

Provided by: Overhauser Law Offices LLC www.iniplaw.org w.overhauser.com

15 U.S.C. § 1114,

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF INDIANA **INDIANAPOLIS DIVISION**

DELTA FAUCET COMPANY,	
Plaintiff,	Case No. 1:24-CV-1901
v. JUSTIN BUNDRICK, ANDREW BUNDRICK and JOHN DOES 1-10,	COMPLAINT FOR DAMAGES, INJUNCTIVE, AND OTHER RELIEF FOR VIOLATION OF 15 U.S.C. § 1114 15 U.S.C. § 1125(a), AND RELATED CLAIMS
Defendants.	JURY DEMAND ENDORSED HEREON

Plaintiff Delta Faucet Company, an Indiana corporation ("Plaintiff" or "Delta"), brings this action against Defendants Andrew Bundrick and Justin Bundrick (collectively, "Defendants") for trademark infringement in violation of the Lanham Act, 15 U.S.C. §§ 1114 and 1125(a); unfair competition in violation of 15 U.S.C. § 1125(a)(1)(A); common law trademark infringement and unfair competition; conversion under the Indiana Code § 35-43-4-3, and alleges as follows. These claims arise from Defendants' misappropriation of Delta's trademarks in connection with Defendants' unlawful and unauthorized sale of non-genuine products bearing Delta's trademarks on the Internet. In support of its Complaint, Delta alleges as follows:

PARTIES

1. Plaintiff is a corporation, organized under the laws of Indiana, with its principal place of business located in Indianapolis, Indiana.

2. Defendant Justin Bundrick is a natural person who, upon information and belief, resides at 2237 Highway 41, Perry, GA 31069. Justin Bundrick is identified as the operator of an online storefront on Amazon that is currently called "SummitMerch," with a Merchant ID number of A2PC76C72EEZTS:

SummitMerch

Visit the SummitMerch storefront

 \star

Detailed Seller Information

Business Name: Justin Viet Bundrick Business Address: 2237 US Highway 41 N PERRY GA 31069 US

3. The "SummitMerch" storefront can be accessed at https://www.amazon.com/sp?seller=A2PC76C72EEZTS. Justin Bundrick sells infringing products bearing Delta's trademarks through the "SummitMerch" storefront. The "SummitMerch" storefront was previously called "Bunji."

4. Defendant Andrew Bundrick is a natural person who, upon information and belief, resides at 5330 Cassandra Smith Rd., Hixson, TN 37343. Andrew Bundrick is identified as the operator of an online storefront on www.amazon.com ("Amazon") that is currently called "A.B.Sales," with a Merchant ID number of A3BKKDB4BHS8RP:

A.B.Sales

Visit the A.B.Sales storefront ★★★★★ | 92% positive in the last 12 months (25 ratings)

Detailed Seller Information

Business Name: Andrew R Bundrick Business Address: 5330 Cassandra Smith Rd Hixson TN 37343 US 5. The "A.B.Sales" storefront can be accessed at https://www.amazon.com/sp?seller=A3BKKDB4BHS8RP. Andrew Bundrick sells infringing products bearing Delta's trademarks through the "A.B.Sales" storefront.

6. Delta asserts claims against Defendants in their individual capacities. Upon information and belief, Defendants jointly operate and/or collaborate in the operation and sales of products through both the "SummitMerch" and "A.B.Sales" storefronts.

7. Delta believes that other individuals or entities may be responsible for the events and occurrences referred to herein or be otherwise interested in the outcome of the dispute. The true names, involvement, and capacities, whether individual, corporate, associated, or otherwise of these individuals or entities are unknown to Delta. Therefore, Delta sues these defendants by the fictitious names John Does 1 through 10. When the true names, involvement, and capacities of these parties are ascertained, Delta will seek leave to amend this Complaint accordingly. If Delta does not identify any such parties, it will dismiss these defendants from this action.

JURISDICTION

8. This Court has subject-matter jurisdiction over this matter pursuant to 28 U.S.C. § 1331, 28 U.S.C. § 1338, and 28 U.S.C. § 1367. Plaintiff's federal claims are predicated on 15 U.S.C. § 1114 and 15 U.S.C. § 1125(a), and its claims arising under the laws of the State of Indiana are substantially related to its federal claims such that they form part of the same case or controversy under Article III of the United States Constitution.

9. This Court has personal jurisdiction over Defendants because they have expressly aimed tortious activities toward the State of Indiana and established sufficient minimum contacts with Indiana by, among other things, advertising and selling infringing products bearing Delta's trademarks to consumers within Indiana through a highly interactive commercial website, through

selling and shipping infringing products directly in to Indianna through Delta's specific test purchases, through the regular course of business, with the knowledge that Delta is located in Indiana and is harmed in Indiana as a result of Defendants' sales of infringing products to Indiana residents. Defendants know that Delta is located in Indiana, among other reasons, because they received one or more cease-and-desist letters informing them that Delta is located in Indiana and is harmed in Indiana by their unlawful actions. Delta's claims arise out of Defendants' sales of infringing products bearing Delta's trademarks to Indiana residents through the regular course of business.

10. Defendants continue to engage in these actions despite being put on notice of their illegal conduct and the impendency of this action.

VENUE

11. Venue is properly founded in this judicial district pursuant to 28 U.S.C. § 1391(b), because a substantial part of the events giving rise to the claims herein occurred within this judicial district.

FACTUAL ALLEGATIONS

Delta & Its Trademarks

12. Delta markets and sells high-quality kitchen, bar, beverage, bathroom, and tub faucets; pot fillers; sink and counter accessories; showerheads; bathing products; towel bars and similar accessories, including products under the Delta® brand name ("Delta Products").

13. Founded in 1954, Delta is known as "America's Faucet Innovation Leader."

14. The Delta® brand goes beyond excellent design to incorporate smart thinking that anticipates consumers' needs, providing thoughtful innovations and inspirational designs that delight. From Touch₂O® Technology that turns faucets on and off with just a tap, to a

DIAMOND[™] valve that helps the faucet last up to 5 million uses, Delta faucets provide a better way to experience water.

15. As a company that delivers water every day to residential and commercial buildings, Delta places a high priority on products that address today's environmental concerns, such as water conservation and water quality.

16. To that end, Delta invests in internal processes and systems that provide innovative solutions and ensure exceptional consumer satisfaction.

17. Delta allows its products to be purchased by end-user consumers in the United States only from Delta itself or from sellers who are expressly authorized by Delta to sell Delta Products ("Authorized Sellers").

18. Delta permits Authorized Sellers to sell Delta Products in approved channels only and requires Authorized Sellers to abide by agreements, policies, and other rules that impose requirements relating to quality controls, customer service, and other sales practices (collectively, the "Delta Rules").

19. Delta devotes a significant amount of time, energy, and resources toward protecting the value of its brands, products, name, and reputation. By allowing end-user consumers to purchase Delta Products only from Delta itself or from Authorized Sellers who are required to follow the quality controls and other requirements in the Delta Rules, Delta ensures that consumers receive products that are subject to its quality controls and maintain the integrity and reputation of the Delta brands. In the highly competitive kitchen, bathroom, and home improvement market, quality and customer service are a fundamental part of a consumer's decision to purchase a product.

20. To promote and protect the Delta brands, Delta has registered numerous trademarks with the United States Patent and Trademark Office, including but not limited to: DELTA® (Reg. No. 5,273,845); DELTA® (Reg. No. 2,583,761); DELTA® (Reg. No. 3,062,101); DELTA® (Reg. No. 2,586,604); DELTA® (Reg. No. 4,518,067)); DELTA® (Reg. No. 0,668,880); and DELTA® (Reg. No. 4,638,296) (collectively, the "Delta Trademarks").

21. The registration for each of the Delta Trademarks is valid, subsisting, and in full force and effect.

22. Delta actively uses, advertises, and markets the Delta Trademarks in commerce.

23. Consumers recognize the Delta Trademarks as being associated with high-quality kitchen, bathroom, and home improvement market products.

24. Due to the quality and exclusive distribution of Delta's products, and because Delta is recognized as the source of high-quality products, the Delta Trademarks have enormous value.

Online Marketplaces and the Challenge They Present to Delta Product Quality

25. E-commerce retail sales have exploded over the past decade. From 2009 through the second quarter of 2024, the percentage of total retail sales in the United States that were completed through e-commerce channels rose from 3.8% to 16.0%. *E-Commerce Retail Sales as a Percent of Total Sales*, Federal Reserve Bank of St. Louis (updated Aug. 19, 2024), https://fred.stlouisfed.org/series/ECOMPCTSA.

26. In 2023, consumers spent \$1.119 trillion on e-commerce sales, representing 22% of total retail sales. *See* Jessica Young, *U.S. ecommerce grows 14.2% in 2021*, Digital Commerce 360 (February 18, 2022), https://www.digitalcommerce360.com/article/us-ecommerce-sales/.

27. While online marketplaces have created a great deal of opportunity, they also greatly challenge a brand owner's ability to control the quality of its products.

28. Unlike when purchasing products at a brick-and-mortar store, consumers who purchase products through online marketplaces cannot touch, inspect, or interact with products before purchasing them. Instead, consumers must trust that the product they receive from an online order will be authentic and of the quality they expect and typically receive from the manufacturer.

29. Online marketplaces have an exceedingly low barrier to entry, do not require sellers to be authorized sellers of the products they sell, and do not require sellers to disclose to consumers whether they are an authorized or unauthorized seller. As a result, any person who is able to obtain a brand owner's products through unauthorized diversion can sell the products on online marketplaces while concealing that they are an unauthorized seller who is outside of, and does not abide by, the brand owner's quality controls.

30. Online marketplaces are overrun by unauthorized sellers who have no relationship with (or obligations to) brand owners who exercise quality controls over their products sold by authorized sellers. It is unfortunately common for unauthorized sellers to sell diverted products on online marketplaces that are of lesser quality than products sold through brand owners' authorized channels. *See* Scott Cohn, *Greed Report: Your quest for savings could land you in the "gray market,"* CNBC, Sept. 8, 2016, https://www.cnbc.com/2016/09/08/greed-report-your-quest-for-savings-could-land-you-in-the-gray-market.html; Alexandra Berzon et al., *Amazon Has Ceded Control of Its Site. The Result: Thousands of Banned, Unsafe or Mislabeled Products*, THE WALL STREET JOURNAL, Aug. 23, 2019, https://www.wsj.com/articles/amazon-has-ceded-control-of-its-site-the-result-thousands-of-banned-unsafe-or-mislabeled-products-11566564990. It is also common for unauthorized sellers to sell products that are previously used—including products retrieved from dumpsters—as "new" on online marketplaces. *See* Khadeeja Safdar et al., *You*

Might Be Buying Trash on Amazon—Literally, THE WALL STREET JOURNAL, Dec. 18, 2019, https://www.wsj.com/articles/you-might-be-buying-trash-on-amazonliterally-11576599910.

The business press has also reported extensively on how there is an "epidemic" of 31. counterfeit products being sold on online marketplaces that diverters are exploiting because they know consumers trust marketplaces and think the products they are buying through the marketplaces are genuine. See Spencer Soper, Amazon Gets Real About Fakes, Bloomberg, Nov. 28, 2016, https://www.bloomberg.com/news/articles/2016-11-28/amazon-gets-real-aboutfakes; Jay Greene, How Amazon's quest for more, cheaper products has resulted in a flea markets of fakes, The WASHINGTON Post, Nov. 14, 2019. https://www.washingtonpost.com/technology/2019/11/14/how-amazons-quest-more-cheaperproducts-has-resulted-flea-market-fakes/?arc404=true.

32. The problem of sales of counterfeit and other poor-quality products on online marketplaces has become so serious that, in November 2019, the United States Senate Finance Committee issued a bipartisan report on the issue. The Committee found that the rise of e-commerce has fundamentally changed how consumers shop for products and that, as e-commerce has grown, counterfeit goods and products that "violate a right holder's trademark or copyright" are being sold at an accelerating rate on e-commerce platforms. The Committee concluded that these sales are a "significant threat" to rights holders' brands and to consumers, and that under current law it is up to rights holders to protect their intellectual property rights online. See Senate Finance Committee, The Fight Against Fakes: How Statutory and Regulatory Prevent Sharing of Information on Counterfeits, Barriers the Nov. 7, 2019. https://www.finance.senate.gov/imo/media/doc/The%20Fight%20Against%20Fakes%20%20(20 19-11-07).pdf.

33. In its 2018-2023 annual reports to its shareholders, Amazon acknowledged that third-party sellers on its marketplace are selling products that are "counterfeit," "pirated," "stolen," or otherwise "materially different" from the products that are described to consumers. *See, e.g.,* Amazon.com, Inc., Annual Report (Form 10-K), at 8 (Feb. 2, 2024), *available at* https://d18rn0p25nwr6d.cloudfront.net/CIK-0001018724/c7c14359-36fa-40c3-b3ca-

5bf7f3fa0b96.pdf. Amazon conceded that these actions are "violating the proprietary rights of others" and warned its investors that it could be liable for "unlawful activities" of Amazon third-party sellers.

34. Because brand owners have no relationship with or control over unauthorized sellers, brand owners have no ability to exercise their quality controls over products sold by unauthorized sellers or to ensure the products are safe and authentic. A brand owner's inability to exercise control over the quality of its products presents serious risks to the health and safety of consumers—particularly when, as here, a brand owner's products are used to supply drinking water.

35. The structure, construction, and user interface of online marketplaces also pose threats to a brand owner's ability to maintain its goodwill, reputation, and brand integrity.

36. When purchasing products on an online marketplace, consumers are ordinarily not informed whether a seller of a product is authorized by the brand owner. Additionally, the interface design of many online marketplaces causes consumers to falsely believe that they are always purchasing from the brand owner or, at minimum, from an authorized seller that is selling under the brand owner's oversight and with the brand owner's approval. Consumers who purchase on Amazon are particularly likely to experience this confusion because, on Amazon, all sellers of a product are listed under a single product listing that states "Brand [name of brand]" immediately under the title of the product even though many products are sold on Amazon by unauthorized sellers that have no relationship with the brand owner.

37. For all of these reasons, a vast number of consumers purchase products on online marketplaces without recognizing that they purchased from an unauthorized seller that does not (and cannot) follow the brand owner's quality controls.

38. When a consumer purchases on an online marketplace and receives a product that is damaged, defective, or of otherwise poor quality, the consumer is much more likely to associate the problem with the brand/manufacturer rather than the product seller.

39. Online marketplaces also give disgruntled consumers a powerful and convenient forum to air their grievances about problem products: online product reviews. Any consumer who is dissatisfied with a product received can post a review on the marketplace for all other consumers across the world to see. These reviews, which often remain permanently attached to products, will often criticize the brand rather than the marketplace seller that sold the product.

40. Online product reviews significantly impact a brand's reputation. Survey results show that 82% of United States adults "sometimes" consult online reviews for information when they consider buying a new product online, and 40% "always" or "almost always" consult such reviews. Aaron Smith & Monica Anderson, *Online reviews*, PEW RESEARCH CENTER, Dec. 19, 2016, http://www.pewinternet.org/2016/12/19/online-reviews/.

41. Studies and surveys consistently show that consumers place extraordinary trust in online product reviews. Because consumers so heavily "rely on reviews when they're shopping online," the Federal Trade Commission has begun suing companies who post fake reviews of their products on online marketplaces. Megan Henney, FTC cracking down on fake Amazon reviews,

FOX BUSINESS, Feb. 28, 2019, https://www.foxbusiness.com/technology/ftc-cracking-downon-fake-amazon-reviews (quoting a press release from the director of the FTC).

42. Because of the reliance consumers place on online reviews, negative online reviews can be the death knell for a manufacturer's online product listings. According to one study, merely three negative online reviews will deter a majority (67%) of online consumers from purchasing a particular product. Graham Charlton, *How many bad reviews does it take to deter shoppers?*, ECONSULTANCY, April 11, 2011, https://econsultancy.com/blog/7403-how-many-bad-reviews-does-it-take-to-deter-shoppers.

43. Negative reviews also hurt a brand's placement in search results on Amazon and other search engines, as Amazon's search algorithm downgrades products it believes consumers are less likely to buy. Thus, poor reviews can create a downward spiral where downgraded search placement leads to reduced sales, which leads to search placement falling further.

Delta Has Been the Target of Negative Online Marketplace Reviews from Consumers Who Purchased Products from Unauthorized Sellers

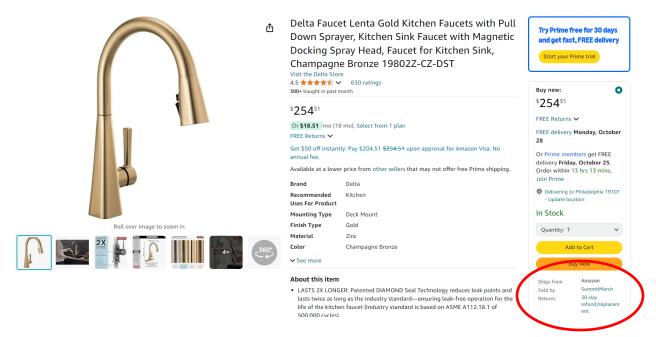
44. Consumers who purchase from unauthorized sellers on online marketplaces frequently receive poor-quality products and leave negative reviews on the product listing. These negative reviews injure consumer perceptions of the brand's quality and reputation, as well as its placement in search results, ultimately causing the brand to suffer damage to its goodwill and lost sales.

45. Delta has been a victim of the issues caused by unauthorized sellers on online marketplaces. Numerous consumers who purchased Delta Products from unauthorized sellers, like Defendants, have written negative reviews where they complained of receiving products that were damaged, defective, previously used, or inauthentic.

Document 1 12

46. For example, Defendants have sold the below product on the "SummitMerch"





47. As seen in the following sample screenshots of consumer reviews, consumers have

left negative reviews of this product complaining of receiving products that were damaged, missing parts, or previously used:

Albert
 ★☆☆☆☆ Not New!!
 Reviewed in the United States on September 25, 2024
 Verified Purchase

Delta (and/or Amazon) did not send a new item; this item was obviously previously opened and repackaged as it was missing the aerator; obviously I couldn't return it as it was already installed before we realized it; Delta is sending me a new one but it's going to take 6-8 working days and in the meantime, I don't have a working faucet; in addition, I'm going to have to go through the annoying process of installing it. I should have paid much less for a "open box" item and Delta should have disclosed it for what it was!

Returned product
Reviewed in the United States on April 17, 2024
Verified Purchase

This faucet arrived super fast. But it looks like a returned product. It doesn't come in its original box and the product was just kept loosely, completely open without plastic and the box has stains inside. I am not confident to install a product that was sold as brand new but may have been returned.

2 people found this helpful

Samantha

★☆☆☆☆ Returned item packaged as new

Reviewed in the United States on October 7, 2023 Verified Purchase

Quality control needs to be improved. I purchased this product brand new and received a used item that had to be fixed by my contractor. It was too late to return item when the issue was discovered.

One person found this helpful

Richard Swisher

★☆☆☆☆ Drips with strange water rinses

Reviewed in the United States on August 10, 2023

Verified Purchase

Faucet seemed like it was a return. Not packaged carefully. Very strange water rinses. Constantly drips.

2 people found this helpful

HeWhoMustNotBeNamed

★☆☆☆☆ SAD, I love the look, but received a used faucet missing parts with incorrect instructions Reviewed in the United States on February 16, 2023

Verified Purchase

I set-aside a day to install this faucet. Upon starting my installation is became clear VERY quickly that I was not shipped most of the important parts that allow this be be installed on a quartz countertop and undermount sink. It was also obvious by the tiny scratches on the gold and the knicks on the hoses that we were shipped an old returned faucet that no one bothered to make sure would even work when re-sold as a new item. It was missing most of the small parts to tighten the faucet onto the countertop shown in the installation instructions, too. What a PITA!!!! And pitiful, too. I expect better from Delta! Its style is terrific, but I called Delta customer service and it was 90 minutes of call center hell that was useless. I'll never get that time of my life back! LOL My resolution was going to the local mom & pop hardware store and buying a generic kitchen faucet installation set for \$21. This is a bit crazy when purchasing what is falsely advertised as a new item on Amazon. And, naturally, Delta has yet to respond to my complaints. EDIT: It has now been a few months and I received ZERO response from Delta. A damn shame as this company seems to have gone to crap. Seems to be the end of a previously fine American business.

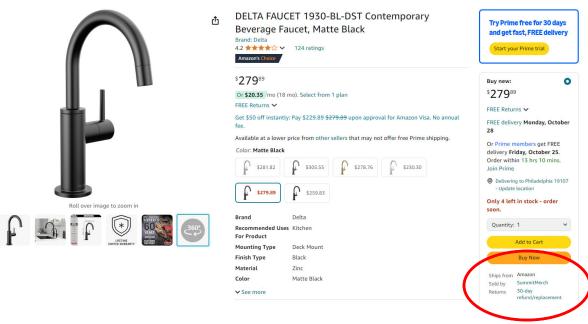
10 people found this helpful

48. Below is a screenshot of another Delta product that Defendants have sold on the

"SummitMerch" storefront:

Document 1 14





49. As seen in the following sample screenshots of consumer reviews, consumers have

left negative reviews of this product complaining of receiving products that had blemishes in appearance and were damaged:



★☆☆☆☆ Bad paint job! For the price Reviewed in the United States on August 14, 2024

Color: Champagne Bronze Verified Purchase

For the price the quality is horrible. I needed to install and see picture for quality of paint. At a key eye point and on display how did this pass quality inspection?

One person found this helpful



★☆☆☆☆ Faucet finish

Reviewed in the United States on July 20, 2024 Color: Champagne Bronze Verified Purchase

Nice design. This is the second faucet I received with blemishes in the finish. It's a bit frustrating. It is an expensive faucet, you would hope they would check the quality of the finish before they ship it out to the customer.



2 people found this helpful

Filed 10/28/24 Page 15 of 52 PageID #:

MK

★☆☆☆☆ was defective

Reviewed in the United States on June 22, 2024 Color: Arctic Stainless Verified Purchase

plumber found a defect causing an internal leak

Amazon Customer

★☆☆☆☆ Faucet

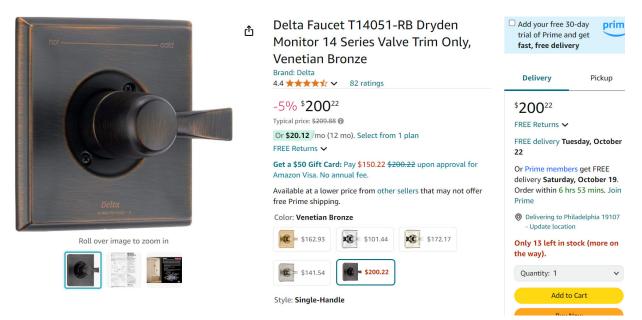
Reviewed in the United States on July 4, 2023 Color: Champagne Bronze Verified Purchase

It was damaged.

We bought it a while ago, but opened it 3 days ago, because our kitchen was being remodeled.

One person found this helpful

50. Defendants have sold the below product on the "A.B.Sales" storefront:



	16	
New -5% ^{\$} 199 ⁰⁰ Typical price: \$209.88 ●	FREE delivery Monday, October 28 Or Prime members get FREE delivery Friday, October 25. Order within 12 hrs 35 mins, Join Prime	Add to Cart
Ships from	Amazon.com	
Sold by	A.B.Sales 441 ratings) 92% positive over last 12 months	
Customer service	Amazon	

Filed 10/28/24 Page 16 of 52 PageID #:

Document 1

51. As seen in the following sample screenshot of a consumer review, a consumer has

left a negative review of this product complaining of receiving a product that was not properly packaged:





Case 1:24-cv-01901-RLY-KMB

52. The foregoing reviews are only a small sample of the negative reviews of Delta Products that have been posted on the Amazon platform.

53. Amazon does not allow product reviews to identify the seller that sold the product that is the subject of the product review. Given that Defendants are selling a high volume of products bearing the Delta Trademarks on Amazon and are not subject to Delta's quality controls, however, it is likely that some of the foregoing negative reviews—and the many similar reviews of Delta Products that appear on the Amazon website—were written by consumers who purchased products bearing the Delta Trademarks from Defendants.

Delta Has Implemented Quality Controls Throughout Its Authorized Channels of Distribution to Combat the Problems Presented By Online Marketplaces, Protect the Value of the Delta Trademarks, and Ensure Consumers Receive the Genuine, High-Quality Products They Expect from Delta

54. The above reviews show how sales of poor-quality Delta Products disappoint Delta's consumers and cause significant harm to the reputation and goodwill of Delta and its brand. To protect itself and consumers from these harms, Delta implemented a quality control program that applies to all of its Authorized Sellers, including sellers that sell in a brick-and-mortar retail setting and sellers that sell online.

55. Delta's distribution controls are a quality control measure intended to minimize the risk and reputational damage caused by the illegal sale of poor-quality products bearing the Delta Trademarks by unauthorized sellers like Defendants who do not abide by Delta's quality controls. The goal of Delta's quality control program is to ensure that consumers who buy Delta Products, including ones buying online, receive the high-quality products and services that they expect with the Delta name. By preventing consumers from receiving poor-quality products, the program both protects consumers from confusion and also protects the value and goodwill of the Delta brand.

56. Delta abides by its quality control requirements and requires its Authorized Sellers to abide by them as well.

57. Delta's ability to exercise its quality controls is essential to the integrity and quality of Delta Products, as well as the value of the Delta Trademarks and other intellectual property.

58. Delta's quality controls begin with requiring that all outside sales of its products take place through Authorized Sellers. This basic step ensures that everyone who is selling Delta Products is ultimately subject to Delta's quality control requirements.

59. The Delta Rules limit to whom and where Authorized Sellers may sell Delta Products. To prevent persons outside of Delta's quality controls from acquiring and reselling Delta Products, the Delta Rules prohibit Authorized Sellers from selling Delta Products to any third party that intends to resell the products and that is not an Authorized Seller. Authorized Sellers are permitted to sell Delta Products only to end-user consumers or, in certain circumstances, to other Authorized Sellers.

60. Authorized Sellers are also prohibited from selling Delta Products on any website they do not themselves own and operate unless they first obtain consent from Delta.

61. These restrictions are essential to Delta's ability to exercise its quality controls over Delta Products because they prevent unauthorized sellers from obtaining and reselling Delta Products and allow Delta to know where all of its products are being sold online by Authorized Sellers. If a quality issue arises through an online sale, Delta can identify the Authorized Seller that made the sale, contact the Authorized Seller, and address the issue immediately. Delta is unable to take such action against unauthorized sellers because it does not know who those sellers are and cannot obtain their cooperation in addressing any product quality issues that may arise.

62. In addition to restricting where and how Authorized Sellers can sell Delta Products, the Delta Rules also require Authorized Sellers to follow numerous quality control requirements related to the inspection, handling, and storage of Delta Products.

63. To ensure that consumers receive the genuine and high-quality products they expect from Delta, the Delta Rules require Authorized Sellers to inspect all Delta Products for any damage, defects, evidence of tampering, and other non-conformance and remove all such products from inventory. Authorized Sellers are prohibited from selling damaged or defective products.

Further, to assist Delta in identifying any product quality issues, Authorized Sellers are required to report any defects to Delta.

64. The Delta Rules also require that Authorized Sellers store Delta Products in accordance with guidelines issued by Delta. This requirement helps ensure that Delta Products are stored properly and are not damaged prior to being shipped to the consumer.

65. To avoid consumer confusion and ensure that consumers receive genuine Delta Products, Authorized Sellers must sell Delta Products in their original packaging and are prohibited from relabeling, repackaging, or altering Delta Products or any accompanying label, literature, or safety-related information, unless instructed by Delta.

66. Authorized Sellers are also prohibited from tampering with, defacing, or otherwise altering any identifying information on Delta Products, including any serial number, UPC code, or other identifying information.

67. The Delta Rules give Delta the right to monitor and audit Authorized Sellers by inspecting their facilities and records relating to Delta Products, to ensure their compliance with Delta's quality control requirements. Authorized Sellers also must cooperate with Delta with respect to any product recall or other consumer safety information dissemination effort conducted by Delta regarding Delta Products.

68. The Delta Rules also require Authorized Sellers to provide various customer services to their consumers.

69. For example, Authorized Sellers must familiarize themselves with the features of all Delta Products kept in their inventory so that they can advise consumers on the selection and safe use of Delta Products. Following the sale of genuine Delta Products, Authorized Sellers must provide ongoing support to consumers and provide prompt replies to their inquiries.

70. Delta's quality control and customer service requirements are legitimate and substantial and have been implemented so that Delta can control the quality of goods manufactured and sold under the Delta Trademarks in order to protect consumers and preserve the value and goodwill associated with the Delta Trademarks.

71. Delta's quality control and customer service requirements are also material, as they are designed to protect consumers and prevent them from receiving poor-quality and unsafe products. Consumers would find it material and relevant to their purchasing decision to know whether a Delta product that they were considering buying was being sold by an Authorized Seller who is subject to Delta's quality control and customer service requirements or whether the product is being sold by an unauthorized seller who is not subject to, and does not abide by, Delta's quality controls and over whom Delta is unable to exercise its quality controls.

Given the Flood of Poor-Quality Products Being Sold Online and Consumers' Inability to Inspect Such Products Before Purchase, Delta Imposes Additional Requirements on Its Authorized Sellers Who Sell Online

72. As shown in consumer reviews cited above, Delta Products sold online are more susceptible to quality and authenticity problems as consumers cannot see the product before they buy it. These problems are especially severe on online marketplaces such as Amazon, where sellers can conceal the fact that they are an unauthorized seller and many sellers may share a single product listing page.

73. Given these heightened risks to consumer satisfaction and the value of its trademarks that are posed by online sellers, Delta imposes additional quality control requirements on all of its Authorized Sellers who sell Delta Products online.

74. The Delta Rules allow Authorized Sellers to sell Delta Products only through "Permissible Websites" and "Authorized Websites." These rules allow Delta to oversee all Authorized Sellers who sell Delta Products online.

75. A "Permissible Website" is a website that: (1) is operated by an Authorized Seller in the Authorized Seller's own legal name or registered fictitious name; and (2) lists the Authorized Seller's mailing address, telephone number, and email address. Permissible Websites do not include storefronts on any online marketplace.

76. Authorized Sellers must receive prior written approval from Delta before they can sell Delta Products on any other website. To obtain this approval, Authorized Sellers must submit applications and undergo substantial vetting by Delta that includes review of an applicant's business operating record and online review history. A website that Delta permits an Authorized Seller to use through this process is called an "Authorized Website."

77. The Delta Rules impose numerous additional requirements on Authorized Sellers who sell Delta Products on Permissible Websites or Authorized Websites (collectively, "Authorized Online Sellers").

78. For example, Authorized Online Sellers must use images of Delta Products provided or approved by Delta and keep product descriptions up to date. Authorized Online Sellers are also prohibited from advertising any Delta product they do not carry in inventory.

79. The Delta Rules prohibit Authorized Online Sellers from selling anonymously and instead require them to state their business name and current contact information on all websites where they sell, while not giving any appearance that the website is operated by Delta or another third party. These requirements allow consumers of Delta Products to understand the nature of the seller from whom they are purchasing and contact the seller if any quality issues arise. These requirements also allow Delta to protect the public from the sale of poor-quality and counterfeit Delta Products because it allows for easy detection of any Authorized Online Seller that sells poor-quality or counterfeit goods.

80. At Delta's request, Authorized Online Sellers must provide access to and copies of all web pages that make up any Permissible Website, or Authorized Website, where Authorized Online Resellers are selling Delta Products.

81. Authorized Online Sellers are prohibited from representing or advertising any Delta product as "new" that has been returned, repackaged, or otherwise been altered by a consumer. When consumers return products that were purchased online, many websites and online marketplaces will, by default, repackage the products and allow them to be relisted as "new." The Delta Rules prohibit Authorized Online Sellers from allowing or carrying out this practice to ensure that consumers receive the high-quality Delta Products they expect when they purchase "new" products.

82. Unless otherwise approved by Delta, Authorized Online Sellers may not use any third-party fulfillment service to store inventory or fulfill orders for Delta Products. Authorized Online Sellers are also prohibited from using any fulfillment or storage service that could cause or allow consumers to receive Delta Products from other sellers' product stock when they purchase from Authorized Online Sellers. These requirements ensure that the specific products that the Authorized Online Seller offers that meet Delta's quality standards will be the same products that are actually shipped to the consumer in fulfillment of an order, rather than other products that are outside of Delta's quality controls.

83. All websites through which Authorized Online Sellers sell Delta Products must comply with all applicable data security, accessibility, and privacy requirements.

84. All websites where Authorized Online Sellers sell Delta Products must have a mechanism for receiving consumer feedback, and Authorized Online sellers must take appropriate steps to address any feedback received. Authorized Online sellers must also: (i) keep copies of all

information related to consumer feedback regarding Authorized Online sellers' products and their responses; (ii) provide this information to Delta upon request; and (iii) cooperate with Delta in investigating negative online reviews related to sales of Delta Products.

85. The additional quality control requirements that Delta imposes on its Authorized Online Sellers are legitimate and substantial and have been implemented to allow Delta to carefully control the quality of Delta Products that are sold online and quickly address any quality issues that arise.

86. Delta's additional quality controls are also material, as they have been implemented to ensure that consumers purchasing Delta Products online receive genuine, high-quality Delta Products that abide by Delta's quality controls. Consumers purchasing Delta Products online would find it relevant to their purchasing decision to know whether the product they are buying is vended by an Authorized Online Seller who is subject to, and abides by, Delta's quality controls.

Delta Monitors and Audits Its Authorized Online Sellers to Ensure They Comply with Its Quality Control Requirements

87. Delta regularly audits its Authorized Online Sellers and monitors Authorized Websites and Permissible Websites to ensure that Authorized Online Sellers are adhering to Delta's quality control requirements. Delta carries out its auditing and monitoring actions pursuant to an internal program called the Delta Online Quality Control Program ("Auditing Program").

88. As part of its Auditing Program, Delta examines Authorized Websites and Permissible Websites to ensure that the Authorized Online Sellers who sell through the websites are complying with the Delta Rules. During these examinations, Delta checks to make sure that, among other requirements, Authorized Websites and Permissible Websites: (i) clearly state an Authorized Online Seller's legal name or registered fictitious business name and provide contact information for the Authorized Online Seller; (ii) do not give the appearance that they are operated

by Delta or a third party; (iii) do not display any content that could be detrimental to the Delta family of brands; (iv) do not make any representations regarding Delta Products that are misleading; (v) exclusively contain images of Delta Products and product descriptions that are supplied or authorized by Delta and are up-to-date; and (vi) have a mechanism through which consumers can provide feedback.

89. Delta also periodically inspects online reviews of Delta Products and Authorized Online Sellers that appear on Authorized Websites and Permissible Websites. If Delta discovers reviews asserting that Authorized Online Sellers provided poor customer service, sold poor-quality Delta Products, or otherwise did not adhere to the quality control and customer service requirements that all Authorized Sellers are required to follow, Delta communicates with the responsible Authorized Online Sellers to determine the cause(s) of the negative reviews, take any necessary corrective action, and secure the removal of negative reviews if possible.

90. Delta also conducts a test purchase of a Delta product from a rotating sample of Authorized Websites and Permissible Websites. If Delta discovers any quality problems in purchased products or discovers that an Authorized Online Seller is otherwise not following the quality control requirements that Authorized Online Sellers must follow when selling on Authorized Websites and Permissible Websites—for example, by altering product packaging or fulfilling product orders through an unapproved third-party fulfillment service—Delta communicates with the responsible Authorized Online Seller and takes any necessary corrective action.

91. Through its Auditing Program, Delta may visit the facilities of its Authorized Online Sellers to confirm that all of its quality control requirements are being followed and that Authorized Online Sellers are not selling any counterfeit Delta Products.

92. If Delta discovers that an Authorized Online Seller is selling Delta Products of poor quality or otherwise not adhering to Delta's quality control or customer service requirements, Delta conducts an investigation to determine the source of the problem. The Delta Rules require that Authorized Online Sellers cooperate with Delta's investigation, permit Delta to inspect their facilities and records relating to Delta Products, and disclose all information about where they obtained Delta Products. Based on what its investigation reveals, Delta has the right to cease selling its products to an Authorized Online Seller and to suspend or terminate its status as an Authorized Seller of Delta Products.

Genuine Delta Products Come with Delta's Limited Warranty; Defendants' Products Do Not

93. Delta Products purchased from Delta or Delta's Authorized Sellers come with the Delta Limited Warranty (the "Delta Warranty").

94. The Delta Warranty provides that Delta can repair or replace during the applicable warranty period any part or finish that proves defective in material and/or workmanship under normal installation, use, and service. If repair or replacement is not practical, Delta may elect to refund the purchase price in exchange for the return of the product. The complete Delta Warranty statement can be viewed on the Delta website—see https://www.deltafaucet.com/service-parts/warranty—and is incorporated herein.

95. As discussed above, Delta cannot ensure the quality of the products sold by unauthorized sellers, like Defendants, who are not subject to Delta's quality controls. For this reason, the Delta Warranty does not cover Delta Products sold by unauthorized sellers, like Defendants, who do not comply with Delta's quality controls and standards. Indeed, the Delta Warranty specifically states: "Because Delta Faucet Company is unable to control the quality of Delta Products sold by unauthorized sellers, unless otherwise prohibited by law, this warranty does not cover Delta Products purchased from unauthorized sellers."

96. The Delta Warranty is a material component of genuine Delta Products. Consumers who purchase Delta Products with the Delta Warranty receive the peace of mind that they are receiving a good-quality product, that Delta stands behind the product, and that if a defect occurs, they will have the ability to have the product repaired or replaced.

97. Consumers would find it material and relevant to their purchasing decision to know whether a Delta product they were considering buying was covered by the Delta Warranty. If a consumer knew a product did not come with the Delta Warranty, the consumer would be less likely to purchase the product.

Defendants Are Not Authorized Sellers, Are Illegally Selling Non-Genuine Products Bearing the Delta Trademarks, and Have Provided Falsified Contact Information to the Public to Avoid Detection

98. Due to the risks to consumers and the reputational concerns associated with the illegal sale of products bearing the Delta Trademarks by unauthorized Internet sellers, Delta actively monitors the sale of its products online.

99. In the course of this monitoring, Delta discovered numerous products bearing the Delta Trademarks being illegally sold by Defendants on Amazon through the "SummitMerch" and "A.B.Sales" storefronts (the "Amazon Storefronts").

100. After Delta discovered products bearing the Delta Trademarks being illegally sold on the Amazon Storefronts, Delta investigated the storefronts to determine who was operating them.

101. After conducting an investigation, Delta identified Justin Bundrick as the owner and operator of the "SummitMerch" storefront.

102. After conducting an investigation, Delta identified Andrew Bundrick as the owner and operator of the "A.B.Sales" storefront.

103. On or about June 8, 2020, Delta sent Defendants a cease-and-desist letter for the "A.B.Sales" storefront to Andrew Bundrick's then residential address: 6423 Ridge Lake Rd., Hixson, TN 37343 and email address: andrewbundrick@hotmail.com (the "Hotmail Email").

104. Defendants did not respond to this letter and continued to sell products bearing the Delta Trademarks on the "A.B.Sales" storefront.

105. On or about August 13, 2020, Delta sent Defendants a cease-and-desist letter to the business address then listed on their "SummitMerch" storefront: 2237 US-41, Perry, GA 31069 (the "Perry Address") as well as an additional address: 107 Stanton Cir., Warner Robins, GA 31093 and email address: justinbundrick@gmail.com.

106. Defendants did not respond to this letter and continued to sell products bearing the Delta Trademarks on the "SummitMerch" storefront.

107. On January 2, 2024, Delta sent a second round of cease-and-desist letters to Defendants for the "A.B.Sales" storefront to the business address then listed on their "A.B.Sales" storefront: 5330 Cassandra Smith Rd., Hixson, TN 37343 (the "Hixson Address") and the Hotmail Email and to Defendants for the "SummitMerch" storefront to the Perry Address and two email addresses: summitmerch@gmail.com (the "Gmail Email") and justinbundrick@gmail.com.

108. Defendants did not respond to these letters and continued to sell products bearing the Delta Trademarks on the Amazon Storefronts.

109. On January 18, 2024, Delta sent Defendants a preservation letter again demanding Defendants cease their infringing sales of Delta Products on the "SummitMerch" storefront to the Perry Address and the Gmail Email.

Case 1:24-cv-01901-RLY-KMB Document 1 Filed 10/28/24 Page 28 of 52 PageID #: 28

110. Defendants did not respond to this letter and continued to sell products bearing the Delta Trademarks on the "SummitMerch" storefront.

111. On January 25, 2024, Delta sent Defendants a preservation letter again demanding Defendants cease their infringing sales of Delta Products on the "A.B.Sales" storefront to the Hixson Address and Hotmail Email. Defendants did not respond to this letter and continued to sell products bearing the Delta Trademarks on the "A.B.Sales" storefront.

112. On February 7, 2024, Delta sent Defendants a draft complaint again demanding Defendants cease their infringing sales of Delta Products on the "SummitMerch" storefront to the Perry Address and Gmail Email.

113. Defendants did not respond to this letter and continued to sell products bearing the Delta Trademarks on the "SummitMerch" storefront.

114. On February 28, 2024, March 12, 2024, and March 26, 2024, counsel for Delta called Defendants and left voicemails to phone number (404)-368-3013 asking for a call back.

115. Defendants did not respond to any of these phone calls and continued to sell products bearing the Delta Trademarks on the "SummitMerch" storefront.

116. On July 8, 2024, Delta sent Defendants a draft complaint again demanding Defendants cease their infringing sales of Delta Products on the "A.B.Sales" storefront to the Hixson Address and Hotmail Email.

117. Defendants did not respond to this letter and continued to sell products bearing the Delta Trademarks on the "A.B.Sales" storefront.

118. As of the time of filing, Defendants have not responded to any of Delta's letters or correspondence and continue to advertise and sell products bearing the Delta Trademarks on the Amazon Storefronts.

119. Through their highly interactive "SummitMerch" and "A.B.Sales" storefronts on Amazon, Defendants have sold products bearing the Delta Trademarks into Indiana through the regular course of business.

120. Delta placed three separate test purchases of Delta Products from the Amazon storefronts, each of which was delivered into the State of Indiana. Delta placed each of these test purchases on August 13, 2024.

121. Defendants' disregard of Delta's cease-and-desist letters and continued sale of nongenuine products despite being informed of their unlawful conduct demonstrates that they are acting intentionally, knowingly, willfully, and maliciously.

Defendants Are Not Subject To, Do Not Abide By, and Interfere With, Delta's Quality Control Requirements

122. Defendants are not Authorized Sellers of Delta Products, and do not abide by Delta's quality control and customer service requirements that Delta requires Authorized Sellers to follow.

123. Defendants directly violate Delta's quality controls, among many other ways, by failing to completely and accurately identify themselves on their online storefront. Defendants do not publicly display their email, real physical address, or even any telephone number on their Amazon storefront.

124. Defendants also do not comply with Delta's quality controls—and interfere with Delta's quality controls—because they have not given Delta the right to audit and inspect Defendants' facilities and practices. Therefore, among other things, Delta cannot know if Defendants are: (i) sourcing products only from authorized sources; (ii) properly inspecting and storing products, and not selling poor-quality products; (iii) selling products only in official and unaltered Delta packaging; (iv) refusing to allow products that have been returned or repackaged

Case 1:24-cv-01901-RLY-KMB Document 1 Filed 10/28/24 Page 30 of 52 PageID #: 30

to be listed as "new" products; (v) not permitting their products to be commingled with products owned by other sellers, such that a consumer could receive a product owned by another seller when purchasing from Defendants; and (vi) providing exceptional customer service and responding appropriately to feedback received from consumers.

125. Defendants' failure to abide by the Delta Rules prevents Delta from exercising control over the quality of products Defendants sell bearing the Delta Trademarks. Unlike with its Authorized Online Sellers, Delta cannot monitor or audit Defendants to ensure they are complying with its quality controls or take any action to correct quality problems it discovers or is alerted to in products sold by Defendants.

126. Because the products Defendants sell bearing the Delta Trademarks are not subject to, do not abide by, and interfere with Delta's quality control and customer service requirements, they are not genuine Delta Products.

Defendants Are Selling Defective, Damaged, Previously Used, and Other Poor-Quality Products Through Their Amazon Storefronts

127. Through test buys of Delta Products from the Amazon Storefronts, Delta has confirmed that Defendants sell products that are not subject to Delta's quality controls.

128. For instance, Delta performed multiple test purchases of products offered as "new" by Defendants that were not, in fact, new.

129. When a seller lists items on Amazon, for instance, Amazon requires the seller to identify the condition of the product for sale as one of the following: "New," "Renewed," "Used – Like New or Open Box," "Used – Very Good," "Used – Good," or "Used – Acceptable." *See* https://sellercentral.amazon.com/gp/help/external/200339950.

130. Pursuant to Amazon's policies, a product can be listed as "new" only if it is a "brand-new item" with an original manufacturer's warranty and, generally, contains original packaging.

New:

Just like it sounds. A brand-new item. Original manufacturer's warranty, if any, still applies, with warranty details included in the listing comments. Original packaging is present for most New items but certain items like shoes may be re-boxed.

See https://sellercentral.amazon.com/gp/help/external/200339950.

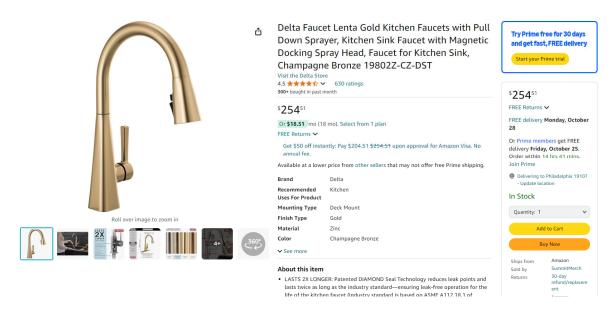
131. Defendants, however, frequently ship products bearing the Delta Trademarks that are listed as "new" but are not "new" despite the manner in which the products are advertised by Defendants. Rather, they have previously been opened and they arrive loose and unprotected in damaged packaging.

132. These products sold by Defendants do not uphold the original manufacturing packaging that (i) is designed to avoid damage to the product, (ii) is designed to avoid product tampering, (iii) contains the instruction manual, (iv) contains consumer safety warnings, and (v) contains valuable customer service information and contact information if the consumer experiences issues with the product.

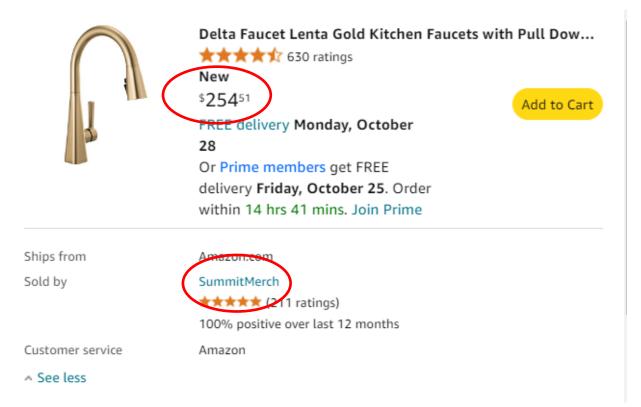
133. For instance, Defendants have offered for sale a Delta Lenta Gold Kitchen Faucet on the "SummitMerch" storefront. Below is an image of the listing as it appeared October 23, 2024:

Document 1 32

Filed 10/28/24 Page 32 of 52 PageID #:



134. Defendants' offering of this product proclaims that it is "new":



However, many product reviews complain that this product did not come with 135. original packaging. See supra ¶ 46.

136. Additionally, the product listing claims to come with the Delta Warranty: Document 1 33

Item Weight		7.1 Pounds
<	Warranty Type	lifetime
	Handle Location	Right

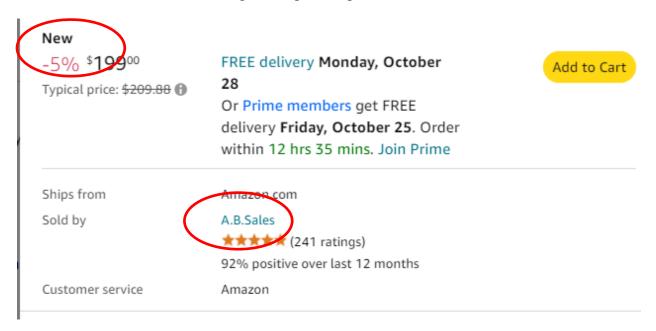
137. However, the Delta Warranty only covers new products sold by Authorized Online Sellers so that Delta can be confident in the handling of its products before they reach the end purchaser. Thus, the "SummitMerch" listing does not include the manufacturer's warranty, as is required by Amazon to be a "new" product listing.

138. Defendants have also offered for sale a Delta Faucet T14051-RB Dryden Monitor 14 Series Valve Trim on the "A.B.Sales" storefront. Below is an image of the listing as it appeared on October 23, 2024:

ŵ



Series Valve Brand: Delta	e Trim Only, Venetian Bronze	Try Prime free for 30 days and get fast, FREE delivery	
4.4 ★★★★☆ ∨	82 ratings	Start your P	rime trial
-5% \$200 ²²			
Typical price: \$209.88 (Ð		
Or \$20.12 mo (12	mo). Select from 1 plan	Delivery	Pickup
FREE Returns 🗸	tly: Pay \$150.22 upon approval for Amazon Visa. No annual fee.	\$200 ²²	
Available at a lower price from other sellers that may not offer free Prime shipping.		FREE Returns 🗸	
valiable at a tower price from other setters that may not offer free Prime shipping. Color: Venetian Bronze		FREE delivery Monday, Octobe 28	
\$162.94	1 1 1 1 1 1 1 1 1 1	delivery Frida	nbers get FREE y, October 25. 12 hrs 36 mins.
Style: Single-Handl	e	Delivering to - Update loop	Philadelphia 1910 ation
Material	Zinc	Only 13 left in stock (more on	
Brand	Delta	the way).	
Item dimensions L x W x H	0.04 x 8 x 9.75 inches	Quantity: 1	v
Exterior Finish	Bronze, Chrome	Add to Cart	
Outlet Connection Type	FIP	В	ay Now
See more	ADA	Ships from Sold by	Amazon.com Amazon.com
About this item		Returns	30-day refund/replacem



139. Defendants' offering of this product proclaims that it is "new:"

140. Delta performed test purchases of two Delta Products listed on the "SummitMerch" storefront on August 13, 2024. "New" Delta Products are shipped in Delta-branded boxes that both protect the product and signify that it has not been previously opened. Despite the Delta Products that Delta purchased being labeled as new, the first product came in a box that appeared to be previously shipped, with the old shipping label covered by the new shipping label, and the box appeared to have been opened and damaged with component parts packed loosely inside, as seen in the following pictures:





141. Consumers on Amazon can leave reviews of sellers as well as products. Reviews of Defendants' "SummitMerch" storefront show that Defendants have sold numerous poor-quality products to consumers. Consumers have complained about receiving clearly used products, damaged packaging and items, and missing parts. Although Amazon has added comments to some of these complaints stating that Amazon takes "responsibility" for the "fulfillment experiences" described in the complaints, the problems that consumers address in these reviews are clearly the fault of Defendants rather than a fulfillment problem, such as delivering a product to the wrong address, that could be attributable to Amazon rather than Defendants:¹

"Clearly used item sold as new. Damaged packaging, damaged item

By Stan on October 15, 2024.

Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.

* 合合合合 * Hhad to purchase and then return this item 3 times and in the end I did not get what I need. I purchased the Polished Nickel version (after getting chrome version) two times and they all are the same. My contractor asked me to return those and I thought I made a mistake but your product ad is very misleading and not honest. I'm a long term amazon customer and am not happy at all about this. "

Read less

By Bob on October 14, 2024.

Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.

*なななな
"You sent me out a used Bath faucet!? Packages have been opened, parts are missing, obviously has been installed before. Plumbers putty residue on drain, drain lip is warped due to forced install. I paid for a new faucet.... What happened?!"
Read less

By Shannon on September 10, 2024.

Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.

¹ When Amazon sellers utilize the "Fulfillment by Amazon" service, Amazon itself is responsible for shipping the items. At a third-party seller's request, Amazon is able to "strike" a negative review as attributable to Amazon, not the seller—even in situations where, as here, the issues are plainly related to the quality of the seller's product. *See* https://sell.amazon.com/fulfillment-by-amazon.

***** "Used product, not sealed" By Amazon Customer on September 2, 2024. Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience. ★☆☆☆☆ "Received used product By saul on August 30, 2024. Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience. ★☆☆☆☆ "This item was described as new but clearly a previously opened box. The instructions had pen marks in them and the items were not in original packaging. I am not a happy customer. **Read less** By AB.MD on July 14, 2024. Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience. ***** "I received a dented product. All parts were not secured or wrapped properly in the box and no written instruction was found. I could not verify if all parts were included in the box. It was obviously a returned item by someone else previously. The seller should have at least checked if the product was complete before reselling it. I, of course, returned the entire package.

Read less

By CL on November 15, 2023.

Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.

"Fordered 1 1/2 months ago. Just opened box & surprise, this is used item. Missing instructions, bent screws. Missed window for return"

By Amazon Customer on October 16, 2023.

Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.

★☆☆☆☆ ["] I ordered a Delta 51600-RB and I received a 51900-RB. Amazon said I can't exchange this item. Must refund and then buy again for \$70 more.["]

37

By T.F. on September 11, 2023.

Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.

142. Reviews of Defendants' "A.B.Sales" storefront also show that Defendants have sold numerous poor-quality products to consumers. Consumers have complained about insufficient packaging, damaged and missing products, and poor customer service. The problems that consumers address in these reviews are clearly the fault of Defendants rather than a fulfillment problem, that could be attributable to Amazon:

★☆☆☆☆ ★☆☆☆☆	"The packaging was horrible and the sink was in pieces that even the drivers saw. Package still hasn't been picked up and told I won't get credit until after 30 days of receipt. Ridiculous. I get damaged good and have to carry the cost of poor service." Read less
	By Michael Gibson on April 23, 2024.
	Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.
*****	"Item arrived in a crushed open box and appeared to be used as it was dirty and tarnished."
	By Dancing Frog on April 22, 2024.
	Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.
*****	" Order did not "ship" until a week after it was placed, then no update, the first update was that it was delayed. Twice. "
	By Bradley on March 3, 2024.
	Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.
*****	" Wrong item in box "
	By Zach P. on October 23, 2023.
	Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.

* ☆☆☆☆ ^(*) Hoought this item and then was told it wasn't even available. Why did they sell it if it wasn't available? Then after contacting Amazon they again told me it wasn't available from the seller any longer, but they still charged my credit card. Beware of A.B.Sales selling things that they don't even have!^(*) Read less

38

By Jason K. on February 26, 2021.

Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.

143. These types of complaints about Defendants are typical of the complaints made about the products sold and the customer service provided by unauthorized sellers.

144. Delta allows its products to be sold only by Authorized Sellers, who are subject to and must follow the quality control and customer service requirements in the Delta Rules, to prevent consumers who purchase Delta Products from suffering experiences like those described in the above complaints about Defendants.

Defendants Are Infringing the Delta Trademarks by Selling Products Bearing the Delta Trademarks that Do Not Come With the Delta Warranty

145. As set forth above, genuine Delta Products purchased from Delta or Authorized Sellers who comply with Delta's quality controls come with the Delta Warranty.

146. Because Defendants are not Authorized Sellers of Delta Products and do not comply with Delta's quality controls, the products they sell bearing the Delta Trademarks do not come with the Delta Warranty.

147. Because the products Defendants sell do not come with the Delta Warranty, they are materially different from genuine Delta Products. The Delta Warranty is a material part of what consumers expect when they purchase Delta Products.

148. Defendants' unauthorized sale of non-genuine products bearing the Delta Trademarks is likely to, and does, create consumer confusion because consumers who purchase

products from Defendants believe they are purchasing genuine Delta Products that come with the Delta Warranty when, in fact, they are not.

Infringing Products Bearing the Delta Trademarks That Defendants Are Selling Are Being Stored All Around the United States, Including in Indiana

149. Individuals and entities who wish to sell products through storefronts on Amazon must enter into a contract with Amazon.com Services LLC ("Amazon.com").

150. Once a seller has entered into a contract with Amazon.com, the seller must choose whether it will: (i) itself store and ship products; or instead (ii) pay ongoing fees to have Amazon.com store the seller's products at "fulfillment centers" (*i.e.*, warehouses) operated by Amazon.com, and ship products to consumers once they have been purchased. Amazon.com offers the second method of storage and fulfillment through a service called "Fulfillment By Amazon."

151. When a seller chooses to use the "Fulfillment By Amazon" service, it retains ownership of the products it stores at Amazon fulfillment centers and can have Amazon.com ship products back to the seller before they have been purchased by consumers.

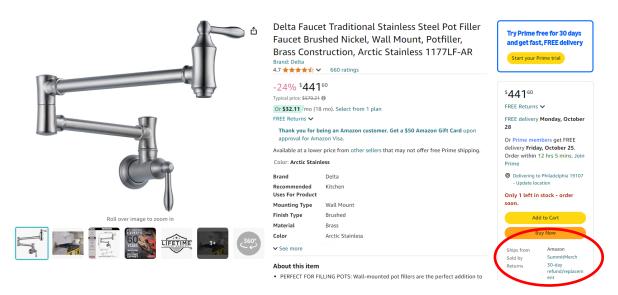
152. However, sellers who use the "Fulfillment By Amazon" are not able to control where Amazon.com stores sellers' products. Sellers who use the "Fulfillment By Amazon" service must agree to "Fulfillment by Amazon Service Terms" set forth in their contract with Amazon.com. These terms provide that Amazon.com can transfer sellers' products between fulfillment centers without notice or approval from sellers, although sellers are able to see—through their electronic Amazon accounts—where their products are currently being stored at any time.

153. Amazon.com has more than 180 fulfillment centers spread around the United States, including at least one fulfillment center in almost every state. Amazon.com also promises

to consumers that all product orders it fulfills—including products that third-party sellers on Amazon sell to consumers while using the "Fulfillment By Amazon" service—will be delivered within two days of purchase. To live up to this promise, Amazon.com carefully distributes all products it stores for third-party sellers between its fulfillment centers, all around the country, to ensure that products can be delivered within two days of purchase no matter where in the United States they are ordered from.

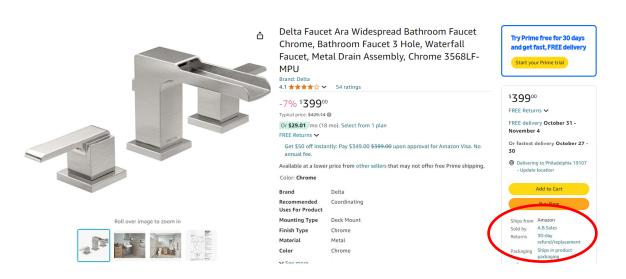
154. As a result, sellers who use Amazon.com's "Fulfillment By Amazon" service have their products stored all around the country by Amazon.com, including in Indiana, where there are more than a dozen Amazon fulfillment centers. *See* https://selleressentials.com/amazon/amazon-fulfillment-center-locations/.

155. Defendants are using Amazon.com's "Fulfillment By Amazon" service for many of the infringing products bearing the Delta Trademarks they are selling through their "SummitMerch" Amazon storefront, as shown below (red circle for emphasis):



156. Defendants are using Amazon.com's "Fulfillment By Amazon" service for many of the infringing products bearing the Delta Trademarks they are selling through their "A.B.Sales" Amazon storefront, as shown below (red circle for emphasis):

Document 1 41 Filed 10/28/24 Page 42



157. Based on these facts, it is likely that large quantities of products bearing the Delta Trademarks owned by Defendants are being stored within Indiana before the products are purchased by residents of Indiana because Defendants have opted to fulfill their goods by Amazon.

158. Defendants are intentionally using Amazon.com's vast, established infrastructure to sell and ship infringing products bearing the Delta Trademarks to consumers nationwide, including consumers located in Indiana, and is paying Amazon to do so through commissions and fees. Defendants have not taken any steps to prevent residents of Indiana from purchasing products bearing the Delta Trademarks from Defendants' Amazon Storefronts.

Delta Has Suffered Substantial Harm as a Result of Defendants' Conduct

159. As set forth above, the unauthorized sale of products bearing the Delta Trademarks through unauthorized sellers such as Defendants has caused significant harm to the Delta brand.

160. When a consumer receives a non-genuine, damaged, or poor-quality product from an unauthorized seller, such as Defendants, the consumer associates that negative experience with Delta. As such, Defendants' ongoing sale of non-genuine products bearing the Delta Trademarks harms the Delta brand. 161. Delta has suffered, and will continue to suffer, significant monetary harm as a result of Defendants' actions including, but not limited to, loss of sales, damage to its intellectual property, and damage to its existing and potential business relations.

162. Delta has suffered, and will continue to suffer, irreparable harm as a result of Defendants' actions, including, but not limited to, irreparable harm to its reputation, goodwill, business and consumer relationships, intellectual property rights, and brand integrity.

163. Delta is entitled to injunctive relief because, unless enjoined by this Court, Defendants will continue to unlawfully sell non-genuine products bearing the Delta Trademarks, causing continued irreparable harm to Delta's reputation, goodwill, relationships, intellectual property, and brand integrity.

164. Furthermore, Defendants' conduct was and is knowing, reckless, intentional, willful, malicious, wanton, and contrary to law.

165. Defendants' disregard of communications from Delta and continuation of selling non-genuine products despite being informed of their unlawful conduct demonstrates that they are acting intentionally, willfully, and maliciously.

166. Defendants' willful violations of the Delta Trademarks and continued pattern of misconduct demonstrate intent to harm Delta.

FIRST CAUSE OF ACTION Trademark Infringement 15 U.S.C. §§ 1114 and 1125(a)(1)(A)

167. Delta hereby incorporates the allegations contained in the foregoing paragraphs as if fully set forth herein.

168. Delta is the owner of the Delta Trademarks.

169. Delta has registered the Delta Trademarks with the United States Patent and Trademark Office.

170. The Delta Trademarks are valid and subsisting trademarks in full force and effect.

171. Defendants willfully and knowingly used, and continue to use, the Delta Trademarks in interstate commerce for purposes of selling non-genuine products bearing the Delta Trademarks on the Internet without Delta's consent.

172. The products Defendants sell bearing the Delta Trademarks are not authorized for sale by Delta.

173. The products Defendants sell bearing the Delta Trademarks are materially different from genuine Delta Products because they are not subject to, do not abide by, and interfere with the legitimate and substantial quality controls that Delta has established.

174. The products Defendants sell bearing the Delta Trademarks are also materially different from genuine Delta Products because they do not come with the Delta Warranty, which accompanies genuine Delta Products.

175. Defendants' unauthorized sale of materially different products bearing the Delta Trademarks is likely to cause confusion, cause mistake, or deceive consumers because it suggests that the products Defendants offer for sale are genuine Delta Products when they are not.

176. Defendants' unauthorized sale of materially different products bearing the Delta Trademarks is likely to cause confusion, cause mistake, or deceive consumers because it suggests that the products Defendants offer for sale are sponsored, authorized, or otherwise connected with Delta when, in fact, they are not.

177. Defendants' unauthorized use of the Delta Trademarks has infringed upon and materially damaged the value of the Delta Trademarks and caused significant damage to Delta's business relationships.

178. As a proximate result of Defendants' actions, Delta has suffered, and will continue to suffer immediate and irreparable harm. Delta has also suffered, and continues to suffer, damage to its business, goodwill, reputation, and profits in an amount to be proven at trial.

179. Delta is entitled to recover its damages caused by Defendants' infringement of the Delta Trademarks and disgorge Defendants' profits from their willfully infringing sales and unjust enrichment.

180. Delta is entitled to injunctive relief under 15 U.S.C. § 1116 because it has no adequate remedy at law for Defendants' infringement, and unless Defendants are permanently enjoined, Delta will suffer irreparable harm.

181. Delta is entitled to enhanced damages and attorneys' fees under 15 U.S.C. § 1117(a) because Defendants willfully, intentionally, maliciously, and in bad faith infringed on the Delta Trademarks.

SECOND CAUSE OF ACTION Unfair Competition 15 U.S.C. § 1125(a)

182. Delta hereby incorporates the allegations contained in the foregoing paragraphs as if fully set forth herein.

183. As set forth above, Defendants are selling non-genuine products bearing the Delta Trademarks that are materially different from genuine Delta Products.

184. Defendants' sale of non-genuine products bearing the Delta Trademarks is likely to cause consumer confusion and lead consumers to believe that those products are affiliated with, connected with, associated with, sponsored by, or approved by Delta when they are not.

185. Defendants' conduct constitutes unfair competition under the Lanham Act, 15U.S.C. § 1125(a).

186. Delta is entitled to injunctive relief under 15 U.S.C. § 1116 because it has no adequate remedy at law for Defendants' infringement and unless Defendants are permanently enjoined, Delta will suffer irreparable harm.

187. Delta is entitled to enhanced damages and attorneys' fees under 15 U.S.C. § 1117(a) because Defendants willfully, intentionally, maliciously, and in bad faith infringed on the Delta Trademarks.

<u>THIRD CAUSE OF ACTION</u> Common Law Trademark Infringement and Unfair Competition

188. Delta re-alleges and incorporates the allegations set forth in the foregoing paragraphs.

189. Delta owns the Delta Trademarks.

190. Delta has registered the Delta Trademarks with the United States Patent and Trademark Office.

191. The Delta Trademarks are valid and subsisting trademarks in full force and effect.

192. The Delta Trademarks, including the DELTA trademark, are distinctive and widely recognized by the consuming public. Delta Products are sold by Delta's network of Authorized Sellers throughout the United States, including in Indiana.

193. Delta is widely recognized as the designated source of goods bearing the Delta Trademarks.

194. Defendants willfully and knowingly used, and continue to use, the Delta Trademarks in commerce for the purpose of illegally selling products bearing the Delta Trademarks in Indiana.

195. The products Defendants sell bearing the Delta Trademarks are not authorized for sale by Delta.

196. Delta has established legitimate and substantial quality control procedures over Delta Products.

197. Delta abides by these quality control procedures and requires all Authorized Sellers to abide by them.

198. Delta's quality controls are material, as they protect consumers and prevent consumers from receiving poor-quality products or poor customer service. When a consumer considers whether to purchase a product bearing the Delta Trademarks, whether the product is subject to and abides by Delta's quality control and customer service requirements is relevant to the consumer's purchasing decision.

199. The products Defendants sell bearing the Delta Trademarks are not subject to, do not abide by, and interfere with Delta's quality controls and customer service requirements.

200. Because the products Defendants sell bearing the Delta Trademarks are not subject to, do not abide by, and interfere with Delta's quality controls and customer service requirements, the products Defendants sell are materially different from genuine Delta Products sold by Authorized Sellers.

201. Because the products Defendants sell bearing the Delta Trademarks are materially different from Delta Products sold by Authorized Sellers, the products Defendants sell are not genuine Delta Products.

202. Defendants' unauthorized sale of products bearing the Delta Trademarks interferes with Delta's quality controls and its ability to exercise quality control over products bearing the Delta Trademarks.

203. Defendants' unauthorized sale of products bearing the Delta Trademarks is likely to cause confusion, cause mistake, or deceive consumers because Defendants' use of the Delta

Trademarks suggests that the products Defendants offer for sale are subject to, and abide by, Delta's quality controls when, in fact, they do not.

204. Defendants' unauthorized sale of products bearing the Delta Trademarks is likely to cause confusion, cause mistake, or deceive consumers because Defendants' use of the Delta Trademarks suggests that the products Defendants offer for sale are genuine Delta Products when, in fact, they are not.

205. Defendants' unauthorized sale of products bearing the Delta Trademarks is likely to cause confusion, cause mistake, or deceive consumers because Defendants' use of the Delta Trademarks suggests that the products Defendants offer for sale are sponsored, authorized, or otherwise connected with Delta when, in fact, they are not.

206. Defendants' unlawful actions constitute active misrepresentation as to the source of the products they sell. These false representations tend to confuse consumers and induce them to believe that Defendants' products are genuine Delta Products when, in fact, they are not.

207. Defendants' unauthorized sale of products bearing the Delta Registered Trademarks and unauthorized use of the Delta Trademarks in advertising infringes the Delta Trademarks and constitutes unfair competition at common law.

208. Defendants' knowing and willful use of the Delta Trademarks in connection with the unauthorized and illegal sale of products bearing the Delta Trademarks infringes on the Delta Trademarks and is contrary to honest practice in industrial and commercial matters.

209. Defendants' unlawful actions and unauthorized use of the Delta Trademarks has infringed upon and materially damaged the value of the Delta Trademarks and has caused significant damage to Delta's business relations.

210. As a proximate result of Defendants' actions, Delta has suffered, and continues to suffer, immediate and irreparable harm. Delta has also suffered, and continues to suffer, damages, including, but not limited to, loss of business, goodwill, reputation, and profits in an amount to be proven at trial. This immediate and irreparable harm includes damage to brand goodwill when consumers receive poor-quality products and post negative reviews that will remain on Amazon permanently, harming Delta's reputation among consumers and the placement of its products in search results.

211. Delta is also entitled to punitive damages because Defendants acted with malice, fraud, gross negligence, or oppressiveness that was not the result of mistake of fact or law, honest error of judgment, overzealousness, mere negligence, or other human failing.

<u>FOURTH CAUSE OF ACTION</u> Indiana Crime Victim's Relief Act – Indiana Code § 34-24-3-1, Conversion – Indiana Code § 35-43-4-3(a)

212. Delta re-alleges and incorporates the allegations set forth in the foregoing paragraphs.

213. By engaging in the knowing and intentional actions described above, Defendants have exerted unauthorized control over the Delta Trademarks.

214. Defendants' knowing and intentional sales, offers for sale, and displays for sale of Delta-trademarked products on the Amazon Storefronts exerted control over the Delta Trademarks.

215. Defendants have therefore committed conversion under Indiana Code Section 35-43-4-3(a).

216. As a direct and proximate result of Defendants' actions described herein, Delta has suffered, and will continue to suffer, irreparable injury to its business, reputation, and goodwill,

unless and until the Court preliminarily and permanently enjoins Defendants' actions. Delta has no adequate remedy at law with respect to those of Defendants' actions that are ongoing.

217. As a direct and proximate result of Defendants' actions described herein, Delta has suffered, and will continue to suffer, monetary damages and pecuniary losses in amounts to be proven at trial.

218. Under the Indiana Crime Victims' Relief Act, Indiana Code Section 34-24-3-1, a person that suffers pecuniary loss as a result of the violation of Indiana Code Sections 35-43, *et seq.*, may bring a civil action against the person who caused the loss for treble damages, costs of the action, and reasonable attorneys' fees.

219. As set forth herein, Defendants have violated Indiana Code Section 35-43-4-3(a) through Defendants' knowing and intentional commitment of conversion.

220. Delta is the victim of Defendants' conversion and other knowing and intentional actions set forth herein and, as a result, has suffered, and will continue to suffer monetary damages and pecuniary losses in amounts to be proven at trial.

221. Delta is accordingly entitled to an award of those actual damages as well as statutory treble damages, costs, and reasonable attorneys' fees.

PRAYER FOR RELIEF

WHEREFORE, Delta prays for relief and judgment as follows:

A. Judgment in favor of Delta and against Defendants in an amount to be determined at trial including, but not limited to, compensatory damages, statutory damages, treble damages, liquidated damages, restitution, including disgorgement of profits, and pre-judgment and postjudgment interest, as permitted by law;

B. An accounting of Defendants' profits from their sales of infringing products bearing the Delta Trademarks;

C. Preliminary and permanent injunctions enjoining Defendants and any employees, agents, servants, officers, representatives, directors, attorneys, successors, affiliates, assigns, any and all other entities owned or controlled by Defendants, and all of those in active concert and participation with Defendants (the "Enjoined Parties") as follows:

- Prohibiting the Enjoined Parties from advertising or selling, via the Internet or otherwise, all products bearing the Delta Trademarks;
- ii) Prohibiting the Enjoined Parties from using any of the Delta Trademarks in any manner, including advertising on the Internet;
- Prohibiting the Enjoined Parties from importing, exporting, manufacturing, producing, distributing, circulating, selling, offering to sell, advertising, promoting, or displaying any and all products bearing any of the Delta Trademarks;
- iv) Prohibiting the Enjoined Parties from disposing of, destroying, altering, moving, removing, concealing, or tampering with any records related to any products sold by them which contain the Delta Trademarks including invoices, correspondence with vendors and distributors, bank records, account books, financial statements, purchase contracts, sales receipts, and any other records that would reflect the source of the products that Defendants have sold bearing these trademarks;

- Requiring the Enjoined Parties to take all action to remove from the Enjoined Parties' websites any reference to any of Delta's products, or any of the Delta Trademarks;
- vi) Requiring the Enjoined Parties to take all action, including but not limited to, requesting removal from the Internet search engines (such as Google, Yahoo!, and Bing), to remove from the Internet any of the Delta Trademarks which associate Delta's products or the Delta Trademarks with the Enjoined Parties or the Enjoined Parties' websites;
- vii) Requiring the Enjoined Parties to take all action to remove the Delta Trademarks from the Internet, including from the website www.amazon.com;
- viii) Requiring the Enjoined Parties to destroy or return to Delta all productsbearing the Delta Trademarks in their possession, custody, or control; and
- ix) Requiring the Enjoined Parties to account for all sales of products bearing the Delta Trademarks.

D. An order requiring Amazon.com, Inc. to freeze all funds in any accounts owned or controlled by Defendants and prohibit the withdrawal or transfer of funds out of any such accounts by Defendants to preserve Defendants' assets to be used to satisfy a final judgment.

E. An award of damages, statutory treble damages, attorneys' fees, costs, and expenses.

F. Such other and further relief as the Court deems just, equitable, and proper.

Case 1:24-cv-01901-RLY-KMB

Document 1 52

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Delta demands a trial by

jury on all issues so triable.

Dated: October 28, 2024

Respectfully submitted,

<u>/s/ Louis T. Perry</u> Louis T. Perry (#25736-49) louis.perry@faegredrinker.com

FAEGRE DRINKER BIDDLE & REATH LLP

300 North Meridian St., Suite 2500 Indianapolis, IN 46204 Phone: (317) 237-0300 Fax: (317) 237-1000

Attorney for Plaintiff, Delta Faucet Company