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Fashion Nova LLC

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

PLAYBOY ENTERPRISES
INTERNATIONAL, INC., a Delaware
corporation,

Plaintiff,

v.

FASHION NOVA, INC., now known as
FASHION NOVA LLC, a California
limited liability company,

Defendant.

FASHION NOVA LLC, a California
limited liability company,

Counterclaimant,

v.

PLAYBOY ENTERPRISES
INTERNATIONAL, INC., a Delaware
corporation,

Counterdefendant.

Case No. 2:20-CV-09846-JVS-KS

**DEFENDANT FASHION NOVA'S
ANSWER TO COMPLAINT AND
COUNTERCLAIM**

Complaint Filed: October 27, 2020

ANSWER TO COMPLAINT

Defendant Fashion Nova LLC, formerly known as Fashion Nova, Inc., hereby answers the Complaint filed by Playboy Enterprises International, Inc. as follows:

PRELIMINARY STATEMENT

1. The allegations in Paragraph 1 of the Complaint are not directed toward Fashion Nova and, therefore, it is not required answer these allegations. To the extent that a response is required, Fashion Nova lacks sufficient knowledge, information or belief to truthfully admit or deny the allegations in Paragraph 1—indeed, the term “BUNNY COSTUME” is not even defined—and therefore denies them.

2. Fashion Nova admits that it maintains a website at the landing page www.fashionnova.com and that Paragraph 2 of the Complaint appears to include a low resolution image clipped from that page at some point. Fashion Nova denies the remaining allegations set forth in Paragraph 2 of the Complaint.

3. Fashion Nova admits that the image reproduced on the right side of the page immediately below Paragraph 3 of the Complaint is a cropped image of a model wearing a Fashion Nova product. Fashion Nova lacks sufficient knowledge, information or belief to truthfully admit or deny the allegations in Paragraph 3 of the Complaint relating to the other image and therefore denies them. To the extent the remaining allegations in Paragraph 3 of the Complaint amount to a legal conclusion, no response is required. If a response is required, Fashion Nova denies the remaining allegations set forth in Paragraph 3 of the Complaint.

4. Fashion Nova denies the allegations set forth in Paragraph 4 of the Complaint.

5. Fashion Nova admits that it sold at one point a product with the name “Bunny Of The Month 4 Piece Costume Set.” Fashion Nova lacks sufficient knowledge, information or belief to truthfully admit or deny the allegations in Paragraph 5 of the Complaint relating to the use by Playboy of the phrase “PLAYMATE OF THE MONTH” in conjunction with the magazine Playboy

1 stopped publishing more than a year ago—and that was operating as a quarterly
2 publication for a period before that—and therefore denies them. Fashion Nova denies
3 the remaining allegations set forth in Paragraph 5 of the Complaint.

4 6. Fashion Nova admits that it received a cease and desist letter from
5 Playboy prior to filing the Complaint. To the extent that the other allegations set forth
6 in Paragraph 6 of the Complaint amount to legal conclusions or statements of
7 Playboy’s intent, no response is required. If a response is required, Fashion Nova
8 denies those allegations. Fashion Nova denies the remaining allegations set forth in
9 Paragraph 6 on the Complaint.

10 **THE PARTIES**

11 7. Fashion Nova lacks knowledge or information sufficient to form a belief
12 as to the truth of the allegations set forth in Paragraph 7 of the Complaint, and on that
13 basis denies them.

14 8. Fashion Nova admits that it was previously a California corporation
15 with an address and principal business operations at 2801 East 46th Street, Vernon,
16 California 90058, but has since converted to a limited liability company doing
17 business under the name Fashion Nova LLC as of December 30, 2020.

18 **JURISDICTION AND VENUE**

19 9. Fashion Nova admits that Playboy purports to bring this action under
20 the Trademark Act of 1946, also known as the Lanham Act, 15 U.S.C. § 1051, *et seq.*
21 and certain California laws.

22 10. Fashion Nova admits that Playboy purports to invoke the jurisdiction of
23 this Court as described in Paragraph 10 of the Complaint. To the extent the
24 allegations in Paragraph 10 assert legal conclusions, no response is required.

25 11. Fashion Nova admits that Playboy purports to invoke the jurisdiction of
26 this Court as described in Paragraph 11 of the Complaint. To the extent the
27 allegations in Paragraph 11 assert legal conclusions, no response is required.
28

12. Fashion Nova admits that Playboy alleges that the venue of this Court is proper as described in Paragraph 12 of the Complaint. To the extent the allegations in Paragraph 12 assert legal conclusions, no response is required.

FACTUAL ALLEGATIONS

13. The allegations in Paragraph 13 of the Complaint are not directed toward Fashion Nova and, therefore, it is not required answer these allegations. To the extent that a response is required, Fashion Nova lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in Paragraph 13 of the Complaint, and on that basis denies them.

14. The allegations in Paragraph 14 of the Complaint are not directed toward Fashion Nova and, therefore, it is not required answer these allegations. To the extent that a response is required, Fashion Nova observes that the image accompanying Paragraph 14 and allegedly depicting the so-called “BUNNY COSTUME” is reflected in a trademark that Playboy twice abandoned—once on October 23, 2015 for Registration No. 3592968 and again on September 21, 2019 for Application No. 88358699, both for International Class 25 (clothing). Fashion Nova therefore denies that any valid, registered trademark owned by Playboy is involved in this case. Fashion Nova also denies the accuracy and propriety of including a “®” sign after the phrase “BUNNY COSTUME” in Paragraph 14 of the Complaint because of Playboy’s abandonment of the referenced trademarks associated with apparel offered for sale. Fashion Nova lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations set forth in Paragraph 14 of the Complaint, and on that basis denies them.

15. The allegations in Paragraph 15 of the Complaint are not directed toward Fashion Nova and, therefore, it is not required answer these allegations. To the extent that a response is required, Fashion Nova admits that Playboy at one time opened a club in Chicago and at one point printed a magazine, but notes that the referenced club has closed and magazine has ceased publication. Fashion Nova lacks

1 knowledge or information sufficient to form a belief as to the truth of the remaining
2 allegations set forth in Paragraph 15 of the Complaint, and on that basis denies them.

3 16. The allegations in Paragraph 16 of the Complaint are not directed
4 toward Fashion Nova and, therefore, it is not required answer these allegations. To
5 the extent that a response is required, Fashion Nova admits that Playboy at one time
6 had an open club in Chicago, referred to the adult women who worked as servers in
7 that club by the moniker “Playboy Bunnies,” expected those women as a condition
8 of employment to wear a “strapless one-piece satin-and-rayon garment mounted on
9 a merry widow corset, dyed to match three-inch heels, and a fluffy yarn tail” as well
10 as a “collar, bow tie, and cuffs,” among other things. Fashion Nova denies that this
11 BUNNY COSTUME has been continuously used by Playboy since that time, and
12 observes that it twice-abandoned the mark in International Class 25 (clothing) and
13 has closed down all of its Playboy clubs in the United States. Fashion Nova lacks
14 knowledge or information sufficient to form a belief as to the truth of the allegations
15 set forth in Paragraph 16 of the Complaint, and on that basis denies them.

16 17. The allegations in Paragraph 17 of the Complaint are not directed
17 toward Fashion Nova and, therefore, it is not required answer these allegations. To
18 the extent that a response is required, Fashion Nova lacks knowledge or information
19 sufficient to form a belief as to the truth of the allegations set forth in Paragraph 17
20 of the Complaint, and on that basis denies them.

21 18. The allegations in Paragraph 18 of the Complaint are not directed
22 toward Fashion Nova and, therefore, it is not required answer these allegations. To
23 the extent that a response is required, Fashion Nova denies that the image that appears
24 in Paragraph 18 reflects a model wearing the BUNNY COSTUME described
25 elsewhere in the Complaint, and notes that the product worn by the model does not
26 include a corset, lacks a ribbon name tag described in Paragraph 14 of the Complaint,
27 and the image has been cropped, apparently in a deliberate effort to avoid revealing
28 that the garment includes tuxedo tails rather than a fluffy rabbit tail, among other

1 differences. Fashion Nova also denies the accuracy of including a “®” sign after the
2 phrase “BUNNY COSTUME” in Paragraph 18 of the Complaint because Playboy
3 twice abandoned the mark in International Class 25 (clothing). Fashion Nova lacks
4 knowledge or information sufficient to form a belief as to the truth of the remaining
5 allegations set forth in Paragraph 18 of the Complaint, and on that basis denies them.

6 19. The allegations in Paragraph 19 of the Complaint are not directed
7 toward Fashion Nova and, therefore, it is not required answer these allegations. To
8 the extent that a response is required, Fashion Nova admits that Playboy has
9 excerpted and altered a quote from *In re Chippendales USA, Inc.*, 622 F.3d 1346,
10 1350 (2010) in Paragraph 19 of the Complaint. Fashion Nova denies the continuous
11 use of Playboy’s BUNNY COSTUME, particularly given that it twice (in 2015 and
12 2020) abandoned the mark in International Class 25 (clothing). Fashion Nova lacks
13 knowledge or information sufficient to form a belief as to the truth of the remaining
14 allegations set forth in Paragraph 19 of the Complaint, and on that basis denies them.

15 20. The allegations in Paragraph 20 of the Complaint are not directed
16 toward Fashion Nova and, therefore, it is not required answer these allegations. To
17 the extent that a response is required, Fashion Nova denies that Playboy has
18 continuously used its PLAYMATE OF THE MONTH trademark in connection with
19 its magazine because, among other things, Playboy ceased printing of that magazine
20 more than a year ago and was operating as a quarterly publication for a time even
21 before that. Fashion Nova lacks knowledge or information sufficient to form a belief
22 as to the truth of the remaining allegations set forth in Paragraph 20 of the Complaint,
23 and on that basis denies them.

24 21. The allegations in Paragraph 21 of the Complaint are not directed
25 toward Fashion Nova and, therefore, it is not required answer these allegations. To
26 the extent that a response is required, Fashion Nova admits that Playboy owns several
27 service mark and trademark registrations, some of which it purports to summarize
28 limited details about in a table that accompanies Paragraph 21 of the Complaint, but

1 which omits information about specimens, office actions and other information kept
2 in the files of the United States Patent and Trademark Office associated with those
3 registrations. Fashion Nova lacks knowledge or information sufficient to form a
4 belief as to the truth of the remaining allegations set forth in Paragraph 21 of the
5 Complaint, and on that basis denies them.

6 22. The allegations in Paragraph 22 of the Complaint are not directed
7 toward Fashion Nova and, therefore, it is not required answer these allegations. To
8 the extent that a response is required, Fashion Nova admits that Playboy attached to
9 the Complaint as Exhibit A copies of service mark and trademark Registration Nos.
10 3392817, 3319643, 3353308, 3234488, and 3388248. To the extent the remaining
11 allegations in Paragraph 22 of the Complaint amount to a legal conclusion, no
12 response is required. If a response is required, Fashion Nova denies the remaining
13 allegations set forth in Paragraph 22 of the Complaint, specifically denying the
14 continuous use of the referenced service mark and trademark registrations.

15 23. The allegations in Paragraph 23 of the Complaint are not directed
16 toward Fashion Nova and, therefore, it is not required answer these allegations. To
17 the extent that a response is required, Fashion Nova lacks knowledge or information
18 sufficient to form a belief as to the truth of the allegations set forth in Paragraph 23
19 of the Complaint, and on that basis denies them.

20 24. Fashion Nova admits that it was founded in 2006, opened its first store
21 at the Panorama Mall in Panorama City, California that year, and launched its website
22 for e-commerce in 2013. Fashion Nova denies the remaining allegations set forth in
23 Paragraph 24 of the Complaint.

24 25. Fashion Nova admits that it has sold goods with the product names,
25 “Bunny Of The Month 4 Piece Costume Set,” “Bunny Hop 3 Piece Costume Kit,”
26 and “Miss B Bunny Costume.” Fashion Nova further admits that cropped images of
27 models wearing those products appear on the right side of the pages associated with
28 Paragraph 25 of the Complaint. Fashion Nova also denies the accuracy of including

1 a “®” sign after the phrase “BUNNY COSTUME” in Paragraph 25 of the Complaint,
2 particularly as it pertains to any clothing products offered by Playboy for sale on its
3 website or anywhere else, because Playboy twice abandoned the mark in
4 International Class 25 (clothing). Fashion Nova further denies the remaining
5 allegations set forth in Paragraph 25 of the Complaint.

6 26. Fashion Nova admits that none of its products are associated, affiliated,
7 or connected with Playboy in any way. Fashion Nova denies the remaining
8 allegations set forth in Paragraph 26 of the Complaint.

9 27. Fashion Nova denies the allegations set forth in Paragraph 27 of the
10 Complaint.

11 28. Fashion Nova admits that it has sold apparel with the product name
12 “Bunny Of The Month 4 Piece Costume Set,” and that accompanying Paragraph 28
13 of the Complaint is an image of a model wearing that product, among other garments
14 not sold as part of the set. Fashion Nova denies the remaining allegations set forth in
15 Paragraph 28 of the Complaint.

16 29. Fashion Nova denies the allegations set forth in Paragraph 29 of the
17 Complaint.

18 30. Fashion Nova denies the allegations set forth in Paragraph 30 of the
19 Complaint.

20 31. Fashion Nova denies the allegations set forth in Paragraph 31 of the
21 Complaint.

22 32. Fashion Nova admits that Playboy wrote a cease and desist letter to
23 Fashion Nova dated October 13, 2020, that requested a response before October 18,
24 2020, among other things. Fashion Nova denies the remaining allegations set forth
25 in Paragraph 32 of the Complaint.

26 33. Fashion Nova denies the allegations set forth in Paragraph 33 of the
27 Complaint.
28

FIRST CAUSE OF ACTION

34. Paragraph 34 of the Complaint does not make any factual allegations and therefore requires no response.

35. Fashion Nova lacks knowledge or information sufficient to form a belief as to the truth of the allegations set forth in Paragraph 35 of the Complaint, and on that basis denies them.

36. Fashion Nova denies the allegations set forth in Paragraph 36 of the Complaint.

37. Fashion Nova denies the allegations set forth in Paragraph 37 of the Complaint.

38. Fashion Nova denies the allegations set forth in Paragraph 38 of the Complaint.

39. Fashion Nova denies the allegations set forth in Paragraph 39 of the Complaint.

40. The allegations in Paragraph 40 of the Complaint assert legal conclusions, which require no response. To the extent a response is required, Fashion Nova denies the allegations set forth in Paragraph 40 of the Complaint.

SECOND CAUSE OF ACTION

41. Paragraph 41 of the Complaint does not make any factual allegations and therefore requires no response.

42. Fashion Nova denies the allegations set forth in Paragraph 42 of the Complaint.

43. Fashion Nova denies the allegations set forth in Paragraph 43 of the Complaint.

44. Fashion Nova denies the allegations set forth in Paragraph 44 of the Complaint.

1 45. The allegations in Paragraph 45 of the Complaint assert legal
2 conclusions, which require no response. To the extent a response is required, Fashion
3 Nova denies the allegations set forth in Paragraph 45 of the Complaint.

4 **THIRD CAUSE OF ACTION**

5 46. Paragraph 46 of the Complaint does not make any factual allegations
6 and therefore requires no response.

7 47. The allegations in Paragraph 47 of the Complaint assert legal
8 conclusions, which require no response. To the extent a response is required, Fashion
9 Nova lacks knowledge or information sufficient to form a belief as to the truth of the
10 allegations set forth in Paragraph 47 of the Complaint, and on that basis denies them.

11 48. The allegations in Paragraph 48 of the Complaint assert legal
12 conclusions, which require no response. To the extent a response is required, Fashion
13 Nova lacks knowledge or information sufficient to form a belief as to the truth of the
14 allegations set forth in Paragraph 48 of the Complaint, and on that basis denies them.

15 49. Fashion Nova denies the allegations set forth in Paragraph 49 of the
16 Complaint.

17 50. Fashion Nova denies the allegations set forth in Paragraph 50 of the
18 Complaint.

19 51. Fashion Nova denies the allegations set forth in Paragraph 51 of the
20 Complaint.

21 52. The allegations in Paragraph 52 of the Complaint assert legal
22 conclusions, which require no response. To the extent a response is required, Fashion
23 Nova denies the allegations set forth in Paragraph 52 of the Complaint.

24 **FOURTH CAUSE OF ACTION**

25 53. Paragraph 53 of the Complaint does not make any factual allegations
26 and therefore requires no response.

27 54. Fashion Nova denies the allegations set forth in Paragraph 54 of the
28 Complaint.

1 55. Fashion Nova denies the allegations set forth in Paragraph 55 of the
2 Complaint.

3 56. Fashion Nova denies the allegations set forth in Paragraph 56 of the
4 Complaint.

5 57. Fashion Nova denies the allegations set forth in Paragraph 57 of the
6 Complaint. To the extent the allegations assert legal conclusions, no response is
7 required.

8 58. The allegations in Paragraph 58 of the Complaint assert legal
9 conclusions, which require no response. To the extent a response is required, Fashion
10 Nova denies the allegations set forth in Paragraph 58 of the Complaint.

11 **FIFTH CAUSE OF ACTION**

12 59. Paragraph 59 of the Complaint does not make any factual allegations
13 and therefore requires no response.

14 60. The allegations in Paragraph 60 of the Complaint assert legal
15 conclusions, which require no response. To the extent a response is required, Fashion
16 Nova lacks knowledge or information sufficient to form a belief as to the truth of the
17 allegations set forth in Paragraph 60 of the Complaint, and on that basis denies them.

18 61. Fashion Nova denies the allegations set forth in Paragraph 61 of the
19 Complaint.

20 62. The allegations in Paragraph 62 of the Complaint assert legal
21 conclusions, which require no response. To the extent a response is required, Fashion
22 Nova denies the allegations set forth in Paragraph 62 of the Complaint.

23 **SIXTH CAUSE OF ACTION**

24 63. Paragraph 63 of the Complaint does not make any factual allegations
25 and therefore requires no response.

26 64. Fashion Nova denies the allegations set forth in Paragraph 64 of the
27 Complaint.
28

65. Fashion Nova denies the allegations set forth in Paragraph 65 of the Complaint.

66. Fashion Nova denies the allegations set forth in Paragraph 66 of the Complaint.

67. Fashion Nova denies the allegations set forth in Paragraph 67 of the Complaint.

68. Fashion Nova denies the allegations set forth in Paragraph 68 of the Complaint.

69. Fashion Nova denies the allegations set forth in Paragraph 69 of the Complaint.

70. The allegations in Paragraph 70 of the Complaint assert legal conclusions, which require no response. To the extent a response is required, Fashion Nova denies the allegations set forth in Paragraph 70 of the Complaint.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

(Failure to State a Claim)

The Complaint, in whole or in part, fails to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

(Abandonment)

Playboy's claims are barred, in whole or in part, because Playboy twice abandoned whatever rights it purports to invoke in this suit regarding the "BUNNY COSTUME" when it allowed the 2015 cancellation of its trademark Registration No. 3592968, the 2020 notice of abandonment for Application No. 88358699, and took no further steps to enforce any purported rights in International Class 25 (clothing). With the closure of the last Playboy club in 2019 and cessation of Playboy's printed magazine in 2020, Playboy has further abandoned its service marks identified with Registration Nos. 3392817, 3319643, 3353308, 3234488, and 3388248.

1 **THIRD AFFIRMATIVE DEFENSE**

2 (Genericide)

3 Playboy's claims are barred, in whole or in part, because Playboy failed to
4 diligently police its marks, allowing them to become generic and lose their legal
5 protection as trademarks.

6 **FOURTH AFFIRMATIVE DEFENSE**

7 (Unclean Hands)

8 Playboy's claims are barred, in whole or in part, by the doctrine of unclean
9 hands.

10 **FIFTH AFFIRMATIVE DEFENSE**

11 (Trademark Misuse)

12 Playboy's claims are barred, in whole or in part, by the doctrine of trademark
13 misuse because Playboy is attempting to extend its service mark rights beyond that
14 allowed by law. That is, Playboy's claims are either objectively baseless or have been
15 filed without regard to the final outcome of the case, but rather, for the sole purpose
16 of forcing Fashion Nova to incur the expense of mounting a legal defense.

17 **SIXTH AFFIRMATIVE DEFENSE**

18 (Actions of Others)

19 Playboy's claims are barred, in whole or in part, because Fashion Nova has
20 never itself participated or engaged in the design, creation, or production of the
21 accused products at issue in the Complaint, and rather procured these products from
22 outside vendors. Therefore, Fashion Nova is not liable for the acts of others over
23 whom it has no control.

24 **SEVENTH AFFIRMATIVE DEFENSE**

25 (Failure to Police Trademark Rights)

26 Playboy's claims are barred, in whole or in part, by reason of other parties
27 use of the marks at issue in the Complaint by producing, marketing, and selling
28 bunny Halloween costumes.

RESERVATION OF ADDITIONAL DEFENSES

Fashion Nova has not yet completed its investigation and discovery, and therefore reserves the right to plead any additional affirmative defenses that may apply.

PRAYER FOR RELIEF

WHEREFORE, Fashion Nova prays for judgment on Playboy's Complaint as follows:

1. That Playboy's Complaint, and each of the causes of action alleged therein, be denied in their entirety and dismissed with prejudice;

2. That Fashion Nova be awarded all costs and attorney fees incurred in connection with the defense of the Complaint to the maximum extent permitted by law; and

3. That Fashion Nova be awarded such other and further relief as the Court may deem just and proper.

Dated: April 27, 2021

Squire Patton Boggs (US) LLP

By: /s/ Adam R. Fox
Adam R. Fox
Marisol Mork

Attorneys for Defendant
FASHION NOVA, INC.

COUNTERCLAIMS

For its Counterclaims against Playboy Enterprises International, Inc., Counterclaimant Fashion Nova LLC, previously known as Fashion Nova, Inc., alleges on knowledge as to its own conduct and on information and belief as to all other matters, as follows:

INTRODUCTION

1. In September 2020, the U.S. Patent and Trademark Office (“PTO”) issued a public notice that Playboy had abandoned a potential trademark for the so-called “Bunny Costume” in International Class 25 (clothing), depicted below:



The PTO had determined that the product was not distinctive, not sufficiently related to the goods and services in several other registrations identified by Playboy, and lacked any indication that consumers would identify Playboy as the source. Undeterred, just one month later Playboy filed the underlying Complaint in this action against Fashion Nova. In that Complaint, Playboy claims to have exclusive

1 rights to use of the mark for articles of clothing notwithstanding the PTO's notice of
2 abandonment.

3 2. Lacking exclusive rights for the so-called "Bunny Costume" in articles
4 of clothing, Playboy premised its lawsuit on a number of service marks that relate to
5 employee uniforms. But these service marks were among those the PTO considered
6 and rejected as sufficiently related for purposes of establishing distinctiveness of the
7 apparel at issue. Moreover, in its Complaint, Playboy failed to disclose and thus
8 deliberately concealed from the Court the following: (1) its 2015 abandonment of the
9 so-call "Bunny Costume" trademark in International Class 25; (2) its 2019
10 application to revive this abandoned mark that the PTO rejected and that Playboy
11 abandoned yet again; (3) its 2019 closure of the last Playboy club in the United States,
12 which is related to the validity of the existing service marks; (4) the March 2020
13 announcement that Playboy had shuttered its print magazine that had years earlier
14 ceased being a monthly publication; and (5) the many business enterprises that have
15 been marketing and selling for years products similar to if not identical to those
16 placed at issue in its Complaint.

17 3. Playboy's lawsuit is objectively baseless and was filed for unfair,
18 improper, and anti-competitive purposes. It is a sham designed to cause Fashion
19 Nova to pay Playboy a ransom or otherwise incur the expense of mounting a legal
20 defense to Playboy's meritless and anticompetitive claims. This wrongdoing by
21 Playboy vitiates any prospects of liability on the part of Fashion Nova. Moreover, it
22 provides the basis for an unfair competition claim against Playboy as detailed below.

23 **PARTIES**

24 4. Fashion Nova LLC is a limited liability company organized and existing
25 under the laws of California with its principal place of business at 2801 East 46th
26 Street, Vernon, California 90058.

1 5. Playboy Enterprises International, Inc. is a corporation organized and
2 existing under the laws of Delaware with its principal place of business at 10960
3 Wilshire Boulevard, Suite 2200, Los Angeles, California 90024.

4 **JURISDICTION AND VENUE**

5 6. This Court has original jurisdiction over the subject matter of this action
6 pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338. This Court has
7 supplemental jurisdiction over all other claims asserted herein under 28 U.S.C.
8 § 1367(a).

9 7. This Court has personal jurisdiction over Playboy because, by filing its
10 Complaint in this Court, Playboy has consented to personal jurisdiction in this
11 District.

12 8. Venue is proper in this District pursuant to 28 U.S.C. § 1391.

13 **GENERAL ALLEGATIONS**

14 9. Founded in 2006, Fashion Nova is a global fashion brand that sells a
15 diverse range of clothing for women, men and children. A leader in the so-called “fast
16 fashion” segment of the apparel industry, Fashion Nova follows rapidly evolving
17 trends and makes new clothing options available to consumers just as quickly.
18 Fashion Nova thus departs from the standard in the fashion industry for generations
19 of only releasing a few new seasonal collections. Fashion Nova operates primarily
20 through its website, www.fashionnova.com, and works with over 500 manufacturers
21 and vendors to release 900 to 1,500 new styles per week, making it one of the largest
22 and fastest growing e-commerce platforms.

23 10. Fashion Nova’s business model is also noteworthy because its product
24 offerings appeal to a target audience of primarily women of all colors, sizes, and
25 budgets. With the majority of its products retailing for less than \$50, Fashion Nova
26 provides clothes, inclusion and empowerment to many people historically excluded
27 from the fashion industry.

11. Launching its online presence in 2013, Fashion Nova was one of the first apparel companies to recognize that social media would be integral to successful branding. Rather than simply rely on traditional advertising—even online advertising—to funnel potential customers to its website, Fashion Nova engaged thousands of “social media influencers” to promote its brand through their own social networks, leading to nearly 20 million followers on Instagram alone. Today, Fashion Nova counts more than 30 million followers across social media platforms, including Instagram, Tik Tok, Twitter, and Facebook.

12. Fashion Nova has also achieved international recognition through its celebrity partnerships and endorsements, including those with platinum-selling artists Cardi B and Megan thee Stallion, as well as household names such as Amber Rose, Kehlani, and the Kardashian family. Indeed, as a result of its substantial marketing and promotional activities, and the avid popularity of its products, in 2018 Google identified Fashion Nova as the most searched fashion brand, surpassing all others, including Louis Vuitton and Gucci. Fashion Nova’s social media exposure and user engagement is also greater than its competitors H&M and Zara combined. It is the top-performing fashion brand leveraging social media.

13. Fashion Nova has achieved its success largely by democratizing fashion, eschewing high prices despite its products’ good looks, and reaching out to a young and diverse customer base. It also rose to prominence without any traditional marketing. There was no runway show, no interviews, no press releases, no placements in magazines, and no search engine optimization tactics. Instead, Fashion Nova has attracted customers through its dedication to inclusivity—whether that be in price points, sizing, or diversity.

14. The history arc for Playboy is quite different. Playboy gained notoriety as the publisher of a magazine ostensibly for adult entertainment, but its exclusive

1 tagline “Entertainment for Men”¹ reflected its primary target audience as cisgender
 2 heterosexual men with photo spreads of nude (mostly white) women it dubbed
 3 “Playmates.”² Its first issue, published in December 1953, featured Marilyn Monroe
 4 on its cover. The apparent endorsement of the famed actress, who had appeared that
 5 same year in the films *Gentlemen Prefer Blondes* and *How to Marry a Millionaire*,
 6 lent the new publication—which was put together at the kitchen table of its founder
 7 Hugh Hefner—a patina of credibility. It was entirely false; Playboy used the
 8 photograph of the Hollywood starlet for the cover as well as the nudes published within
 9 the magazine’s pages without her consent.³ Playboy nevertheless captured the
 10 attention of a “certain breed of male consumer,”⁴ and by the end of the 1950s, the
 11 magazine was selling a million copies a month, with sales of the November 1972 issue
 12 peaking at more than 7.1 million copies.⁵

13 ¹ See J. Bennett, “Will the Millennials Save Playboy?” New York Times (Aug. 2,
 14 2019), available at <https://www.nytimes.com/2019/08/02/business/woke-playboy-millennials.html>
 15 (last visited Apr. 27, 2021) (“Even before the #MeToo movement, there had long been debate over whether a publication with the tag line
 16 ‘Entertainment for Men’ had any place in an equitable world.”) (hereinafter “Save Playboy?”).

17 ² See A. Vagianos, “Women Read Playboy For The First Time,” Huffington Post
 18 (Feb. 6, 2015), available at https://www.huffingtonpost.ca/entry/women-read-playboy-for-the-first-time-buzzfeed_n_6629950
 19 (last visited Apr. 27, 2021) (observing, among other things, “Playboy has a serious lack of diversity”).

20 ³ Apparently, “Monroe never posed for Playboy. Hefner bought old photos a
 21 struggling Monroe had posed for under a pseudonym, having no idea they would
 22 eventually end up as a magazine feature. The star was never paid for her Playboy
 23 debut.” J. Houston et al., “Hugh Hefner's Playboy empire became an iconic part of
 24 pop culture, but struggled to keep up. Here's what led to the company's rise and fall.”
 25 Business Insider (Oct. 11, 2019), available at
 26 <https://www.businessinsider.com/playboy-hugh-hefner-rise-and-fall-what-happened-2019-10>
 27 (last visited Apr. 27, 2021) (hereinafter “Business Insider”).

28 ⁴ See *supra* note 1, Save Playboy?

29 ⁵ Apparently, the high sales of this issue had little to do with Playboy. A group of
 30 male researchers at the University of Southern California used an image of the
 31 centerfold model, Lena Söderberg, for scanning to test compression algorithms,
 32 eventually leading to the development of the now ubiquitous .jpeg image format.
 33 C. Iozzio, “The Playboy Centerfold That Revolutionized Image-Processing
 34 Research,” The Atlantic (Feb. 9, 2016), available at

15. Playboy leveraged its adult magazine to open nearly two dozen private clubs in the 1960s and 70s in which members were served by women who wore tight and revealing corsets, three-inch heels, false eyelashes, as well as rabbit ears and tails as a condition of employment; these women were also apparently expected by Playboy to give “special treatment” to VIP “keyholders.”⁶

16. The glory days for Playboy did not last. By the 1980s, a societal shift had begun to change public perception of its clubs, and virtually all of them had shut down in the United States by 1986. During the same time period, the growing availability of pornography for home video was giving Playboy’s print magazine competition, notwithstanding the oft-repeated joke that people really read it for its articles. “As magazines like *Stuff* and *Maxim* entered the market, circulation continued to decline through the ‘90s.”⁷ By the time of its founder’s death in 2017, “Playboy was in a dizzying sequence of revival attempts. . . . [T]he company . . . cut the magazine’s circulation; reduced its frequency; stopped printing ads; replaced chief

<https://www.theatlantic.com/technology/archive/2016/02/lena-image-processing-playboy/461970/> (last visited Apr. 27, 2021). This use has also led to a “polarizing debate within the field,” with some regarding the model as “an important part of image-processing history,” and others “arguing that a *Playboy* centerfold—even one cropped to a PG rating—is just one more message to women that they don’t belong in the male-dominated world of computer science.” *Id.*; see also E. Yahr, “The bizarre story behind Playboy’s highest-selling issue ever,” *Washington Post* (Sep. 28, 2017), available at <https://www.washingtonpost.com/news/arts-and-entertainment/wp/2017/09/28/the-bizarre-story-behind-playboys-highest-selling-issue-ever/> (last visited Apr. 27, 2021) (“And what about Playboy’s thoughts on the matter, since the initial photo was shared without permission? Apparently, they decided not to care. ‘We decided we should exploit this,’ a Playboy rep said told *Wired* in 1997.”).

⁶ See G Steinem, “A Bunny’s Tale: Part I,” *Show* (May 1963), available at <https://undercover.hosting.nyu.edu/files/original/5c9de8d1db51cede1395f6d6fa480ca24e872b76.pdf> (last visited Apr. 27, 2021) & G Steinem, “A Bunny’s Tale: Part II,” *Show* (May 1963), available at <https://undercover.hosting.nyu.edu/files/original/76f8961b4dccd8f809cd35f43da124b969ec06e3.pdf> (last visited Apr. 27, 2021).

⁷ See *supra* note 3, *Business Insider*.

1 executives; and, most notably, briefly banned nudity — before bringing it back.”⁸ In
 2 September 2018, Playboy reopened its club in New York for the first time since
 3 1986—but shut it down again after just over a year.⁹ Playboy also rapidly scaled back
 4 its onetime monthly publication. “The magazine cut its annual publishing schedule
 5 in 2018 from ten issues to six. It became a quarterly in 2019.”¹⁰ In the last relaunch
 6 “as a thick-stock, matte-paper, ad-free quarterly,” the magazine was “virtually
 7 unrecognizable from the one Mr. Hefner created.”¹¹ Finally, in March of 2020,
 8 Playboy shuttered its print magazine just as it had its private clubs.¹²

9 17. Playboy has often ignored the enforcement of its intellectual property
 10 rights. One example is in Playboy choosing not to enforce its rights in the context of
 11 the so-called “Bunny Costume,” with its iconic bunny ears, tail, ribbon name tag,
 12 wrist cuffs, bowtie collar, and corset with a sweetheart neckline, as depicted above
 13 in Counterclaim Paragraph 1—an image that appears in both Registration No.
 14 3592968 and Application No. 88358699. The referenced registration and application
 15 are both for marks in International Class 25 (clothing).

16 18. Playboy abandoned Registration No. 3592968, and the PTO removed it
 17 from the registry on October 23, 2015, after Playboy failed to file an acceptable
 18 declaration of use. On or about March 27, 2019, Playboy filed Application No.
 19 88358699 seeking to register the same mark. In response, on July 24, 2019, the PTO

20
 21 ⁸ See *supra* note 1, Save Playboy?

22 ⁹ See L. Weiss, “NYC Playboy Club bunnies to hang up tails and ears after just one
 23 year,” New York Post (Nov. 14, 2019), *available at*
[https://nypost.com/2019/11/14/nyc-playboy-club-bunnies-to-hang-up-tails-and-](https://nypost.com/2019/11/14/nyc-playboy-club-bunnies-to-hang-up-tails-and-ears-after-just-one-year/)
[ears-after-just-one-year/](https://nypost.com/2019/11/14/nyc-playboy-club-bunnies-to-hang-up-tails-and-ears-after-just-one-year/) (last visited Apr. 27, 2021).

24 ¹⁰ B. Eha, “The End of Men’s Magazines,” City Journal (Aut. 2019), *available at*
 25 <https://www.city-journal.org/the-end-of-mens-magazines> (last visited Apr. 27, 2021).

26 ¹¹ See *supra* note 1, Save Playboy?

27 ¹² See L. Alpert, “Playboy Magazine Shuts Down Print Edition, Citing Coronavirus,”
 28 Wall Street Journal (Mar. 18, 2020), *available at*
[https://www.wsj.com/articles/playboy-magazine-shuts-down-print-edition-citing-](https://www.wsj.com/articles/playboy-magazine-shuts-down-print-edition-citing-coronavirus-11584582245)
[coronavirus-11584582245](https://www.wsj.com/articles/playboy-magazine-shuts-down-print-edition-citing-coronavirus-11584582245) (last visited Apr. 27, 2021).

1 issued an Office Action refusing to register the mark, deeming it “a nondistinctive
 2 product design . . . that is not registrable on the Principal Register without sufficient
 3 proof of acquired distinctiveness.” Playboy subsequently argued that the applied-for-
 4 mark had become distinctive based on Playboy’s “ownership of five active prior
 5 registrations for the same mark for sufficiently similar or related goods and/or
 6 services.” Indeed, Playboy referenced the four service mark registrations upon which
 7 it basis this lawsuit as well as an additional service mark in International Class 38
 8 (television broadcasting).

9 19. The PTO swiftly rejected Playboy’s position, explaining:

10 In the present case, applicant’s evidence consisted of a
 11 number of existing registrations. Although the mark in all
 12 of the registrations is that same as the mark in the
 13 application, ***applicant has not established sufficient
 14 relatedness of the goods and services.*** Only one of the
 15 registrations is for arguably related services – Registration
 16 No. 324488, for applicant’s retail store services. This one
 17 existing registration is insufficient to establish that
 consumers will perceive applicant as the source of the
 products. ***Even though consumers may recognize the
 18 products as “Playboy Bunny” costumes, there is no
 19 indication that they will conclude that applicant is the
 20 source of the products.***

21 Mar. 3, 2020 Office Action (emphases added).

22 20. Playboy did not further pursue its rejected intent-to-use application and
 23 the PTO issued a public notice of abandonment on September 21, 2020.

24 21. During the years that Playboy had no live mark granting it exclusive
 25 rights to sell clothing as depicted above in Counterclaim Paragraph 1, many
 26 companies offered such apparel for sale to the general public, including the
 27 following: Yandy LLC; Party City Holdco Inc.; Spirit Halloween; Walmart;
 28 Poshmark; Spicy Lingerie; 3Wishes.com; Julbie; AMI Ventures, Inc. d/b/a AMI
 ClubWear; Rave Fix Corp.; Thalpy B.V. d/b/a CosplayWare.com;
 HalloweenCostumes.com; LingerieDiva.com; Roma Costume Inc.; FUNkyPair;
 Chic Me; lets-be-gothic.com; RONGRUO sold via Amazon.com; Girlielingerie.com;

1 Mass Genie, MayKool Store; COSTUMEISH; PreChic; CrazeCosplay;
 2 Beverlyheels.com; WorldClassCostumes; Hyphoria.net; The Life of the Party;
 3 Vivacious Fashion; Pink Queen; Fearless Apparel; costumes4less.com; and Bonanza.
 4 Some of these companies, such as Spicy Lingerie, sell the product with advertising
 5 positing questions like, “Who says Hugh Hefner gets to hog all the bunnies?”¹³ Most
 6 if not all of these bunny costumes have been marketed and sold without even an
 7 ostensible license by Playboy, which lacked exclusive rights to grant one anyway.
 8 Indeed, Playboy’s current president Jared Dougherty, proudly and publicly
 9 proclaimed in a September 20, 2017 press release announcing a partnership with the
 10 lingerie company Yandy that the so-called “Bunny Costume” is “often imitated.”¹⁴

11 22. One month after abandoning (for the second time) any trademark rights
 12 to the so-called “Bunny Costume” as an article of clothing in September 2020,
 13 Playboy elected to sue Fashion Nova after giving it just days to respond to a cease
 14 and desist letter. Lacking an active and valid mark, Playboy premised its lawsuit—
 15 the underlying action in this case—on four of the service marks that the PTO had
 16 rejected in 2019 as a basis for reviving the International Class 25 trademark. Each of
 17 these service marks relates to the use of the so-called “Bunny Costume” as an
 18 employee uniform in Playboy business that lack continuous operations. *See*
 19 Registration Nos. 3392817, 3219643, 3353308 & 3234488. For good measure,
 20 Playboy also threw into its Complaint its trademark for the phrase “Playmate of the
 21 Month” for adult entertainment magazines, Registration No. 3388248, even though
 22 it also no longer prints a magazine and years ago ceased operating its magazine as a
 23 monthly print publication.

24
 25 ¹³ *See* <https://www.spicylingerie.com/costumes-fantasy-sexy-bunnys.html> (last
 visited Apr. 27, 2021).

26 ¹⁴ “Yandy.com and Playboy Announce Lingerie and Halloween Costume
 27 Collaboration,” (Sep. 20, 2017), *available at* <https://www.globenewswire.com/news-release/2017/09/20/1125190/0/en/Yandy-com-and-Playboy-Announce-Lingerie-and-Halloween-Costume-Collaboration.html>
 28 <https://www.globenewswire.com/news-release/2017/09/20/1125190/0/en/Yandy-com-and-Playboy-Announce-Lingerie-and-Halloween-Costume-Collaboration.html> (last visited Apr. 27, 2021).

23. In its Complaint, Playboy failed to disclose and thus deliberately concealed from the Court the following: (1) its 2015 abandonment of the so-called “Bunny Costume” trademark in International Class 25; (2) its 2019 application to revive this abandoned mark that the PTO rejected and that Playboy abandoned yet again; (3) its 2019 closure of the last Playboy club in the United States; (4) the March 2020 announcement that Playboy had shuttered its print magazine that had years earlier ceased being a monthly publication; and (5) the many business enterprises that have been marketing and selling for years products similar to if not identical to those placed at issue in its Complaint. Instead, Playboy baselessly and falsely stated repeatedly in its Complaint that its use of the so-called “Bunny Costume” has been continuous and its protection efforts diligent and robust, and went so far as to oppose judicial notice of the widely known and indisputable facts set forth in (3) and (4). These falsehoods render Playboy’s lawsuit a sham and an abuse of the legal system for unfair, improper, and anti-competitive purposes.

24. Based on Playboy’s demands concerning the accused products at issue in its Complaint, there is an actual controversy between Fashion Nova and Playboy in that Playboy contends that each of the accused products at issue in its Complaint infringes, dilutes, or otherwise violates trademark, trade dress and other common law rights allegedly owned by Playboy. Fashion Nova maintains that they do not, and Playboy lacks exclusive rights over these clothing articles.

FIRST COUNTERCLAIM

Declaratory Judgment

25. Fashion Nova incorporates by reference Paragraphs 1 through 24 of its Counterclaims above as if fully restated herein.

26. 28 U.S.C. § 2201 provides that “[i]n a case of an actual controversy within its jurisdiction . . . any Court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.”

33. As a result of Playboy's unlawful, unfair, and fraudulent conduct, Fashion Nova is placed at a competitive disadvantage and faces damage to its reputation and business relationships.

34. Playboy's wrongful acts described herein have also caused great harm to the marketplace. No legal remedy for the resulting injury is adequate compensation; only an injunctive order directing Playboy to cease its unfair conduct will suffice.

PRAYER FOR RELIEF

WHEREFORE, this Counterclaimant prays for judgment and relief as follows:

1. Declaring that Fashion Nova's products do not infringe, dilute, or otherwise violate any trademark of common law rights held by Playboy;
2. That Fashion Nova be awarded injunctive relief as requested;
3. For Fashion Nova's attorneys' fees as allowed by law;
4. For Fashion Nova's costs of suit as allowed by law; and,
5. For such other relief as the Court may deem just and proper.

DEMAND FOR A JURY TRIAL

Fashion Nova hereby demand a trial by jury of all issue so triable.

Dated: April 27, 2021

Squire Patton Boggs (US) LLP

By: /s/ Adam R. Fox
Adam R. Fox
Marisol Mork
Attorneys for Defendant
Fashion Nova, Inc.

010-9203-2196/7/AMERICAS