

1 **KRONENBERGER ROSENFELD, LLP**
 2 Karl S. Kronenberger (Bar No. 226112)
 3 Liana W. Chen (Bar No. 296965)
 4 150 Post Street, Suite 520
 5 San Francisco, CA 94108
 6 Telephone: (415) 955-1155
 7 Facsimile: (415) 955-1158
 8 Karl@KRInternetLaw.com
 9 Liana@KRInternetLaw.com
 10
 11 Attorneys for Plaintiff Zon Tools, Inc.
 12 dba Zon Tools

13 **UNITED STATES DISTRICT COURT**
 14 **NORTHERN DISTRICT OF CALIFORNIA**

15 **ZON TOOLS, INC. dba ZON TOOLS**, a
 16 Delaware corporation,

17 Plaintiff,

18 v.

19 **ZONTOOLS.COM**, an Internet domain
 20 name,

21 Defendant.

Case No. 5:19-cv-00721

**COMPLAINT FOR
 CYBERSQUATTING *IN REM***



1 Plaintiff Zon Tools, Inc. dba Zon Tools (“Plaintiff”), by and through its undersigned
2 counsel, states and alleges as follows:

3 **NATURE OF THE SUIT**

4 1. This is an *in rem* action for calculated cybersquatting and infringement
5 under 15 U.S.C. §1125.

6 2. The registrant ZonTools LLP (“Registrant”) of the subject Defendant domain
7 name ZonTools.com (“Domain Name”) deceptively posed as one of Plaintiff’s customers
8 in order to obtain Plaintiff’s confidential and proprietary information; registered the
9 Domain Name, which contains Plaintiff’s exact trademark, in an attempt disrupt Plaintiff’s
10 business; and thereafter, in a flagrant act of extortion, demanded money for the transfer
11 of the Domain Name to Plaintiff. These actions constitute clear violations of 15 U.S.C.
12 §1125, and thus Plaintiff seeks transfer of the Domain Name through this *in rem* case.

13 **JURISDICTION AND VENUE**

14 3. This Court has *in rem* jurisdiction over the Domain Name pursuant to 15
15 U.S.C. §1125(d)(2), as the Domain Name constitutes personal property located within the
16 territorial jurisdiction of the United States and this District.

17 4. Pursuant to 15 U.S.C. §1125(d)(2)(A)(ii)(I), on information and belief, there
18 is no in personam jurisdiction over Registrant or any person who would have been a
19 defendant, including because Registrant and any such persons are located in Singapore
20 without sufficient contacts in this forum to establish in personam jurisdiction. Accordingly,
21 Plaintiff is entitled by statute to bring this *in rem* action.

22 5. Venue is proper in this District pursuant to 15 U.S.C. §1125(d)(2) because
23 Verisign, Inc., the .com registry of the Domain Name, is located in this District by virtue of
24 Verisign, Inc. maintaining an office in the District, including as confirmed by Verisign,
25 Inc.’s annual filings with California’s Secretary of State. *See Office Depot Inc. v.*
26 *Zuccarini*, 596 F.3d 696 (9th Cir. 2010); *OnNet USA, Inc. v. Play9D.com*, No. C 12-06282
27 LB, 2013 WL 120319 (N.D. Cal. Jan. 8, 2013).

28 //



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

INTRADISTRICT ASSIGNMENT

6. This action arises in Santa Clara and San Francisco Counties, where a substantial part of the events or omissions which give rise to the claims alleged herein occurred and in which a substantial part of the property that is the subject of this action is located. However, this action is excluded from the division-specific venue rule, as the case involves Intellectual Property Rights under Local Rule 3-2(c).

THE PARTIES

7. Plaintiff is a Delaware corporation and the owner of the ZON TOOLS and ZON.TOOLS marks (collectively, "Mark").

8. The Defendant Domain Name is ZonTools.com.

9. The Registrant of the Domain Name is ZonTools LLP. On information and belief, Registrant is organized under the laws of, and has a principal place of business in, Singapore, where it has a registered address. Registrant's specific contact information is being concealed by the registrar and/or a privacy service. Nonetheless, Plaintiff provided notice of its intent to file this lawsuit to Registrant via Skype, and Registrant responded, confirming receipt of the notice via Skype.

10. As noted, the .com registry for the Domain Name is Verisign, Inc., which is located in this District, by virtue of Verisign, Inc. maintaining an office in the District.

FACTUAL ALLEGATIONS

Plaintiff's Mark and Rights

11. Plaintiff is a prominent business that assists Amazon sellers worldwide.

12. In particular, Plaintiff offers a proprietary Amazon Management and Automation Software that, among other things, automates Amazon Sponsored Products best practices and allows Plaintiff's clients to manage campaigns in an unprecedented way.

13. Plaintiff provides its innovative software as a service (SaaS), offering a suite of online tools to help Amazon sellers from around the globe.

14. As part of its booming business, Plaintiff (which was incorporated in 2017)



1 owns and uses the Mark in interstate commerce in connection with its goods and
2 services, including by prominently displaying the Mark on, among other things, its
3 website at <www.Zon.Tools> (which Plaintiff created in and has used since 2017).

4 15. Plaintiff's Mark is inherently distinctive because it is not a generic term, and
5 it does not merely describe Plaintiff's services. In fact, there is no dictionary definition of
6 the term "Zon" relating to any goods or services remotely similar to Plaintiff's services.

7 16. Plaintiff has expended significant sums in advertising and promoting its
8 brand in connection with its Mark, and the Mark is identified in the public's mind with the
9 products and services originating with Plaintiff.

10 17. Plaintiff has consistently and extensively promoted its Mark and services
11 through numerous well-known sources, including various websites, YouTube, and
12 Facebook, which have recognized Plaintiff's expansive growth since its inception and
13 especially since January 2018.

14 18. For example, Plaintiff has commonly used the Mark in reference to
15 Plaintiff's services on LinkedIn.com and numerous posts on Plaintiff's Facebook page at
16 <www.facebook.com/groups/zon.tools> (which was created in and used since December
17 2017) in connection with the sale and advertising of Plaintiff's services.

18 19. Plaintiff has managed thousands of Amazon accounts using its Mark and
19 services and has thousands of "members" on its Facebook page.

20 20. Plaintiff has significant sales volumes in connection with its Mark and
21 services, and Plaintiff manages millions of advertising spend on a monthly basis.

22 21. The Mark and Plaintiff's services have also been featured in publications
23 around the world, including multiple reputable sources in the industry, such as Jungle
24 Scout, FBA Millionaires, FreeeUp, Seller.Tools, Amz Q4, and DemoMondays.

25 22. Plaintiff's terms of service on its website at <www.Zon.Tools> further
26 highlight Plaintiff's rights in its Mark, stating: "The Company name and logo, and all
27 related names, logos, product and service names, designs, and slogans are the property
28 of the Company or its affiliates or licensors. You must not use such marks without the



1 prior written permission of the Company.”

2 23. Based on its use of the Mark in commerce, in association with the
3 advertisement, provision, distribution, and promotion of its services, Plaintiff is entitled to
4 trademark protection, and has trademark rights in, its Mark.

5 24. The manner, length, and exclusivity of Plaintiff’s use of its Mark in its field of
6 services support Plaintiff’s rights in the Mark and are demonstrated by new and existing
7 consumer confusion between the Mark and Registrant’s infringement, as outlined below.

8 **Unlawful Registration and Use of the Domain Name**

9 25. On information and belief, Registrant identified Plaintiff’s Mark as a target
10 for cybersquatting at least one month prior to registering the Domain Name.

11 26. More specifically, in or before June 2018, Registrant began carefully
12 tracking Plaintiff’s proprietary SaaS and consumer following in preparation to cybersquat
13 at the Domain Name and to divert Plaintiff’s customers. As part of its scheme,
14 Registrant’s agent “Ada Chao” became a Facebook “friend” of Plaintiff’s principal on
15 Facebook and joined Plaintiff’s Facebook group at www.facebook.com/groups/zon.tools
16 (i.e., a Facebook group devoted to Plaintiff’s services using the Mark).

17 27. After obtaining specifics about Plaintiff’s SaaS and Plaintiff’s consumer
18 following—and having determined that it could unfairly profit from cybersquatting at the
19 Domain Name—Registrant registered the Domain Name in July 2018.

20 28. The Domain Name is identical to Plaintiff’s Mark and name.

21 29. Registrant has also been using a similar logo matching the look and feel of
22 Plaintiff’s logo for the purpose of, on information and belief, creating customer confusion
23 between the Plaintiff and the Domain Name, as demonstrated by just one example below
24 (with Plaintiff’s use on the left and Registrant’s use on the right):



27 30. On information and belief, Registrant registered the Domain Name with the
28 intent to (1) profit from Plaintiff’s Mark and consumer confusion, including by diverting



1 Plaintiff's existing and prospective customers to the Domain Name, and (2) profit from
2 selling the Domain Name to Plaintiff for an exorbitant and unreasonable sum.

3 31. Registrant's bad faith is highlighted by how it has been redirecting Plaintiff's
4 customers and claiming access to their sensitive customer data. As background, Amazon
5 has reports containing proprietary and confidential information for each user; as part of
6 Plaintiff's Amazon-related SaaS, each user gives Plaintiff permission through a unique
7 "token" to request and obtain the user's information from Amazon, and then Plaintiff
8 obtains the user information from Amazon to run its reporting and automation. On
9 information and belief, Registrant is claiming to have access to this confidential and
10 proprietary information about Plaintiff's customers, who Registrant is attempting to target,
11 redirect, and divert through use of Plaintiff's Mark.

12 32. Moreover, by Registrant publicizing that it has access to this confidential
13 and proprietary customer data (i.e. information that is supposed to be maintained as
14 confidential by Plaintiff), Registrant is (inaccurately) communicating to Plaintiff's
15 customers that Plaintiff is recklessly breaching customer confidentiality.

16 33. On information and belief, Registrant does not have, never had, and does
17 not intend to have any bona fide or fair use, commercial or otherwise, in connection with
18 the Mark or Domain Name.

19 34. On information and belief, Registrant did not believe or have reasonable
20 grounds to believe that use of the Domain Name was fair use or otherwise lawful use.

21 35. Rather, on information and belief, Registrant intentionally used the Domain
22 Name to harm Plaintiff's goodwill in the Mark for Registrant's own commercial gain or
23 with the intent to tarnish or disparage the Mark by creating a likelihood of confusion as to
24 the source, sponsorship, affiliation, or endorsement of goods or services.

25 36. Registrant's misconduct is likely to cause, and in fact has caused, actual
26 consumer confusion as to Registrant and the Domain Name, on the one hand, and
27 Plaintiff and Plaintiff's Mark and goods and services, on the other hand.

28 37. Registrant's misconduct has caused—as intended by Registrant—harm to



1 Plaintiff's reputation and goodwill associated with Plaintiff's Mark, including as existing
2 and prospective customers think that Plaintiff is selling their confidential information.

3 38. Registrant's misconduct has further caused harm to Plaintiff through
4 diversion of sales, lost profits, and misappropriation of trade secret, confidential, and
5 proprietary data.

6 39. Plaintiff attempted to resolve this matter without Court intervention by
7 requesting that Registrant transfer the Domain Name. Registrant refused to transfer the
8 Domain Name for a fair market price; rather, as part of its scheme to cybersquat and
9 unfairly profit from its use of Plaintiff's Mark, Registrant demanded that Plaintiff pay
10 Registrant an exorbitant and extortionate price to transfer the Domain Name. Moreover,
11 Registrant indicated that it would keep the Domain Name inactive for a year if Plaintiff
12 essentially paid a "down payment" amount now and saved money to pay Registrant the
13 rest of the (extremely excessive) purchase price in one year.

14 40. Implicit in Registrant's demand to sell the Domain Name for an exorbitant
15 profit is Registrant's veiled threat that, if Plaintiff does not pay the entire amount,
16 Registrant will continue to claim access to Plaintiff's proprietary and confidential
17 information and use that data to infringe on the Mark, unfairly profit, and harm Plaintiff.

18 41. On information and belief, Registrant only registered the Domain Name to
19 transfer, sell, or assign it to Plaintiff (or a third party) for financial gain without having any
20 intent to continue using the Domain Name for any bona fide offering of goods or services.

21 42. While there is only one Domain Name at issue in this action, on information
22 and belief, Registrant has a pattern and practice of registering and using multiple domain
23 names (including amzdatastudio.com and expertsroundup.com, where Registrant
24 displays the Mark to likewise divert Plaintiff's customers to the Domain Name) for its bad
25 faith scheme to profit off of Plaintiff's Mark with hopes that consumers will pay Registrant
26 for services actually offered by Plaintiff and to entice Plaintiff to pay Registrant a
27 substantial fee to transfer the unlawfully registered domain names.

28 //



1 **FIRST CLAIM FOR RELIEF**

2 ***In Rem* Violation of the Anti-Cybersquatting Consumer Protection Act**

3 43. Plaintiff repeats and incorporates each allegation contained in the
4 paragraphs above as if fully alleged herein.

5 44. At the time Registrant registered and used the Domain Name, Plaintiff
6 possessed valid trademark rights in the Mark; and Plaintiff's Mark was distinctive and
7 entitled to protection prior to Registrant's registration of the Domain Name.

8 45. Registrant used, registered, and/or trafficked in the Domain Name, which is
9 identical to Plaintiff's Mark and name.

10 46. In light of the registrar and/or privacy service's concealment of the identity
11 of the owner of the Domain Name, and given the evidence that Registrant is a business
12 organized and doing business in Singapore, there is no in personam jurisdiction over
13 Registrant or any other person who would have been a defendant in a civil action.

14 47. Registrant's actions as described above, including registration and use of
15 the Domain Name, constitute bad faith use of Plaintiff's Mark and name in violation of
16 Section 43(d) of the Lanham Act, 15 USC §1125(d)(2)(A) et seq., and unlawful
17 cyberpiracy in violation of the Anti-Cybersquatting Consumer Protection Act, 15 U.S.C.
18 §1125(d)(1) et seq.

19 48. As a direct and proximate result of Registrant's and Domain Name's actions
20 as described above, Plaintiff has been damaged and will continue to be damaged,
21 including in the irreparable harm to Plaintiff's value and goodwill associated with its Mark.

22 49. Plaintiff has no adequate remedy at law.

23 **SECOND CLAIM FOR RELIEF**

24 ***In Rem* Trademark Infringement**

25 50. Plaintiff repeats and incorporates each allegation contained in the
26 paragraphs above as if fully alleged herein.

27 51. At the time Registrant registered and used the Domain Name, Plaintiff
28 possessed valid trademark rights in the Mark; and Plaintiff's Mark was distinctive and



1 entitled to protection prior to Registrant’s registration of the Domain Name.

2 52. Registrant used, registered, and/or trafficked in the Domain Name, which is
3 identical to Plaintiff’s Mark and name.

4 53. In light of the registrar and/or privacy service’s concealment of the identity
5 of the owner of the Domain Name, and given the evidence that Registrant is a business
6 organized and doing business in Singapore, there is no in personam jurisdiction over
7 Registrant or any other person who would have been a defendant in a civil action.

8 54. The registration and use of the Domain Name constitutes a use in
9 commerce that affects Plaintiff’s ability to use its Mark in commerce and that has caused
10 and is likely to cause confusion, mistake, and/or deception among consumers, leading
11 the public to falsely believe that the Domain Name and the website(s) provided
12 thereunder are those of, are sponsored or approved by, or are connected with Plaintiff.

13 55. Registrant and Defendant Domain Name have no valid rights in the Mark,
14 and their use of the Mark is without the permission or authorization of Plaintiff.

15 56. As a direct and proximate result of Registrant’s and Domain Name’s actions
16 as described above, Plaintiff has been damaged and will continue to be damaged,
17 including in the irreparable harm to Plaintiff’s value and goodwill associated with its Mark.

18 57. Plaintiff has no adequate remedy at law.

19 **PRAYER FOR RELIEF**

20 **WHEREFORE**, Plaintiff respectfully requests judgment as follows:

21 1. A preliminary and permanent injunction and judgment ordering the transfer
22 of the registration and control of the Domain Name to Plaintiff; and

23 //

24 //

25 //

26 //

27 //

28 //



