

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

CRAYOLA PROPERTIES, INC.,

Plaintiff,

v.

WATCH_DEAL and THE INDIVIDUALS
AND ENTITIES OPERATING
WATCH_DEAL,

Defendants.

Case No. 22-cv-01356

Judge Edmond E. Chang



Magistrate Judge Sheila M. Finnegan

PRELIMINARY INJUNCTION ORDER

THIS CAUSE being before the Court on Plaintiff Crayola Properties, Inc.’s (“Plaintiff”) Motion for Entry of a Preliminary Injunction, and this Court having heard the evidence before it hereby GRANTS Plaintiff’s Motion for Entry of a Preliminary Injunction in its entirety against the fully interactive, e-commerce stores¹ operating under the seller aliases identified in Schedule A attached hereto (the “Seller Aliases”).

THIS COURT HEREBY FINDS that it has personal jurisdiction over the Defendants since the Defendants directly target their business activities toward consumers in the United States, including Illinois. Specifically, Defendants have targeted sales to Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more Seller Aliases, offer shipping to the United States, including Illinois, accept payment in U.S. dollars, and have sold products using infringing and counterfeit versions of Plaintiff’s federally registered trademarks (“CRAYOLA Trademarks”) to residents of Illinois. A list of the CRAYOLA Trademarks is included in the below chart.

¹ The e-commerce store urls are listed on Schedule A hereto under the Online Marketplaces.

Registration No.	Trademark	Goods and Services
1,105,850		For: Paint in class 002. For: Artists' painting paper; crayons; coloring sheets and coloring books in class 016. For: Children's play craft kits in class 028.
717,196		For: Crayons and chalk in class 016.
641,294	CRAYOLA	For: Finger paint in class 002.
644,752	CRAYOLA	For: Crayons in class 016.
987,896	CRAYOLA	For: Chalk for drawing and writing purposes in class 016.
1,088,807	CRAYOLA	For: Toy-namely, craft kits in class 028.
1,089,181	CRAYOLA	For: Art kits containing clay in class 016.
1,090,330	CRAYOLA	For: Markers in class 016.
1,146,580	CRAYOLA	For: Water colors in class 002.
1,156,890	CRAYOLA	For: Paints for artists and children in class 002.
1,116,380	CRAYOLA	For: Art kit containing paint in class 016.
1,160,926	CRAYOLA	For: Art and craft and stationery adhesives, such as white paste and glue in class 016.

1,173,166	CRAYOLA	For: Art and craft paints and art and craft brushes sold in the form of kits containing a brush and paint; paper for art and craft painting or coloring in class 016.
1,279,429	CRAYOLA	<p>For: Paints; colors in class 002.</p> <p>For: Chalk; crayons; crayon sharpeners; markers; modeling clay; art kits, art supplies and art materials comprising art brushes, art rubbing boards, art supplies and materials carrying cases, art drawing paper, art guide sheets and instructions, chalkboards, tables constructed to hold easels upright, easels, erasers, pencils, retainer trays for art materials and supplies, sketch pads, stencils, tracing paper, coloring kits, supplies and materials comprising coloring instructions, coloring books, pre-printed drawing sheets, wipe clean coloring surfaces; play books; coloring books; craft kits, craft supplies and craft materials for children and young people comprising art and craft glue, craft project booklets, worksheets and instructions, craft materials and supplies carrying pouches, craft drawing boards, construction paper, pre-printed and plain drawing paper, painting medium, playboards, scissors, tracing paper, wipe-off game boards in class 016.</p> <p>For: Hobby kits comprising crayoning and coloring games, game materials retainer trays, game instructions in class 028.</p>
4,361,571	CRAYOLA	For: Drawing toys in class 028.
5,966,044	SCRIBBLE SCRUBBIE	<p>For: Art activity kits containing washable marker pens in class 016.</p> <p>For: Art activity kits containing toy figurines in class 028.</p>
560,758	Silly PUTTY	For: Plastic known as organosilicon designed and sold for use as a modeling clay and amusement device by children in class 028.

4,237,806	SILLY PUTTY	For: Plastic known as organosilicon designed and sold for use as a modeling clay and amusement device by children, namely, toy putty in class 028.
5,814,705	GLOBBLES	For: Play balls in class 028.

THIS COURT FURTHER FINDS that injunctive relief previously granted in the Temporary Restraining Order (“TRO”) should remain in place through the pendency of this litigation and that issuing this Preliminary Injunction is warranted under Federal Rule of Civil Procedure 65. Evidence submitted in support of this Motion and in support of Plaintiff’s previously granted Motion for Entry of a Temporary Restraining Order establishes that Plaintiff has demonstrated a likelihood of success on the merits; that no remedy at law exists; and that Plaintiff will suffer irreparable harm if the injunction is not granted. Specifically, Plaintiff has proved a *prima facie* case of trademark infringement because (1) the CRAYOLA Trademarks are distinctive marks and are registered with the U.S. Patent and Trademark Office on the Principal Register, (2) Defendants are not licensed or authorized to use the CRAYOLA Trademarks, and (3) Defendants’ use of the CRAYOLA Trademarks is causing a likelihood of confusion as to the origin or sponsorship of Defendants’ products with Plaintiff. Furthermore, Defendants’ continued and unauthorized use of the CRAYOLA Trademarks irreparably harms Plaintiff through diminished goodwill and brand confidence, damage to Plaintiff’s reputation, loss of exclusivity, and loss of future sales. Monetary damages fail to address such damage and, therefore, Plaintiff has an inadequate remedy at law. Moreover, the public interest is served by entry of this Preliminary Injunction to dispel the public confusion created by Defendants’ actions. As such, this Court orders that:

1. Defendants, their officers, agents, servants, employees, attorneys, and other persons acting in active concert with them be preliminarily enjoined and restrained from:
 - a. using the CRAYOLA Trademarks or any reproductions, counterfeit copies or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine Crayola product or not authorized by Plaintiff to be sold in connection with the CRAYOLA Trademarks;
 - b. passing off, inducing, or enabling others to sell or pass off any product as a genuine Crayola product or any other product produced by Plaintiff, that is not Plaintiff's or not produced under the authorization, control or supervision of Plaintiff and approved by Plaintiff for sale under the CRAYOLA Trademarks;
 - c. committing any acts calculated to cause consumers to believe that Defendants' products are those sold under the authorization, control or supervision of Plaintiff, or are sponsored by, approved by, or otherwise connected with Plaintiff;
 - d. further infringing the CRAYOLA Trademarks and damaging Plaintiff's goodwill; and
 - e. manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Plaintiff, nor authorized by Plaintiff to be sold or offered for sale, and which bear any of Plaintiff's trademarks, including the CRAYOLA Trademarks, or any reproductions, counterfeit copies or colorable imitations thereof.
2. Upon Plaintiff's request, any third party with actual notice of this Order who is providing services for any of the Defendants, or in connection with any of Defendants' Online

Marketplaces, including, without limitation, any online marketplace platforms such as eBay, Inc. (“eBay”), AliExpress, Alibaba Group Holding Ltd. (“Alibaba”), Amazon.com, Inc. (“Amazon”), DHgate, and ContextLogic Inc. d/b/a Wish.com (“Wish.com”) (collectively, the “Third Party Providers”) shall, within ten (10) business days after receipt of such notice, provide to Plaintiff expedited discovery, including copies of all documents and records in such person’s or entity’s possession or control relating to:

- a. the identities and locations of Defendants, their agents, servants, employees, confederates, attorneys, and any persons acting in concert or participation with them, including all known contact information and all associated e-mail addresses;
- b. the nature of Defendants’ operations and all associated sales, methods of payment for services and financial information, including, without limitation, identifying information associated with the Online Marketplaces and Defendants’ financial accounts, as well as providing a full accounting of Defendants’ sales and listing history related to their respective Online Marketplaces; and
- c. any financial accounts owned or controlled by Defendants, including their agents, servants, employees, confederates, attorneys, and any persons acting in concert or participation with them, including such accounts residing with or under the control of any banks, savings and loan associations, payment processors or other financial institutions, including, without limitation, PayPal, Inc. (“PayPal”), eBay, Alipay, Alibaba, Ant Financial Services Group (“Ant Financial”), Amazon Pay, Wish.com, or other merchant account providers, payment providers, third party processors, and credit card associations (e.g., MasterCard and VISA).

3. Upon Plaintiff's request, those with notice of the injunction, including Third Party Providers as defined in Paragraph 2, shall within ten (10) business days after receipt of such notice, disable and cease displaying any advertisements used by or associated with Defendants in connection with the sale of counterfeit and infringing goods using the CRAYOLA Trademarks.
4. Defendants shall be temporarily and preliminarily restrained and enjoined from transferring or disposing of any money or other of Defendants' assets until further ordered by this Court.
5. Any Third Party Providers, including PayPal, eBay, Alipay, Alibaba, Ant Financial, Wish.com, and Amazon Pay, shall, within ten (10) business days of receipt of this Order:
 - a. locate all accounts and funds connected to Defendants' Seller Aliases and Online Marketplaces, including, but not limited to, any financial accounts connected to the information listed in Schedule A hereto; and
 - b. restrain and enjoin any such accounts or funds from transferring or disposing of any money or other of Defendants' assets until further ordered by this Court.
6. Plaintiff is authorized to issue expedited written discovery, pursuant to the Federal Rules of Civil Procedure 33, 34 and 36, related to:
 - a. the identities and locations of Defendants, their agents, servants, employees, confederates, attorneys, and any persons acting in concert or participation with them, including all known contact information, including any and all associated e-mail addresses; and
 - b. the nature of Defendants' operations and all associated sales, methods of payment for services and financial information, including, without limitation, identifying

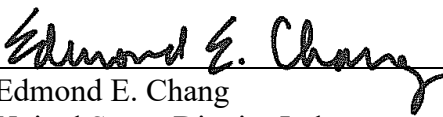
information associated with the Online Marketplaces and Defendants' financial accounts, as well as providing a full accounting of Defendants' sales and listing history related to their respective Online Marketplaces.

Plaintiff is authorized to issue any such expedited discovery requests via e-mail. Defendants shall respond to any such discovery requests within ten (10) business days of being served via e-mail.

7. Plaintiff may provide notice of these proceedings to Defendants, including service of process pursuant to Fed. R. Civ. P. 4(f)(3), and any future motions, by electronically publishing a link to the Complaint, this Order and other relevant documents on a website and by sending an e-mail to Defendants that includes a link to said website. The Clerk of the Court is directed to issue a single original summons in the name of "watch_deal and the Individuals and Entities Operating watch_deal" that shall apply to all Defendants. The combination of providing notice via electronic publication and e-mail, along with any notice that Defendants receive from payment processors, shall constitute notice reasonably calculated under all circumstances to apprise Defendants of the pendency of the action and afford them the opportunity to present their objections.
8. Schedule A to the Complaint [2] and the Amended Complaint [14], Exhibit 2 to the Declaration of Al Mauro [19], and the TRO [24] are unsealed.
9. Any Defendants that are subject to this Order may appear and move to dissolve or modify the Order as permitted by and in compliance with the Federal Rules of Civil Procedure and Northern District of Illinois Local Rules.
10. The \$1,000 bond posted by Plaintiff shall remain with the Court until a Final disposition of this case or until this Preliminary Injunction is terminated.

IT IS SO ORDERED.

Dated: March 31, 2022



Edmond E. Chang
United States District Judge

**Crayola Properties, Inc. v. watch_deal and the Individuals and Entities Operating watch_deal -
Case No. 22-cv-01356**

Schedule A

Defendant Online Marketplaces		
No	URL	Name / Seller Alias
1	ebay.com/usr/watch_deal	watch_deal