores, online marketplaces, including, but not limited to, Target, Walmart, and
16 Amazon.

17 12. One of MGA's most popular and successful toys are its L.O.L. Surprise! products,
18 which were the #1 selling toy in the U.S. for 2017 and 2018 according to NPD Group, a retail
19 tracking service, and are the #1 selling toy to date in 2019. Most recently, L.O.L. Surprise! was
20 awarded the Toy of the Year, Doll of the Year, Playset of the Year, and License of the Year at the
21 Annual Toy Industry Awards ("L.O.L. Surprise! Products").

13. L.O.L. Surprise! Products come in distinct packaging, which is MGA's asserted
Trade Dress: a configuration of a wrapping and a toy container, the toy container being separable
and having at least one layer of colored shrink-wrap wrapping that partially covers the toy container
including an opening of the container, the toy container containing inside of it toy items that are
individually wrapped in opaque wrappings, the toy items inside the opaque wrappings relating to
one another, as shown below:

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1 that MGA is entitled to trade dress protection in its packaging design for L.O.L. Surprise! Products 2 (the "L.O.L. Surprise! Trade Dress"). 3 18. The L.O.L. Surprise! Trade Dress was first used in commerce on October 12, 2016, 4 and was registered with the California Secretary of State on December 7, 2018, bearing Registration 5 No. 305168, attached as Exhibit A. 6 19. The L.O.L. Surprise! Trade Dress has been in use in commerce (and is currently in 7 use in commerce) in connection with the L.O.L. Surprise! Products continuously since October 12, 8 2016. 9 20. L.O.L. Surprise! Products have achieved great success since their introduction in 10 October 2016. 11 21. MGA spent substantial time, money, and effort in building up and developing 12 consumer recognition, awareness, and goodwill in the L.O.L. Surprise! Products, L.O.L. Surprise! 13 Works, L.O.L. Surprise! Trade Dress, and L.O.L. Surprise! Marks. 14 22. The success of the L.O.L. Surprise! Products is due in large part to MGA's 15 marketing, promotional, and distribution efforts. These efforts include advertising and promotion 16 through television. The L.O.L. Surprise! website, https://lolsurprise.mgae.com/, (the "Website"), 17 retailer websites, internet-based advertising, print, and other efforts both domestically and abroad. 18 23. MGA's success is also attributable to its use of high-quality materials and processes 19 in making L.O.L. Surprise! Products. 20 24. Additionally, MGA owes a substantial amount of success of the L.O.L. Surprise! 21 Products to its consumers and word-of-mouth buzz that its consumers have generated. 22 25. As a result of MGA's marketing, promotional, and distribution efforts, and sales, the 23 quality of L.O.L. Surprise! Products, its promotions, extensive press and media coverage, and word-24 of-mouth buzz, the L.O.L. Surprise! Products have become prominently placed in the minds of the 25 public. Members of the public have become familiar with L.O.L. Surprise! Products and have come 26 to recognize the L.O.L. Surprise! Products and L.O.L. Surprise! Trade Dress and associate them 27 exclusively with their source, MGA. MGA acquired a valuable reputation and goodwill among the 28 public as a result of such associations.

MGA has gone to great lengths to protect its interests in and to the L.O.L. Surprise!
 Works, L.O.L. Surprise! Trade Dress, and L.O.L. Surprise! Marks. No one other than MGA is
 authorized to manufacture, import, export, advertise, offer for sale, or sell any goods utilizing L.O.L.
 Surprise! Works, L.O.L. Surprise! Trade Dress, and/or L.O.L. Surprise! Marks without the express
 written permission of MGA.

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Defendants' Wrongful and Infringing Conduct

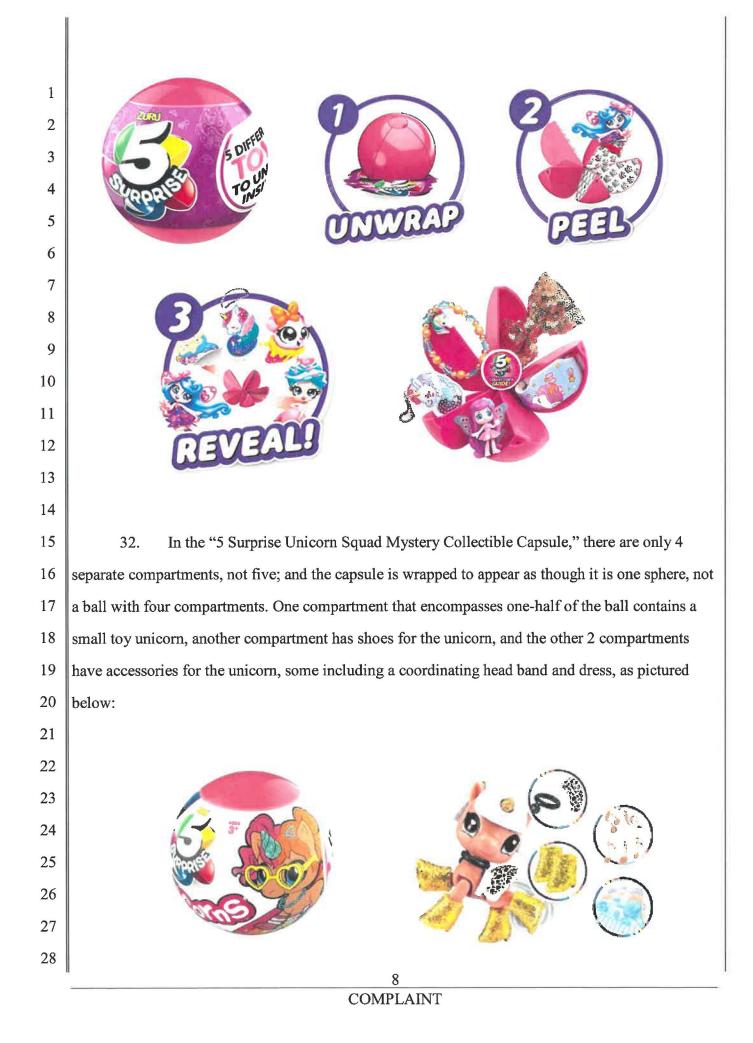
7 27. Considering MGA's success in marketing and selling its L.O.L. Surprise! Products
8 identified by its L.O.L. Surprise! Trade Dress, as well as the reputation they have gained, MGA and
9 its L.O.L. Surprise! Products have become targets for unscrupulous individuals and entities that
10 wish to unlawfully exploit the goodwill, reputation, and fame MGA amassed in its L.O.L. Surprise!
11 Products.

12 28. MGA investigates and enforces against such activity, and through such efforts,
13 learned of Defendants' actions which vary and include, but are not limited to, manufacturing,
14 importing, exporting, advertising, marketing, promoting, distributing, displaying, offering for sale,
15 and/or selling products that are confusingly or substantially similar to the L.O.L. Surprise! Products
16 (the "Infringing Product(s)") to U.S. consumers, including those located in California.

17 29. MGA discovered that Defendant Zuru was offering for sale an Infringing Products
18 under the name of "5 Surprise."

30. "5 Surprise" has several different series of collectible spheres which include at least
one layer of colored shrink wrap that partially covers the toy container including an opening of the
container, and additionally contains toy items, each of which relate to one another ("5 Surprise
Spheres").

- 23 31. In the "5 Surprise Pink Mystery Capsule Wave 2," the sphere contains a doll in one
 24 compartment, with accessories that relate to the doll in other compartments, as shown below:
- 25
- 26
- 27
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1	33. 5 Surprise Spheres are being offered for sale alongside legitimate L.O.L. Surprise!		
2	Products at some of the same retailers that have sold and continue to sell L.O.L. Surprise! Products,		
3	including but not limited to online and in-store at Target and Walmart, and online at Amazon.com,		
4	in order to create a false association between 5 Surprise Spheres and Zuru, on the one hand, and		
5	L.O.L. Surprise! Products and MGA on the other hand, thereby resulting in consumer confusion		
6	between MGA's authentic L.O.L. Surprise! Products and Defendants' Infringing Products.		
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11			
12	P INPONY		
13			
14	L.O.L. Surprise! "Unipony" 5 Surprise Unicorn Squad "Cherry"		
15	34. In online comments and reviews on Youtube.com unwrapping videos relating to 5		
16	Surprise Spheres, consumers have stated the following:		
17	"This is a copy of LOL Dolls!!! Dolls and Pets, Surprise in the name, zipper to open it"		
18	"These remind me of LOL dolls"		
19	"I think they copied LOL"		
20	"Those are copyright of LOL surprise"		
21	"L.O.L. I thought it is an lol doll so funny"		
22	"I think it's a rip of lol surprise"		
23	"THEY KINDA COPIED LOL SURPRISE"		
24	35. Defendants, upon information and belief, had access to L.O.L. Surprise! Products		
25	and intentionally copied the L.O.L. Surprise! Trade Dress.		
26	36. By its dealings in Infringing Products (including, without limitation, copying,		
27	manufacturing, importing, exporting, advertising, marketing, promoting, distributing, displaying,		
28	offering for sale, and/or selling Infringing Products), Defendants have violated MGA's exclusive 9		

1	rights in its L.O.L. Surprise! Trade Dress and are confusingly and/or substantially similar to,	
2	identical to, and/or constitute counterfeiting and/or infringement of the L.O.L. Surprise! Trade Dress	
3	in order to confuse consumers and aid in the promotion and sales of its Infringing Products.	
4	Defendants' conduct began long after MGA's adoption and use of its L.O.L. Surprise! Trade Dress,	
5	and long after MGA's L.O.L. Surprise! Products became well-known to the purchasing public.	
6	37. Defendants' dealings in Infringing Products, as alleged herein, has caused, and will	
7	continue to cause, confusion, mistake, economic loss and has, and will continue to deceive	
8	consumers, the public, and the trade as to the source or origin of Defendants' Infringing Products,	
9	thereby causing consumers to erroneously believe that such Infringing Products originate from, or	
10	are licensed by, or otherwise associated with MGA, thereby damaging MGA.	
11	38. In committing these acts, Defendants have, among other things, willfully and in bad	
12	faith competed unfairly and unjustly profited from such activities at MGA's expense.	
13	39. Unless and until enjoined, Defendants will continue to cause irreparable harm to	
14	MGA.	
15	FIRST CAUSE OF ACTION	
16	State Trademark Infringement	
17	(Cal. Bus. & Prof. Code § 14000, et. seq.);	
18	40. Plaintiff repleads and incorporates by reference each and every allegation set forth in	
19	the preceding paragraphs as if fully set forth herein.	
20	41. MGA is the owner of all right, title, and interest in and to the and L.O.L. Surprise!	
21	Trade Dress, and has continuously used the L.O.L. Surprise! Trade Dress in interstate commerce	
22	since at least as early as October 12, 2016.	
23	42. The L.O.L. Surprise! Trade Dress is inherently distinctive and/or have acquired	
24	distinctiveness.	
25	43. The L.O.L. Surprise! Trade Dress was registered with the California Secretary of	
26	State on December 7, 2018, bearing Registration No. 305168.	
27	44. Defendants knowingly and willfully used in commerce products and/or packaging	
28	designations that are identical to, or confusingly or substantially similar to, and constitute 10	

reproductions of MGA's L.O.L. Surprise! Trade Dress and thereby affixed, applied and used false
designations of origin and false and misleading descriptions and representations on or in connection
with the manufacturing, importing, exporting, advertising, marketing, promoting, distributing,
displaying, offering for sale, and/or sale of Infringing Products, with the intent to cause confusion,
to cause mistake and to deceive the purchasing, allowing Defendants to capitalize on the goodwill
associated with, and the consumer recognition of, MGA's L.O.L. Surprise! Trade Dress, to
Defendants' substantial profit in blatant disregard of MGA's rights.

8 45. By manufacturing, importing, exporting, advertising, marketing, promoting, 9 distributing, displaying, offering for sale, selling, and/or otherwise dealing in the Infringing 10 Products using marks and/or artwork that is identical to and/or confusingly or substantially similar 11 to, or which constitute colorable imitations of MGA's L.O.L. Surprise! Trade Dress, Defendants 12 have traded off the extensive goodwill of MGA and its L.O.L. Surprise! Products and did in fact 13 induce, and intend to, and will continue to induce customers to purchase Defendants' Infringing 14 Products, thereby directly and unfairly competing with MGA. Such conduct has permitted and will 15 continue to permit Defendants to make substantial sales and profits based on the goodwill and 16 reputation of MGA and its L.O.L. Surprise! Trade Dress, which Plaintiff has amassed through its 17 nationwide marketing, advertising, sales, and consumer recognition.

46. Defendants knew, or by the exercise of reasonable care should have known, that
their adoption and commencement of and continuing use in commerce of marks and artwork that are
identical or confusingly or substantially similar to and constitute reproductions of MGA's L.O.L.
Surprise! Trade Dress would cause confusion, mistake, or deception among purchasers, users, and
the public.

47. Upon information and belief, Defendants' aforementioned wrongful actions have
been knowing, deliberate, willful, intended to cause confusion, to cause mistake, and to deceive the
purchasing public and with the intent to trade on the goodwill and reputation of MGA, its L.O.L.
Surprise! Products and L.O.L. Surprise! Trade Dress.

48. As a direct and proximate result of Defendants' aforementioned actions, Defendants
have caused irreparable injury to MGA by depriving MGA of sales of its L.O.L. Surprise! Products

¹¹ COMPLAINT

1 and by depriving MGA of the value of their L.O.L. Surprise! Trade Dress as commercial assets in 2 an amount as yet unknown, but to be determined at trial, for which it has no adequate remedy at law, 3 and unless immediately restrained, Defendants will continue to cause substantial and irreparable 4 injury to MGA and the goodwill and reputation associated with the value of L.O.L. Surprise! Trade 5 Dress. 6 49. Based on Defendants' wrongful conduct, MGA is entitled to injunctive relief as well 7 as monetary damages and other remedies as provided by Cal. Bus. & Prof. Code § 14000, Et. Seq., 8 including damages that MGA has sustained and will sustain as a result of Defendants' illegal and 9 infringing actions as alleged herein, and all gains, profits and advantages obtained by Defendants as 10 a result thereof, enhanced discretionary damages and reasonable attorneys' fees and costs. 11 **SECOND CAUSE OF ACTION** 12 **Common Law Trade Dress Infringement** 13 50. Plaintiff repleads and incorporates by reference each and every allegation set forth in 14 the preceding paragraphs as if fully set forth herein. 15 51. MGA is the owner of all right, title, and interest in and to the and L.O.L. Surprise! 16 Trade Dress, and has continuously used the L.O.L. Surprise! Trade Dress in interstate commerce 17 since at least as early as October 12, 2016. 18 52. Defendants' conduct as alleged herein constitutes trade dress infringement under the 19 common law. 20 53. MGA is informed and believes and, based thereon alleges, that Defendants' conduct 21 was willful and intentional, and that Defendants directed and authorized the creation of the 22 Infringing Products for sale and sale in infringing packaging and trade dress. 23 54. As a direct and proximate result of the unlawful acts alleged herein, Plaintiff has and 24 is continuing to suffer damages and has suffered and will continue to suffer irreparable injury for 25 which Plaintiff has no adequate remedy at law, and Defendants has and will continue to profit and 26 receive other benefits. 27 111 28 111

1	THIRD CAUSE OF ACTION	
2	State Statutory Unfair Competition	
3	(Cal. Bus. & Prof. Code § 17200 et seq.)	
4	55. Plaintiff repleads and incorporates by reference each and every allegation set forth in	
5	the preceding paragraphs as if fully set forth herein.	
6	56. Plaintiff are the owners of all rights, title, and interest in the L.O.L. Surprise! Works,	
7	L.O.L. Surprise! Marks, and associated L.O.L. Surprise! Trade Dress.	
8	57. Plaintiff states, upon information and belief, and thereupon alleges, that Defendants	
9	have intentionally appropriated one or more of the L.O.L. Surprise! Works, L.O.L. Surprise! Marks,	
10	and/or L.O.L. Surprise! Trade Dress, or have made colorable imitations thereof, with the intent of	
11	causing confusion, mistake, and deception as to the source of their goods with the intent to pass off	
12	their goods as those of Plaintiffs and to place others in the position to pass off their goods as those	
13	of Plaintiff.	
14	58. Plaintiffs state, upon information and belief and thereupon allege, that Defendants'	
15	actions, including those specifically complained of herein, with respect to Defendants'	
16	misappropriation of Plaintiffs' L.O.L. Surprise! Trade Dress in connection with the offer for sale,	
17	sale, advertisement, and packaging of Infringing Products have violated the unfair competition laws	
18	of the State of California, specifically California Business and Professions Code §§ 17200 et seq.	
19	59. Plaintiff has no adequate remedy at law. The conduct of Defendants has caused, and	
20	if not enjoined, will continue to cause, Plaintiff irreparable harm and damage to their L.O.L.	
21	Surprise! Works, L.O.L. Surprise! Marks, and L.O.L. Surprise! Trade Dress and to Plaintiff's	
22	businesses, reputations, and goodwill.	
23	PRAYER FOR RELIEF	
24	WHEREFORE, MGA prays for judgment against Defendants as follows:	
25	A. For an award of Defendants' profits and MGA's damages pursuant to Cal. Bus. &	
26	Prof. Code §§ 14250 and 14250; treble damages in the amount equal to three (3) times such profits	
27	or damages, whichever is greater for willfully and intentionally using a mark or designation,	
28	knowing such mark or designation is likely to cause confusion, or to cause mistake, or to deceive as 13	

COMPLAINT

1 to the affiliation, connection, or association, and such other compensatory damages as the Court 2 determines to be fair and appropriate;

- 3 B. For an award of damages in an amount to be proven at trial for state statutory unfair 4 competition, pursuant to Cal. Bus. & Prof. Code § 17200 et seq.
- 5

C. For a preliminary and permanent injunction by this Court enjoining and prohibiting 6 Defendants, or their agents, and any employees, agents, servants, officers, representatives, directors, 7 attorneys, successors, affiliates, assigns, and entities owned or controlled by Defendants, and all 8 those in active concert or participation with Defendants who receives notice directly or otherwise of 9 such injunction from:

- 10 i. manufacturing, importing, exporting, advertising, marketing, promoting, distributing, 11 displaying, offering for sale, selling and/or otherwise dealing in the Infringing 12 Products:
- 13 ii. directly or indirectly infringing in any manner any of MGA's trademarks, copyrights, 14 or other rights (whether now in existence or hereafter created) including, without 15 limitation MGA's L.O.L. Surprise! Trade Dress;
- 16 iii. using any reproduction, counterfeit, copy or colorable imitation of Plaintiffs' 17 trademarks, copyrights, or other rights (whether now in existence or hereafter 18 created) including, without limitation, MGA's L.O.L. Surprise! Trade Dress to 19 identify any goods or services not authorized by MGA;
- 20 using any of MGA's trademarks, copyrights, or other rights (whether now in iv. 21 existence or hereafter created) including, without limitation, MGA's L.O.L. Surprise! 22 Trade Dress, or any other marks or artwork that are confusingly or substantially 23 similar L.O.L. Surprise! Trade Dress, on or in connection with Defendants' 24 manufacturing, importing, exporting, advertising, marketing, promoting, distributing, 25 displaying, offering for sale, selling, and/or otherwise dealing in the Infringing 26 Products;
- 27 using any false designation of origin or false description, or engaging in any action v. 28 which is likely to cause confusion, cause mistake, and/or to deceive members of the

1	trade and/or the public as to the affiliation, connection or association of any product		
2	manufactured, imported, exported, advertised, marketed, promoted, distributed,		
3		displayed, offered for sale, or sold by Defendants with MGA, and/or deceive	
4		members of the trade and/or public as to the origin, sponsorship, or approval of any	
5		product manufactured, imported, exported, advertised, marketed, promoted,	
6		distributed, displayed, offered for sale, or sold by Defendants and Defendants'	
7		commercial activities;	
8	vi.	engaging in the unlawful, unfair, or fraudulent business acts or practices, including,	
9		without limitation, the actions described herein, including advertising and/or dealing	
10		in any Infringing Products;	
11	vii.	engaging in any other actions that constitute unfair competition with MGA;	
12	viii.	engaging in any other act in derogation of MGA's rights;	
13	ix.	instructing, assisting, aiding or abetting any other person or entity in engaging in or	
14		performing any of the activities referred to in subparagraphs (i) through (xii) above.	
15	D.	For an order of the Court requiring that Defendants recall from any distributors and	
16	retailers and deliver up to MGA for destruction any and all infringing and/or Infringing Products		
17	and any and all packaging, labels, tags, advertising and promotional materials and any other		
18	materials in the possession, custody or control of such distributors and retailers that infringe any of		
19	MGA's trademarks or other rights including, without limitation, MGA's L.O.L. Surprise! Trade		
20	Dress, or bear any marks that are confusingly or substantially similar to MGA's L.O.L. Surprise!		
21	Trade Dress;		
22	E.	For an order of the Court requiring that Defendants deliver up for destruction to	
23	MGA any and	d all infringing and/or Infringing Products and any and all packaging, labels, tags,	
24	advertising, a	nd promotional materials and any other materials in the possession, custody or control	
25	of Defendants that infringe any of MGA's trademarks or other rights including, without limitation,		
26	MGA's L.O.L. Surprise! Trade Dress, or bear any marks that are confusingly or substantially		
27	similar to MGA's L.O.L. Surprise! Trade Dress;		
28			
		15	

1	F. For an order from the Court requiring that Defendants provide complete accountings
2	for any and all monies, profits, gains and advantages derived by Defendants from its manufacturing,
3	importing, exporting, advertising, marketing, promoting, distributing, displaying, offering for sale,
4	sale and/or otherwise dealing in the infringing and/or Infringing Products as described herein,
5	including prejudgment interest;
6	G. For an award of exemplary or punitive damages in an amount to be determined by
7	the Court;
8	H. For MGA's reasonable attorneys' fees
9	I. For all costs of suit; and
10	J. For such other and further relief as the Court may deem just and equitable.
11	DEMAND FOR JURY TRIAL
12	Plaintiff hereby demands a trial by jury.
13	DATED. 1.1. 24 2010
14	DATED: July 24, 2019 MGA ENTERTAINMENT, INC.
15	
16	By: /s/ Benjamin C. Johnson
17	BENJAMIN C. JOHNSON Attorney for Plaintiffs
18	MGA Entertainment, Inc.
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