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FILED
MAY 22 2018
U.S. CLERK'S OFFICE
EVANSVILLE, INDIANA

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

CORLINEA, LLC,
an Indiana Limited Liability
Company,
Plaintiff,

vs.

DROSTES JEWELRY SHOPPE
INC,
an Indiana corporation; and
SHAH DIAMONDS, INC,
D/B/A SHAH LUXURY
a New York corporation,

Defendants.

CASE NO. 3:18-cv-99-RLY-MPB

COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF FOR
FEDERAL COPYRIGHT
INFRINGEMENT UNDER 17
U.S.C. § 501

DEMAND FOR JURY TRIAL

Plaintiff Corlinea, LLC ("Corlinea") alleges for its complaint against Droste's Jewelry Shoppe, Inc. ("Droste's") and Shah Diamonds, Inc. d/b/a Shah Luxury ("Shah") (collectively "Defendants") and each of them as follows:

Parties

1. Corlinea is an Indiana corporation with a principal place of business at 411 Old Plank Road, Chandler, IN 47610.
2. On information and belief, Droste's is an Indiana corporation with a principal place of business at 4511 1st Avenue, Evansville, IN 47710.

3. On information and belief, Shah is a New York corporation with a principal place of business at 22 W. 48th Street, Suite 600, New York, New York 10036.

Jurisdiction and Venue

4. This action is for infringement of one or more federally registered copyrights under 17 U.S.C. § 501(a) based on Droste's and/or Shah's marketing and sale of jewelry featuring a design that is a copy of, and/or substantially similar to, Corlinea's copyrighted HEARTY LOVE and HEARTLINES LOVE PENDANT Designs, nationwide, including specifically to and from within Indiana and this judicial district, and the tortious injury suffered by Corlinea in this judicial district as a result thereof.
5. The Court has subject matter jurisdiction over Corlinea's federal copyright infringement claim pursuant to 28 U.S.C. § 1331 and 28 U.S.C. § 1338(a).
6. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and 28 U.S.C. § 1400(a) because Droste's and/or Shah are subject to personal jurisdiction and have agent's resident herein, and the claim against Droste's and Shah arises out of its marketing and sales efforts aimed at, and conducted within, this judicial district.

Corlinea's Creation of the HEARTLINES LOVE PENDANT

7. This case arises out of Defendants' infringement of unique and original copyrighted jewelry designs created by Corlinea's principal, Sheryl Lutz-Brown.
8. Sheryl has worked for many years as a graphic designer creating logos, branding materials and packaging in the music industry and beauty field.
9. In 2016 Sheryl became curious about how she could create heart-shaped designs out of a single continuous line and incorporate words in cursive writing within that single line.
10. Her first concept was to incorporate the word "love" into the heart shaped design with a single continuous line. She began doodling and experimenting with different designs throughout 2016.

11. In 2016, Sheryl developed a unique and original abstract 2-D Artwork that she then named “Hearty Love” to capture her idea of a heart-shaped line with the word “love” incorporated into the heart shaped design with a continuous line (“HEARTY LOVE” Design). A true and correct copy of the copyright registration for the HEARTY LOVE Design, United States Copyright Registration No. VAu 1-301-361, which issued on November 11, 2016, is attached as Exhibit A, along with a true and correct copy of the HEARTY LOVE Design.
12. A short time later, Sheryl/Corlinea created a a unique and original abstract jewelry design that she then named “Heartlines Love Pendant” to capture her idea of a heart-shaped jewelry pendant with the word “love” incorporated into the heart shaped design with a continuous line (“HEARTLINES LOVE PENDANT” Design). A true and correct copy of the copyright registration for the HEARTLINES LOVE PENDANT Design, United States Copyright Registration No. VAu 2-093-049, which issued on February 22, 2018, is attached as Exhibit B, along with a true and correct copy of the HEARTLINES LOVE PENDANT Design.
13. Corlinea is now the owner by assignment from Sheryl of all right, title, and interest in and to the copyrights in the HEARTY LOVE Design and the HEARTLINES LOVE PENDANT Design, and their corresponding registration certificates, including all right, title, and interest in and to all past, present, and future causes of action for infringement thereof.

Corlinea’s Dealings with Droste’s and Shah

14. Also in November 2016, Sheryl sought out a local jeweler that she could trust to guide her to a reputable manufacturer for her unique jewelry designs.
15. On November 16, 2016 Sheryl met with Droste’s principle Tim Droste concerning her HEARTY LOVE design.
16. The meeting went well and on November 17, 2016 in a follow up email, Sheryl provided Droste with a .eps file of her design which clearly indicated that she had applied for copyright protection with the US Copyright Office. In response, Droste advised Sheryl that he had sent the design to get quotes from a manufacturer.
17. On Monday November 21, 2016, Droste advised Sheryl that “[t]he price to make the first piece in Sterling Silver will be \$300.00. This is for the

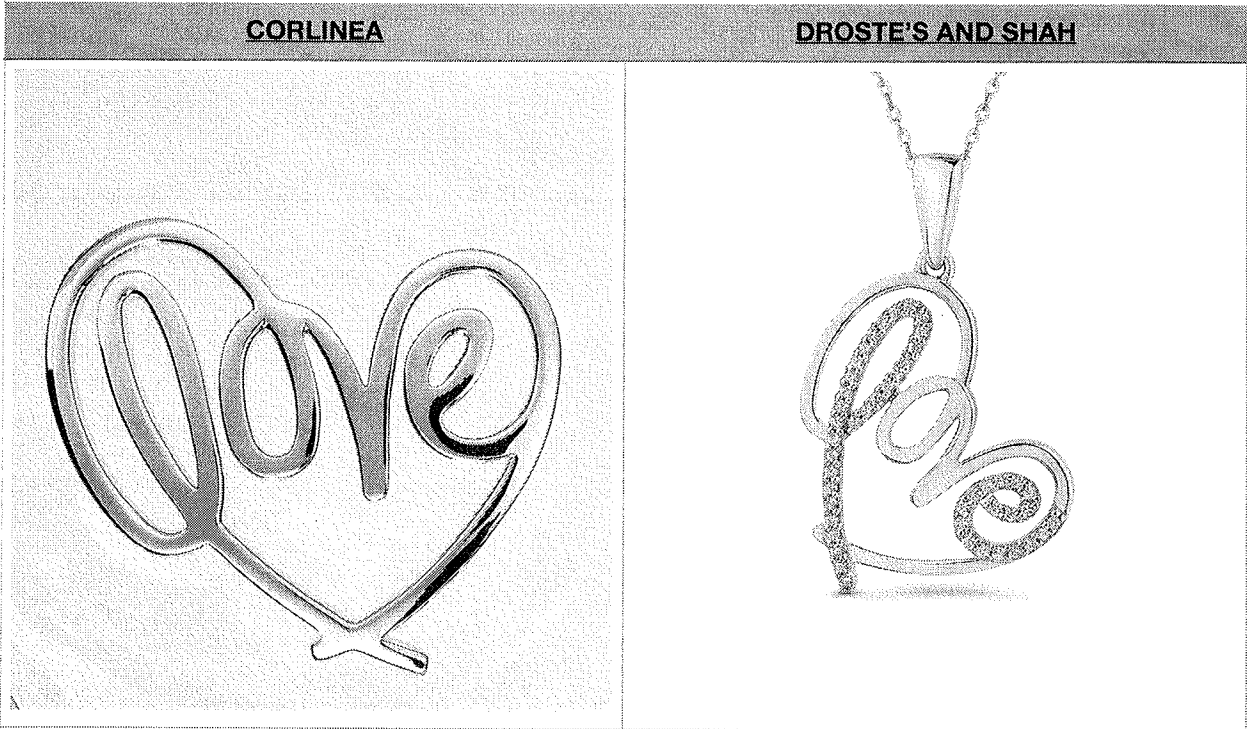
- cad design and the finishing of the piece.” Sheryl provided payment the following day in hopes of moving forward with her dream.
18. In late December 2016 Sheryl began thinking about other words she could incorporate into the heart-shaped design. She also developed the idea to call the entire line of jewelry Heartlines and developed a prototype for a logo that she shared with Droste on December 21, 2016.
 19. In January 2017 Sheryl created the pendant design for the HEARTLINES JESUS PENDANT Design, applied for copyright protection, and provided proposed designs to Droste on January 17, 2017 for review.
 20. In February 2017 Sheryl created the HEARTLINES HOPE PENDANT Design and the HEARTLINES MOM PENDANT Design, applied for copyright protection for both, and provided copies of her designs to Droste for prototyping purposes.
 21. In March 2017 Sheryl created the HEARTLINES FAITH PENDANT Design and the HEARTLINES GOD PENDANT Design, applied for copyright protection for both, and provided copies of her designs to Droste for prototyping purposes.
 22. Over the course of the next several months Sheryl worked with Droste to fine tune her designs and have CAD drawings and prototypes made. Sheryl paid \$9,714.53 to Droste during 2017 for CAD drawings, molds and prototypes, with an other \$14,000.00 ordered.
 23. In May, 2017 Sheryl inquired as to whether “the company that is helping us with the prototypes could supply an invoice to Corlinea”. In response, Droste refused to give Sheryl any invoices that had been previously billed to Droste’s, alleging that doing so would be unethical. At this point in time, Droste had not disclosed to Sheryl that he had been working with Shah to manufacture the prototypes.
 24. During the Summer of 2017 Sheryl continued to work with Droste to finalized the CADs and designs for commercial production . Sometime before June 1, 2017 Sheryl became aware that Shah was working with Droste to prepare the CADs and prototypes.
 25. The prototypes began arriving from Shah at Droste’s in July 2017. Sheryl and Droste were still working together at that time to finalized sizing and other detail issues for the jewelry pieces.
 26. In September 2017 Sheryl began discussing pricing for larger lot production of her designs with Droste. Pricing from Shah was provided

to Sheryl. Sheryl became concerned immediately due to a number of significant price increases and inconsistencies for production from Shah. At this time Sheryl requested that Droste's and Shah provide her with the CADs which they had represented to her from the beginning would be her property, so that she could get other estimates for producing her designs from manufacturers other than Shah. At this point Sheryl also began discussing an exclusive deal with Droste's for retail sales of her designs. Droste being the exclusive retailer was discussed from the beginning of the project.

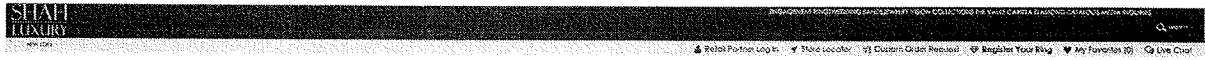
27. In response, Droste reprimanded Sheryl for not being patient for the delivery of the CADs and insisted that they continue with Shah as the manufacturer for her designs.
28. In mid-October, Shah provided revised pricing. However, the pricing did not include pricing for sliver in each of the designs. Pricing discussions and negotiations continued throughout the remainder of 2017 without the parties agreeing on pricing or an order being placed. All throughout that time, Sheryl continued to request that she be provided with the CADs that she had been promised and for which she had paid \$9,714.53. At this point in time Sheryl had invested in excess of \$24,000 for prototypes and inventory.
29. Sheryl continued with her efforts to obtain the CAD files from Droste's and Shah. In an email dated December 9, 2017, Droste advised that, despite all of the prior assurances that they would be provided, Shah was refusing the release the STL and/or CAD files for her original designs. Contrary to his prior statements, Droste now took the position that Sheryl had "paid only for design services and development to produce each prototype in every size."
30. On December 18, 2017, Sheryl, through her attorney sent a letter to Droste's again requesting the CAD files and requesting a reply concerning negotiation of an exclusive distribution agreement. That letter also advised Droste's of Sheryl and Corlinea's claim to protection for the jewelry design under U.S. Copyright Law. No reply to that letter was received.

Droste's and Shah's Infringing Conduct

31. On or about January 5, 2018, years after Sheryl's creation of the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs, Sheryl became aware that Droste's and/or Shah were offering for sale through Shah's website jewelry featuring a design that is a copy of, and/or substantially similar to, the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs.
32. Upon information and belief, in January 2018, Droste's and Shah began manufacturing, distributing, advertising, promoting, selling, importing and/or offering for sale, and/or causing to be manufactured, distributed, advertised, promoted, sold, imported and/or offered for sale, without authorization or license from Sheryl or Corlinea, jewelry featuring a design that is a copy of, and/or is substantially similar to, the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs (the "Infringing Design").
33. More specifically, in around January 2018, Droste's and Shah began advertising, promoting, selling and/or offering for sale, pendants in the Infringing Design (the "Infringing Products") as its "Diamond Tilted Love Heart Pendant with Chain".
34. The following is a side-by-side comparison of Corlinea's federally registered HEARTLINES LOVE PENDANT Design and one of Droste's and Shah's Infringing Products:

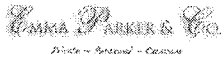


35. The steps taken by Droste's and Shah to copy Corlinea's HEARTY LOVE and HEARTLINES LOVE PENDANT Designs are readily apparent. To arrive at the Infringing Product shown above right, Droste's and Shah merely (1) covered portions of the letters "l" and "e" with diamonds; and (2) added a loop to the outer periphery of the heart to attach a chain.
36. Prior to and simultaneous with releasing its Infringing Products, Droste's and Shah offered jewelry featuring heart designs, but none of their other heart designs were selected, coordinated, and arranged in the unique and original manner of the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs, which involve a continuous line with the outer periphery in the shape of a heart and the continuous line spelling the word "love".
37. Examples of Droste's and Shah's efforts to market the Infringing Products are shown below:



RETAIL PARTNERS

 DROSTE'S JEWELRY SINDOES 4511 131 Avenue Vancouver, BC V6L 1J8 (604) 422-1351 	 DROSTE'S JEWELRY SINDOES 600 South Green Street (West) Vancouver, BC V6Z 1Y3 (604) 478-1348 	 DROSTE'S JEWELRY SINDOES 2725 St. Johns St. Astoria, OR 97103 (503) 452-4335
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ENGAGEMENT RINGS ▾ WEDDING BANDS ▾ DIAMONDS ▾ GEMSTONES ▾ JEWELRY ▾ SCHEDULE A VISIT

10K WHITE GOLD DIAMOND TILTED LOVE HEART PENDANT WITH CHAIN PH0228T-09W

SEARCH / 10K WHITE GOLD DIAMOND TILTED LOVE HEART PENDANT WITH CHAIN PH0228T-09W



THREE SIMPLE WAYS TO ORDER

We want to earn your business and are dedicated to giving you the best service and best price. We want to make your dream a reality!

Give us a call / Send us a text

Phone: 877-446-4030

SMS: 971-269-0255

CALL ME BACK

Buy It Online

Qty: 1 \$500

Ask a Question/Customize Jewelry

If you have any questions about this piece of jewelry, or would like help modifying or customizing this piece, please fill out this form and we will happily answer all your questions!

- We will answer all your questions!

- We never pressure you to buy!

- Your information is kept private!

Email (Please double check for accuracy): *

How did you find us?

\$500 Product Code: PH0228T-09W

Read our reviews! More than 100, 5 star reviews!

Emma Parker & Co. is rated 4.9/5

30 Day Returns

100% Custom Jewelry

Free Shipping

1 Looked with Emma Parker to design an engagement ring and select the diamond

Personal Service

100% Satisfaction

Satisfaction Guaranteed

38. On information and belief, since debuting the Infringing Products in January 2018, Droste's and Shah has continually been manufacturing,

distributing, advertising, promoting, selling and/or offering for sale, and/or causing to be manufactured, distributed, advertised, promoted, sold and/or offered for sale, without authorization or license from Sheryl or Corlinea, such products nationwide and in this judicial district through their brick-and-mortar stores, their websites, www.shahluxe.com, and third-party distributors such as Emma Parker.

39. On information and belief, Droste's and Shah's choice of a design that is a copy of, and/or is substantially similar to, the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs, which was created by Sheryl and are owned by Corlinea was intentional. At the very least, Droste's and Shah's choice was made with reckless disregard for Sheryl's and Corlinea's rights in the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs.
40. On information and belief, Droste's and Shah will continue to manufacture, distribute, advertise, promote, sell and/or offer for sale, and/or cause to be manufactured, distributed, advertised, promoted, sold and/or offered for sale, without authorization or license from Corlinea, the Infringing Products unless restrained by this Court.

First Cause of Action:

Direct Federal Copyright Infringement (17 U.S.C. § 501)

41. Corlinea repeats the allegations of paragraphs 1-40, supra, and incorporates them by reference as if herein set forth in their entirety.
42. Corlinea is the owner by assignment of United States Copyright Registration Nos. VAu 1-301-361 for the HEARTY LOVE Design and VAu 2-093-049 for the HEARTLINES LOVE PENDANT Design, and all the exclusive rights afforded by 17 U.S.C. § 106 as to each such design, including the rights to reproduce, prepare derivative works of, and/or distribute the design.
43. Droste's and Shah had access to the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs, including, without limitation, through attempts to reach a mutually beneficial reproduction and distribution agreement with Corlinea.
44. The actions of Droste's and Shah described above, and specifically, their unauthorized manufacturing, distributing, advertising, promoting, selling and/or offering for sale in commerce, and/or causing to be

manufactured, distributed, advertised, promoted, sold and/or offered for sale in commerce the Infringing Products bearing a design that was, on information and belief, intentionally or recklessly copied from, and/or is substantially similar to, the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs, constitute willful copyright infringement under 17 U.S.C. § 501.

45. As a direct and proximate result of Droste's and Shah's past and continuing infringement, Corlinea has suffered, and will, unless Droste's and Shah are restrained, continue to suffer damages, as well as irreparable harm and injury for which it has no adequate remedy at law. Corlinea is therefore entitled to injunctive relief pursuant to 17 U.S.C. § 502.
46. Pursuant to 17 U.S.C. § 504, Corlinea is entitled to recover either its damages and Droste's and Shah's profits directly and indirectly attributable to its infringement of the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs in amounts to be determined at trial or, if Corlinea so elects, statutory damages that should be enhanced given the willful and/or reckless nature of Droste's and Shah's infringement. Corlinea is also entitled under 17 U.S.C. § 505 to recover the full costs of this action, including reasonable attorneys' fees.

Second Cause of Action:

Contributory Federal Copyright Infringement (17 U.S.C. § 501)

47. Corlinea repeats the allegations of paragraphs 1-46, supra, and incorporates them by reference as if herein set forth in their entirety.
48. Corlinea is the owner by assignment of United States Copyright Registration Nos. VAu 1-301-361 for the HEARTY LOVE Design and VAu 2-093-049 for the HEARTLINES LOVE PENDANT Design, and all the exclusive rights afforded by 17 U.S.C. § 106 as to each such design, including the rights to reproduce, prepare derivative works of, and/or distribute the design.
49. Corlinea is informed and believes and on that basis alleges that Shah and other third parties in the United States and elsewhere are engaging in the unauthorized manufacturing, distributing, advertising, promoting, selling and/or offering for sale in commerce, and/or causing to be manufactured, distributed, advertised, promoted, sold and/or offered for sale in commerce the Infringing Products to directly infringe Corlinea's

exclusive rights under the Copyright Act on a daily basis, each of which constitutes a separate act of infringement.

50. Droste's is liable as a contributory infringer for the copyright infringement committed via their acts as outlined above. Defendants have knowledge of this infringement, including without limitation because Corlinea has notified them of the infringement but Defendants continue to cause, enable, induce, facilitate and materially contribute to the infringement by continuing to serve as a retail partner for Shah who is directly infringing the copyrights through its offers to sell Infringing Products on its website.
51. Through the conduct described above, Defendant Droste's is contributorily liable for the infringement described herein.
52. Corlinea is informed and believes and on that basis alleges that Droste's is fully aware of Corlinea's exclusive rights, and have contributorily infringed Corlinea's rights willfully, maliciously and with wanton disregard.
53. As a result of Droste's conduct, Corlinea has suffered, and will, unless Droste's and Shah are restrained, continue to suffer damages, as well as irreparable harm and injury for which it has no adequate remedy at law. Corlinea is therefore entitled to injunctive relief pursuant to 17 U.S.C. § 502.

Third Cause of Action:

Vicarious Federal Copyright Infringement (17 U.S.C. § 501)

54. Corlinea repeats the allegations of paragraphs 1-53, supra, and incorporates them by reference as if herein set forth in their entirety.
55. Corlinea is the owner by assignment of United States Copyright Registration Nos. VAu 1-301-361 for the HEARTY LOVE Design and VAu 2-093-049 for the HEARTLINES LOVE PENDANT Design, and all the exclusive rights afforded by 17 U.S.C. § 106 as to each such design, including the rights to reproduce, prepare derivative works of, and/or distribute the design.
56. Corlinea is informed and believes and on that basis alleges that Shah and other third parties in the United States and elsewhere are engaging in the unauthorized manufacturing, distributing, advertising, promoting, selling and/or offering for sale in commerce, and/or causing to be manufactured, distributed, advertised, promoted, sold and/or offered for

sale in commerce the Infringing Products to directly infringe Corlinea's exclusive rights under the Copyright Act on a daily basis, each of which constitutes a separate act of infringement.

57. Droste's is liable as a vicarious infringer for the copyright infringement committed via their acts as outlined above. At all relevant times, Droste's (i) has had the right and ability to control and/or supervise the infringing conduct of Shah, and (ii) has had a direct financial interest in, and derived financial benefit from, such infringing conduct.
58. Through the conduct described above, Defendant Droste's is vicariously liable for the infringement described herein.
59. Corlinea is informed and believes and on that basis alleges that Droste's is fully aware of Corlinea's exclusive rights, and have vicariously infringed Corlinea's rights willfully, maliciously and with wanton disregard.
60. As a result of Droste's conduct, Corlinea has suffered, and will, unless Droste's and Shah are restrained, continue to suffer damages, as well as irreparable harm and injury for which it has no adequate remedy at law. Corlinea is therefore entitled to injunctive relief pursuant to 17 U.S.C. § 502.

Prayer for Relief

WHEREFORE, Corlinea requests that judgment be entered in favor of Corlinea and against Droste's and Shah, as follows:

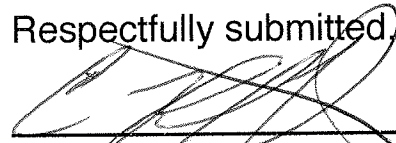
1. Finding that Droste's and Shah willfully and/or recklessly infringed on Corlinea's copyrights in violation of 17 U.S.C. § 501;
2. For an order (a) enjoining Droste's and Shah, and all of those acting in concert with them, including their agents and servants, and all those on notice of this suit, from copying or otherwise infringing the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs, including without limitation by manufacturing, distributing, advertising, promoting, selling and/or offering for sale in commerce, and/or causing to be manufactured, distributed, advertised, promoted, sold and/or offered for sale in commerce any products bearing the Infringing Design or any other design that is the same as, substantially similar to, or a derivative of the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs, including but not limited to the Infringing Products; (b) requiring Droste's and Shah to effectuate the recall, removal, and return from commercial distribution and/or public display any products bearing the Infringing Design or any other design that is the same as, substantially similar to, or a derivative of the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs, including but not limited to the Infringing Products, and promotional materials featuring any such products or the Infringing Design; (c) requiring Droste's and Shah to deliver up for impoundment and destruction all products bearing the Infringing Design or any other design that is the same as, substantially similar to, or a derivative of the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs, including but not limited to the Infringing Products, and promotional materials featuring any such products or the Infringing Design in Droste's and/or Shah's possession, custody, or control and/or that are recalled by or returned to Droste's or Shah; (d) requiring Droste's and/or Shah to deliver up any and all computer aided drawings (CADs) and molds, casts or prototypes for any products bearing the Infringing Design or any other design that is the same as, substantially similar to, or a derivative of the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs; and (e) requiring Droste's and Shah to file with the

Court, and serve upon Corlinea, within thirty (30) days of service of the judgment upon them, a written report setting forth in detail and under oath the steps taken by Droste's and Shah to comply with the requirements set forth in sub-sections (a)-(d) of this Paragraph;

3. For an award of damages to compensate Corlinea for the injuries caused by Droste's and/or Shah's copyright infringement, and an order requiring Droste's and/or Shah to account for and disgorge to Corlinea all gains, profits, and advantages directly and indirectly attributable to such infringement, such amounts to be determined at trial or, if Corlinea so elects, statutory damages that are enhanced given the willful and/or reckless nature of the acts alleged;
4. For attorneys' fees and costs of suit;
5. For prejudgment and post-judgment interest; and
6. For such other and further relief to which Corlinea may be entitled as a matter of law or equity or which the Court determines to be just and proper.

Dated: May 22, 2018

Respectfully submitted,



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Attorneys for Plaintiff

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, plaintiff Corlinea, LLC demands trial by jury on all issues.

Dated: May 22, 2018

Respectfully submitted,



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