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10 Phinge Corporation

11 **UNITED STATES DISTRICT COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**

13 Phinge Corporation, a Delaware
14 Corporation,

15 Plaintiff,

16 v.

17 Yankees Entertainment and Sports
18 Network, LLC, a Delaware Limited
19 Liability Company, Brooklyn Nets, LLC,
20 a New Jersey Limited Liability
21 Company, Canon U.S.A., Inc., a New
22 York Corporation, NBA Properties, Inc.,
23 a New York Corporation, Brooklyn
24 Sports and Entertainment LLC, a New
25 York Corporation, and DOES 1-10,

26 Defendants.

Case No. 2:24-cv-7917

COMPLAINT FOR

1. TRADEMARK INFRINGEMENT UNDER SECTION 32 OF THE LANHAM ACT (15 U.S.C. § 1051 ET SEQ.)
2. CONTRIBUTORY TRADEMARK INFRINGEMENT UNDER SECTION 32 OF THE LANHAM ACT (15 U.S.C. §§ 1051 ET SEQ.)
3. UNFAIR COMPETITION UNDER SECTION 43(a) OF THE LANHAM ACT (15 U.S.C. §1125(a))
4. COMMON LAW UNFAIR COMPETITION/TRADEMARK INFRINGEMENT (CAL. BUS. & PROF. CODE § 17200 ET SEQ.)
5. CALIFORNIA TRADEMARK INFRINGEMENT (CAL BUS. & PROF. CODE § 14200 ET SEQ.)

**ACTION SEEKING STATEWIDE
OR NATIONWIDE RELIEF**

DEMAND FOR JURY TRIAL

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5 1. Plaintiff, Phinge Corporation (hereinafter “Plaintiff”), a
6 Delaware corporation, brings this Complaint against Yankees Entertainment and
7 Sports Network, LLC, a Delaware Limited Liability Company, Brooklyn Nets,
8 LLC, a New Jersey Limited Liability Company, Canon U.S.A., a New York
9 Corporation, NBA Properties, Inc., a New York Corporation, Brooklyn Sports and
10 Entertainment LLC, a New York Corporation, and DOES 1-10, (hereinafter
11 “Defendants”) for trademark infringement and unfair competition under federal
12 and state law. Plaintiff further seeks an injunction preventing Defendants from
13 using the name/trademark NETAVERSE, and any name/trademark that is
14 confusingly similar thereto.

15 **NATURE OF THE ACTION**

16 2. This is a civil action for (i) direct trademark infringement of
17 Plaintiff’s federally-registered trademark in violation of the Federal Trademark
18 (Lanham) Act, 15 U.S.C. §§ 1051 *et seq.*; (ii) contributory trademark infringement
19 of Plaintiff’s federally-registered trademark in violation of the Federal Trademark
20 (Lanham) Act, 15 U.S.C. §§ 1051 *et seq* (ii) unfair competition in violation of
21 Section 43(a) of the Trademark Act of 1946, as amended (15 U.S.C. § 1125(a));
22 and (iv) related state and common law claims, arising from Defendants’
23 unauthorized use of Plaintiff’s registered trademark in connection with similar
24 services.

25 **PARTIES**

26 3. Plaintiff is a corporation organized and existing under the laws
27 of Delaware.
28

1 4. Upon information and belief, Defendant Yankees Entertainment
2 and Sports Network, LLC, (“YES Network”) is a limited liability company
3 organized under the laws of Delaware and licensed to do business within the state
4 of California.

5 5. Upon information and belief, Defendant Brooklyn Nets, LLC
6 (“Brooklyn Nets”) is a limited liability company organized under the laws of New
7 Jersey and licensed to do business within the state of California.

8 6. Upon information and belief, Defendant Canon U.S.A., Inc.
9 (“Canon”) is a corporation organized under the laws of New York and licensed to
10 do business within the state of California.

11 7. Upon information and belief, Defendant NBA Properties, Inc.
12 (“NBA”) is a corporation organized under the laws of New York and licensed to do
13 business within the state of California.

14 8. Upon information and belief, Defendant Brooklyn Sports and
15 Entertainment LLC (“BSE Global”) is a corporation organized under the laws of
16 New York and licensed to do business within the state of California.

17 9. Upon information and belief, Defendants DOES 1-10 are
18 unknown persons and/or entities related to or affiliated with the other listed persons
19 and entities and are the proximate or actual cause of damage to Plaintiff.

20 **JURISDICTION AND VENUE**

21 10. This action arises under federal trademark laws, 15 U.S.C. §§
22 1051 *et seq.*, and thus, this Court has jurisdiction over the subject matter pursuant
23 to 28 U.S.C. § 1331 and 15 U.S.C. § 1121. This Court has supplemental jurisdiction
24 over related state law claims pursuant to 28 U.S.C. § 1367(a) because these claims
25 form part of the same case or controversy.

26 11. This Court may exercise personal jurisdiction over the
27 Defendants based upon their activities, including their transaction of business,
28 within the Central District of California. Specifically, Defendants sell and offer

1 their services via their website and social media, which is available to and
2 accessible by residents in this District.

3 12. Venue is proper in this district under 28 U.S.C. § 1391(b)(2),
4 in that Defendants sell, offer, and transact their business in this judicial district, and
5 at a minimum, operate Defendants' business in Los Angeles, California.

6 **FACTS**

7 13. Plaintiff has been in the business of hardware and software
8 technology for over ten (10) years. Specifically, since December 2021 Plaintiff has
9 offered a portion of its platform called NETVERSE for mobile, tablet, and laptop
10 devices, and Plaintiff has been preparing to offer a virtual reality version of its
11 NETVERSE platform, called NETAVERSE, since January of 2022.

12 14. Plaintiff began using the NETVERSE trademark at least as early
13 as December 2021, and that use has been continuous, unbroken, and exclusive from
14 that date to the present. Since at least as early as December 2021, Plaintiff has
15 promoted the goods and services of others through its websites. Since at least as
16 early as January of 2022, Plaintiff has provided transmission of video and video
17 data through the internet, provided audio and video recording services, and
18 provided consultancy in the field of video recording services, under the Mark
19 NETVERSE.

20 15. Plaintiff has invested a great deal of time and resources into
21 developing its NETVERSE and NETAVERSE technology and brand. Thirty-four
22 (34) United States patents involving the technology to be used under the
23 NETVERSE and NETAVERSE Marks have been granted by the United States
24 Patent and Trademark Office, including many revolutionary hardware innovations
25 and inventions, and more than 60 additional software patent applications submitted
26 by Plaintiff are pending at the United States Patent and Trademark Office.

27 16. Plaintiff owns 21 domains utilizing the term NETVERSE,
28 including www.Netverse.casino, www.Netverse.tech, www.Netverse.tv,

1 www.Netverse.BUSINESS, www.Netverse.CLOUD, www.Netverse.Ventures,
2 www.Netverse.Today, www.Netverse.store, Netversecasino.com,
3 www.Netverse.technology, www.Netverse.world, www.Netverse.online,
4 www.Netverse.life, www.Netverse.pro, www.Netverse.shop,
5 www.Netverse.company, www.netverse.support, www.Netverse.vip,
6 www.Netverse.solutions, www.Netverse.marketing, and www.Netverse.ai.

7 17. Plaintiff owns 35 domains utilizing the term NETAVERSE,
8 including www.TheNetaverse.ai, www.Netaverse.VIDEO,
9 www.NETAVERSE.TECH, www.Netaverse.tv, www.Netaverse.technology,
10 www.netaverse.SOFTWARE, www.netaverse.NETWORK,
11 www.netaverse.BUSINESS, www.netaverse.CLOUD, www.netaverse.MEDIA,
12 www.netaverse.FUN, www.netaverse.CASINO, www.netaverse.ME,
13 www.netaverse.SOLUTIONS, www.netaverse.WORLD,
14 www.netaverse.COMPANY, www.netaverse.LIVE, www.Netaverse.store,
15 www.netaverse.org, www.netaverse.IO, www.netaverse.TODAY,
16 www.netaverse.VENTURES, Netaversecasino.com, www.Netaverse.dev,
17 www.Netaverse.life, www.thenetaverse.com, www.netaverseai.com,
18 www.netaverse.blog, www.netaverse.support, www.netaverse.foundation,
19 www.netaverse.work, www.netaverse.vip, www.netaverse.site,
20 www.netaverse.shop, and www.netaverse.pro.

21 18. Plaintiff filed a U.S. trademark application for its NETVERSE
22 trademark on September 25, 2019, which application matured into a U.S. trademark
23 registration on October 10, 2023. That U.S. trademark registration is attached hereto
24 as **Exhibit A**, and was assigned U.S. Reg. No. 7190014 (“Plaintiff’s Registration”)
25 (“Plaintiff’s Mark”).

26 19. Plaintiff filed a U.S. trademark application for its NETAVERSE
27 trademark on January 18, 2022 (“Plaintiff’s Mark”). That U.S. trademark
28

1 application is attached hereto as **Exhibit B**, and was assigned U.S. Ser. No.
2 97225218 (“Plaintiff’s Application”).

3 20. On January 18, 2022, at 12:37:05 ET, Defendant Brooklyn Nets,
4 LLC filed a U.S. trademark application for the name NETAVERSE. A copy of that
5 U.S. trademark application is attached hereto as **Exhibit C**.

6 21. During 2022 and thereafter, Defendant Brooklyn Nets, LLC, in
7 coordination with Defendants YES Network, Canon, NBA, and BSE Global,
8 launched, advertised, and/or knowingly supplied a virtual reality platform
9 trademarked NETAVERSE for internet programs to be viewed on electronic
10 devices when Defendants were aware that the NETAVERSE Mark directly
11 infringed Plaintiff’s NETVERSE Mark.

12 22. On January 26, 2022, Plaintiff sent a letter to Defendant NBA
13 Properties, Inc., informing them of the infringement of Plaintiff’s Mark
14 NETVERSE by the defendant’s adoption of the trademark NETAVERSE. A copy
15 of this letter is attached as **Exhibit D**.

16 23. On March 8, 2022, Defendant Brooklyn Nets, LLC sent a
17 response letter to Plaintiff, acknowledging receipt of Plaintiff’s January 26, 2022
18 letter.

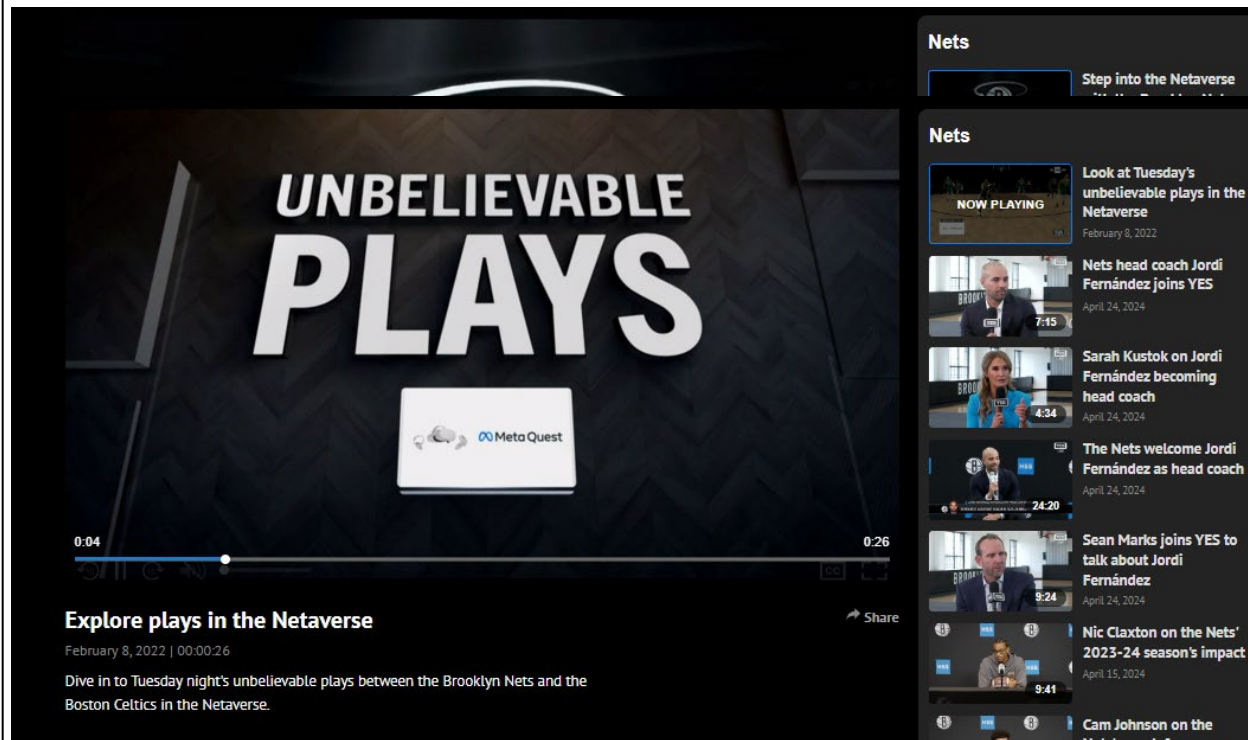
19 24. On March 16, 2022, Plaintiff sent a letter to Defendant Brooklyn
20 Nets, LLC, repeating and reiterating its claims, and informing Defendant Brooklyn
21 Nets, LLC that it would be opposing the Defendant’s NETAVERSE Application if
22 it published. A copy of this letter is attached as **Exhibit E**.

23 25. Defendant Brooklyn Nets, LLC, in coordination with
24 Defendants YES Network, Canon, NBA, and BSE Global, have continued to use
25 the NETAVERSE trademark in most of the home games of the Brooklyn Nets for
26 the 2021-2022 season and the 2022-2023 season.

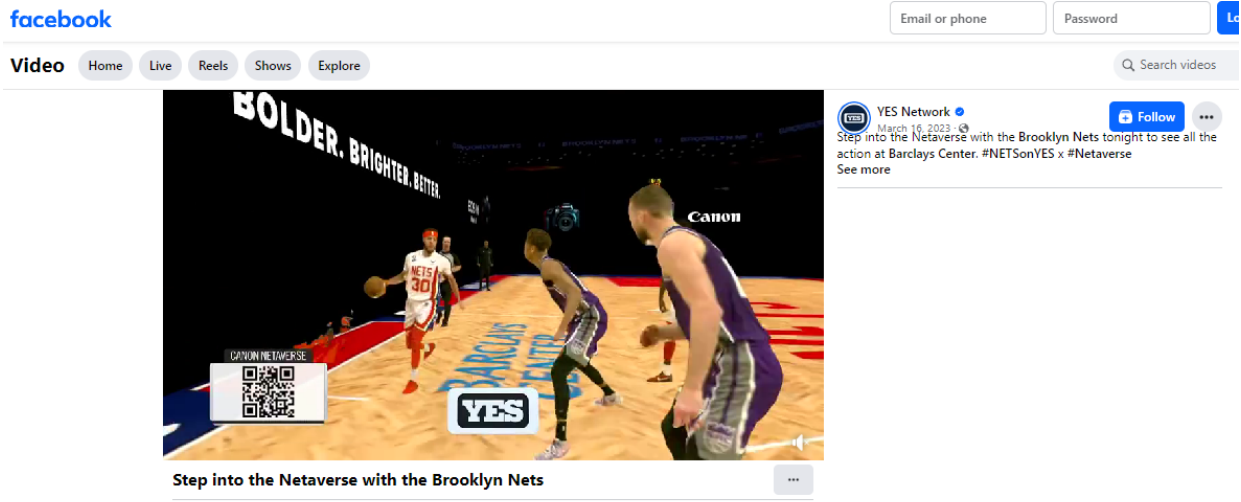
27 26. On November 10 and November 13, 2023, Plaintiff filed two
28 separate Oppositions before the Trademark Trial and Appeal Board (“TTAB”)

1 against Defendant Brooklyn Nets’ U.S. trademark application for NETAVERSE
2 (U.S. Trademark Application No. 97224598) and NETAVERSE (U.S. Trademark
3 Application No. 97226848). On April 5, 2024, Defendant filed an abandonment of
4 its application 97226848 without consent of Plaintiff. On April 8, 2024, the
5 Trademark Trial and Appeal Board sustained the opposition and refused
6 Defendant’s application serial number 9722686. On April 30, 2024, Defendant filed
7 an abandonment of its application serial number 97224598 without consent of
8 Plaintiff. On May 1, 2024, the Trademark Trial and Appeal Board sustained the
9 opposition and refused Defendant’s application serial number 97224598. Copies of
10 those decisions are attached hereto as **Exhibit F**.

11 27. Defendants continue to use the NETAVERSE Marks. In many
12 places on Defendants’ website <https://www.yesnetwork.com> and social media
13 accounts, Defendants use the word “NETAVERSE,” a name that is substantially
14 indistinguishable from Plaintiff’s Mark NETVERSE and identical to Plaintiff’s
15 Mark NETAVERSE. Below are examples of this use:



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28. Since Plaintiff’s date of first use, Plaintiff has vigorously protected and enforced its NETVERSE trademark. Plaintiff has spent time, money, and energy in protecting and enforcing its NETVERSE trademark and, in doing so, has built extremely valuable goodwill and notoriety in and to its trademark. In 2023, after actions taken by Plaintiff, a company named Netaverse Studios changed their name to Netaline Studios, and an app titled Net.verse was taken down from app stores in the United States.

29. Pursuant to Section 7(b) of the Lanham Act, 15 U.S.C. § 1057(b), Plaintiff’s Registration is *prima facie* evidence of the validity of Plaintiff’s Mark.

30. Plaintiff’s use of Plaintiff’s Mark therefore predates and is prior to any use of the name/trademark NETAVERSE by Defendants.

31. Defendants’ conduct constitutes trademark infringement under state and federal laws because consumers are likely to be deceived and confused as

1 to the source of Defendants’ services, believing those services originate from
2 Plaintiff when indeed they do not.

3 32. Specifically, Defendants’ NETAVERSE Mark is substantially
4 indistinguishable to Plaintiff’s NETVERSE Mark and identical to Plaintiff’s
5 NETAVERSE Mark. The addition of the letter “a” serves little to distinguish the
6 appearance of the trademarks and their ensuing commercial impressions.
7 Defendants’ NETAVERSE Mark constitutes a counterfeit mark as defined in 15
8 U.S.C. § 1116(d).

9 33. A similar mark to Defendant’s NETAVERSE Mark,
10 NET.VERSE, was applied for registration on the principal register of the United
11 States in International Class 038 and Class 041, and has been refused for registration
12 by the USPTO for likelihood of confusion with Plaintiff’s Mark, citing that the
13 appearances were virtually identical in appearance. Copies of the Examiner’s
14 refusals for both classes are attached as **Exhibit G**. Both of the applications were
15 subsequently abandoned.

16 34. Moreover, Defendants’ services are similar and related to
17 Plaintiff’s services – The services both entail interactive online virtual services.
18 Therefore, these goods are likely to have overlapping trade channels and consumer
19 base, which would create confusion for consumers.

20 35. Furthermore, Defendants’ channels of trade are identical –
21 online websites.

22 36. Defendants’ use of Defendant’s Mark has damaged the
23 reputation and goodwill of Plaintiff’s Marks. Defendants’ NETAVERSE services
24 have been negatively received by the consuming public. Copies of negative
25 comments regarding the quality of Defendant’s NETAVERSE services are attached
26 as **Exhibit H**.

27 37. As a result of Defendants’ unlawful infringing activities,
28 Plaintiff has suffered irreparable harm, and, unless this Court enjoins Defendants,

1 will continue to suffer irreparable harm for which there is no adequate remedy at
2 law.

3 **CAUSES OF ACTION**

4 **COUNT I**

5 **Trademark Infringement under 15 U.S.C. §§ 1051 *et seq.* – NETAVERSE**

6 38. Defendants have used, are continuing to use, or knowingly
7 supply the use of the NETAVERSE name/trademark in connection with
8 advertisement, promotion, and/or sale of infringing and similar and related services
9 without authorization or license to do so.

10 39. Defendants have used, are continuing to use, or knowingly
11 supply the use of the NETAVERSE name/trademark in connection with
12 advertisement, promotion, and/or sale of infringing and similar and related services
13 without authorization or license to do so, and know or have reason to know that
14 such use is direct infringement of Plaintiff's Mark.

15 40. Defendants' actions constitute willful infringement of
16 Plaintiff's Mark in violation of 15 U.S.C. §§ 1114(1)(a)-(b), 1116(d), and 1117(b)-
17 (c).

18 41. Defendants' use of the NETAVERSE name/trademark has
19 caused, and is likely to continue to cause, confusion, mistake, and deception among
20 the general public as to the origin of Defendants' services, and is likely to deceive
21 consumers, the public, and the trade into believing that Defendants' services
22 originate from, are associated with, or are otherwise authorized by Plaintiff, in
23 violation of 15 U.S.C. § 1114(a).

24 42. As a result of Defendants' infringing activities, Plaintiff has
25 suffered and/or is likely to suffer actual monetary damages, while Defendants have
26 been and continue to be unjustly enriched.

27 43. As a direct and proximate result of Defendants' infringing
28 actions alleged herein, Defendants have caused substantial monetary loss and

1 irreparable injury and damage to Plaintiff, its business, reputation, and valuable
2 rights in and to Plaintiff’s Mark and the goodwill associated therewith, in an amount
3 as yet unknown, but to be determined at trial, and for which Plaintiff has no
4 adequate remedy at law, and unless immediately enjoined, Defendants will continue
5 to cause such substantial and irreparable injury, loss, and damage to Plaintiff and
6 its valuable Marks.

7 44. Defendants’ infringement of Plaintiff’s Mark has been and
8 remains intentional and knowing, entitling Plaintiff to treble the actual damages and
9 an award of attorneys’ fees, or statutory damages, under 35 U.S.C. § 1117.

10 45. Each and every separate act of federal trademark infringement
11 by Defendants constitutes a separate claim herewith.

12
13 **COUNT II**

14 **Contributory Trademark Infringement under 15 U.S.C. §§ 1051 *et seq.* –**
15 **NETAVERSE**

16 46. Defendant Canon, U.S.A., Inc. (“Canon”) has supplied goods to
17 the other Defendants that Canon knows or has reason to know is committing
18 trademark infringement.

19 47. On information and belief, Canon provided the technology and
20 equipment used for Defendants’ directly infringing services.

21 48. On information and belief, Canon worked in close partnership
22 with the other defendants, and knew or should have known of infringement since at
23 least as early as January of 2022, when Plaintiff sent the letter to Defendant NBA
24 Properties, Inc. informing them of the infringement.

25 49. On information and belief, Canon continued to supply goods to
26 the other Defendants when it knew or had reason to know that the other Defendants
27 were directly infringing Plaintiff’s Mark.

1 damages, fees and costs as set forth in Cal. Bus. & Prof. Code § 14250, pursuant to
2 § 14245.

3 **PRAYER FOR RELIEF**

4
5 WHEREFORE, Plaintiff asks that this Court grant judgment against
6 Defendants for the following:

- 7 A. Issue a permanent injunction against Defendants preventing the use of the
8 term "NETAVERSE";
- 9 B. A judgment that Defendants' use of the name/trademark NETAVERSE is
10 likely to confuse consumers and is therefore in violation of 15 U.S.C. §§
11 1051 *et seq.*;
- 12 C. A judgment that Defendants' use of the name/trademark NETAVERSE is
13 unfairly competing against Plaintiff and Plaintiff's use of Plaintiff's Mark
14 and is therefore in violation of 15 U.S.C. § 1125(a);
- 15 D. A judgment that Defendants' use of the name/trademark NETAVERSE is
16 unfairly competing against Plaintiff and Plaintiff's use of Plaintiff's Mark
17 and is therefore in violation of Cal Bus. & Prof. Code § 17200;
- 18 E. A judgment that Defendants' use of the name/trademark NETAVERSE is
19 likely to confuse consumers and is therefore in violation of Cal. Bus. &
20 Prof. Code §§ 14200 *et seq.*;
- 21 F. Entry of an Order enjoining Defendants from further use of the
22 name/trademark NETAVERSE;
- 23 G. Entry of an Order enjoining Defendants from further use of Plaintiff's
24 Mark;
- 25 H. Entry of a judgment against Defendants for monetary damages to be
26 proven at trial, including but not limited to statutory damages including
27 damages for willful infringement and/or all amounts necessary to
28

1 compensate Plaintiff for Defendants' wrongful use of the name/trademark
2 NETAVERSE;

3 I. Plaintiff to recover its attorneys' fees and costs; and

4 J. Granting Plaintiff such other and further relief as the Court deems just and
5 proper.

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8 Dated: September 16, 2024

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JURY DEMAND

Plaintiff demands a trial by jury on all issues triable to a jury.

Dated: September 16, 2024

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