

MARTIN IP LAW GROUP, PC
C. Richard Martin, State Bar No. 21509-87
E-mail: rick@ipsolutionslaw.com
318 Main St., Ste. 503
Evansville, IN 47708
Telephone: 812.492.4478
Attorneys for Plaintiff Corlinea, LLC

FILED
JAN 6 2020
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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA**

CORLINEA, LLC,
an Indiana Limited Liability
Company,
Plaintiff,
vs.
SHAH DIAMONDS, INC.,
D/B/A SHAH LUXURY
a New York corporation,
SPATH JEWELERS, INC.
a Florida Corporation, and
SHOWCASE JEWELERS, LTD.
a Kansas Corporation,
Defendants.

CASE NO. 3:20-cv-1-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 Shah Diamonds, Inc. d/b/a Shah Luxury ("Shah"), Spath Jewelers, Inc. ("Spath"), and Showcase Jewelers, Ltd. ("Showcase") (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, Shah is a New York corporation with a principal place of business at 22 W. 48th Street, Suite 600, New York, New York 10036.
3. On information and belief, Spath is a Florida corporation with a principal place of business at 1360 North Broadway, Bartow, Florida 33830.
4. On information and belief, Showcase is a Kansas corporation with a principal place of business at 2328 Planet Ave., Salina, Kansas 67401.

Jurisdiction and Venue

5. This action is for infringement of one or more federally registered copyrights under 17 U.S.C. § 501(a) based on Defendants' 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.
6. 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).
7. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and 28 U.S.C. § 1400(a) because Defendants are subject to personal jurisdiction and have agents resident herein, and the claim against Defendants arises out of their marketing and sales efforts aimed at, and conducted within, this judicial district.

Corlinea's Creation of the HEARTLINES LOVE PENDANT

8. This case arises out of Defendants' infringement of unique and original copyrighted jewelry designs created by Corlinea's principal, Sheryl Lutz-Brown.
9. Sheryl has worked for many years as a graphic designer creating logos, branding materials and packaging in the music industry and beauty field.
10. 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.

11. 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.
12. 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.
13. 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.
14. 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 Shah

15. 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.
16. On November 16, 2016 Sheryl met with Droste’s principle Tim Droste concerning her HEARTY LOVE design.
17. 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.

18. 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. 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.
24. 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.
25. 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.

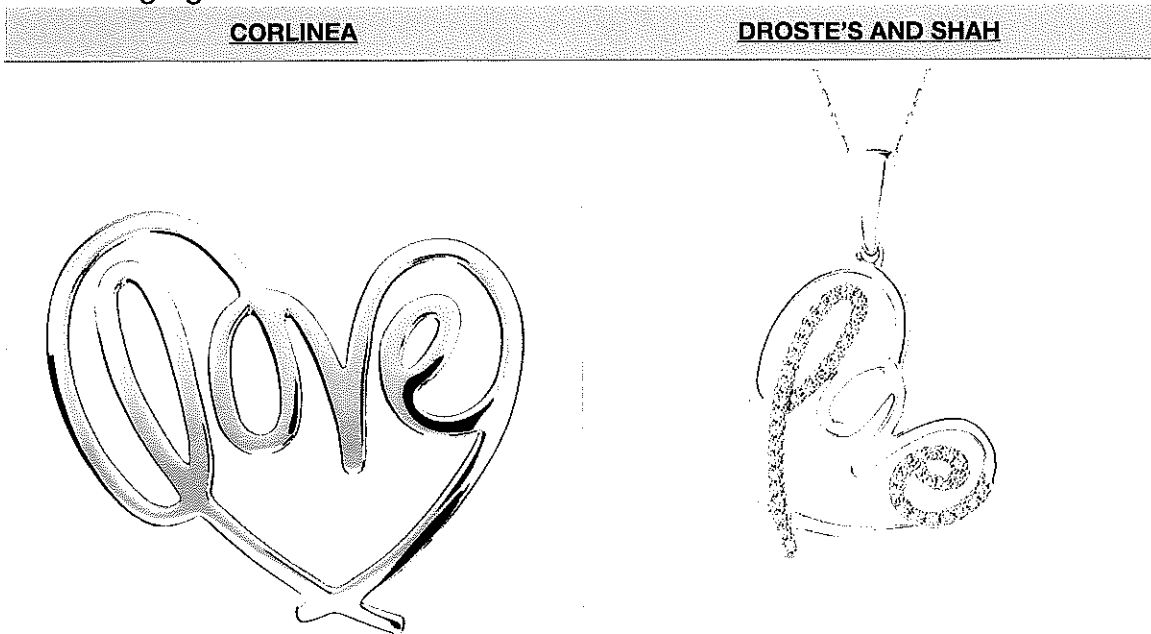
26. The prototypes began arriving from Shah at Droste's in July 2017. Sheryl and Droste were still working together at that time to finalized sizing and other detail issues for the jewelry pieces.
27. In September 2017 Sheryl began discussing pricing for larger lot production of her designs with Droste. 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.
28. 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.
29. 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.
30. 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."
31. 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.

32. On May 22, 2018, Corlinea filed suit against Droste's and Shah for copyright infringement of her HEARTY LOVE and HEARTLINES LOVE PENDANT designs.
33. On October 3, 2018, Corlinea, Droste's and Shah entered into a SETTLEMENT AGREEMENT AND RELEASE regarding issues of copyright infringement alleged in the May 22, 2018 lawsuit. On November 21, 2018 a Voluntary Notice of Dismissal was filed and the lawsuit ended.
34. The terms of the SETTLEMENT AGREEMENT AND RELEASE were to remain confidential unless "necessary to enforce or litigate over any provision of this Agreement". In the SETTLEMENT AGREEMENT AND RELEASE, Shah certified that it would "not infringe upon the Lutz-Brown/Corlinea copyrighted product in the future."

Shah's New Infringing Conduct

35. On or about August 31, 2019, years after Sheryl's creation of the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs and less than a year after the previous allegations of copyright infringement against Shah had been settled and dismissed, Sheryl became aware that Shah was once again 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.
36. Upon information and belief, in August 2019, Shah resumed 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").
37. More specifically, in around August 2019, 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".

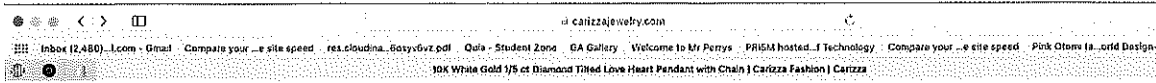
38. The following is a side-by-side comparison of Corlinea's federally registered HEARTLINES LOVE PENDANT Design and one of Shah's Infringing Products:



39. The steps taken by Shah to copy Corlinea's HEARTY LOVE and HEARTLINES LOVE PENDANT Designs are readily apparent. To arrive at the Infringing Product shown above right, 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.

40. Prior to and simultaneous with releasing its Infringing Products, 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 work "love".

41. One example of Shah's efforts to market the Infringing Products are shown below:



CARIZZA

ENGAGEMENT RINGS ▾ WEDDING BANDS ▾ FINE JEWELRY ▾ COLLECTION ▾ STORE LOCATOR BLOG

Home > Fine Jewelry > Pendants & Necklaces > 10K White Gold 1/5 ct Diamond Tilted Love Heart Pendant with Chain | Carizza Fashion | Carizza



10K White Gold 1/5 ct Diamond Tilted Love Heart Pendant with Chain

\$500.00

FIND A STORE

Share: [f](#) [@](#) [G+](#)

Product Description ▾

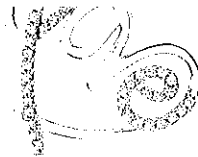
The Carizza Fashion Pendant collection features an in-style design and brings the Art of Balance of a Diamond Pendant for the modern couple at an affordable price.

10K White Gold 1/5 ct Diamond Tilted Love Heart Pendant with Chain

Side Stone: 1/5 Ct | JK-11-12

Product Details ▾

ENGAGEMENT RINGS ▾ WEDDING BANDS ▾ FINE JEWELRY ▾ COLLECTION ▾ STORE LOCATOR BLOG



10K White Gold 1/5 ct Diamond Tilted Love Heart Pendant with Chain

Side Stone: 1/5 Ct | JK-11-12

Product Details ▾

Related Products

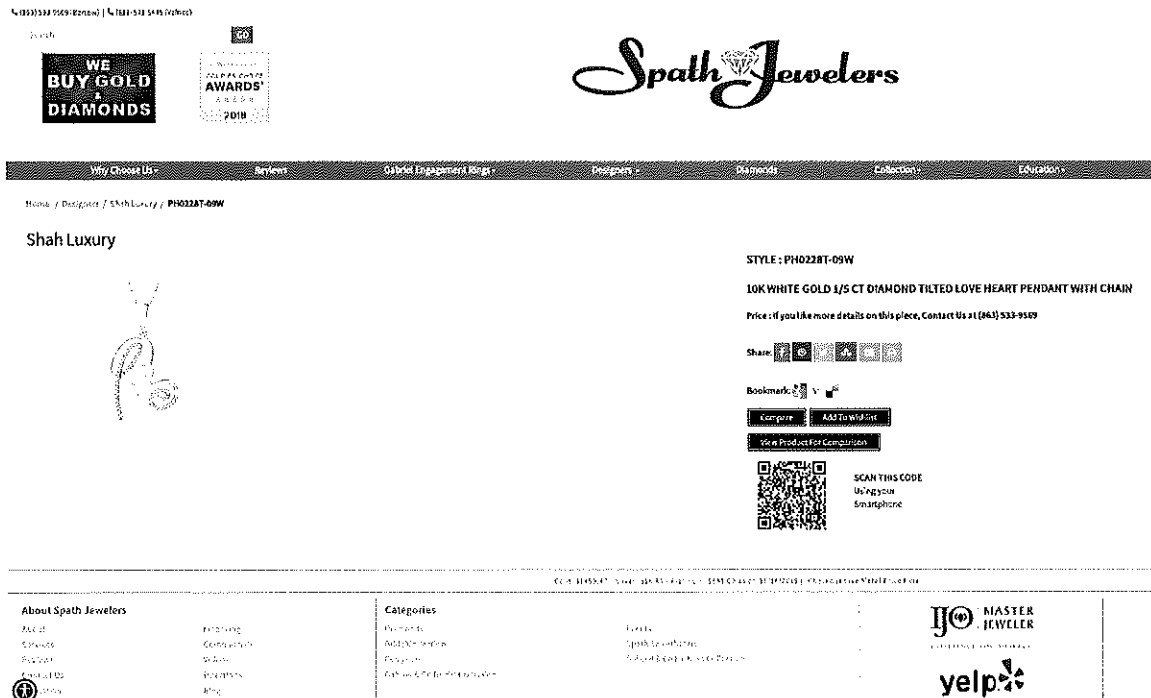
- | | | | | | |
|---|---|--|---|--|---|
| | | | | | |
| 1/5 ct Round Diamond Half Eternity Band Fashion Ring in 10K White Gold
\$559.00 | 10K White Gold 1/5 ct Round Diamond Fashion Heart Ring
\$390.00 | 10K White Gold Round White Diamond "XO" Fashion Ring (1.12 ctw)
\$350.00 | 10K White Gold Round Diamond Bypass Arrow Fashion Ring (.06 ctw)
\$100.00 | 10K White Gold Round 1/10 ct Diamond Infinity Band Fashion Ring
\$150.00 | 10K White Gold 1/5 ct Round Diamond Bowknot Fashion Ring
\$100.00 |

<p>SERVICES</p> <p>About Carizza Retail Partner Log In Custom Order Request Repair Your Rings Lifetime Warranty</p>	<p>CONTACT US</p> <p>22 W 45th St #608 New York, NY 10036 Phone: (212) 222-7424 Email: sales@shah.com</p>	<p>JEWELERS NEAR ME</p> <p> FIND A STORE</p> <p>f @ G+</p>
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42. On information and belief, since re-debuting the Infringing Products in August 2019, 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.carizzajewelry.com.
43. On information and belief, 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, Shah's choice was made with reckless disregard for Sheryl's and Corlinea's rights in the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs.
44. On information and belief, 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.

Spath's Infringing Conduct

45. Upon information and belief, Spath is 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").
46. More specifically, Spath is and has been advertising, promoting, selling and/or offering for sale, pendants in the Infringing Design (the "Infringing Products") as its "10K White Gold 1/5 ct Diamond Tilted Love Heart Pendant with Chain", as shown in the photograph below.



47. On information and belief, Spath 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 website, www.spathjewelers.com.
48. On information and belief, Spath'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, Shah's choice was made with reckless disregard for Sheryl's and Corlinea's rights in the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs.
49. On information and belief, Spath 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.

53. On information and belief, Showcase'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, Shah's choice was made with reckless disregard for Sheryl's and Corlinea's rights in the HEARTY LOVE and HEARTLINES LOVE PENDANT Designs.
54. On information and belief, Showcase 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)

55. Corlinea repeats the allegations of paragraphs 1-42, supra, and incorporates them by reference as if herein set forth in their entirety.
56. 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.
57. 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.
58. The actions of Shah, Spath and Showcase 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.

59. As a direct and proximate result of Defendants' past and continuing infringement, Corlinea has suffered, and will, unless Defendants 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.
60. Pursuant to 17 U.S.C. § 504, Corlinea is entitled to recover either its damages and Defendants' 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 Defendants' 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:
Breach of Contract

61. Corlinea repeats the allegations of paragraphs 1-48, supra, and incorporates them by reference as if herein set forth in their entirety.
62. Corlinea entered into a SETTLEMENT AGREEMENT AND RELEASE with Shah on or about October 3, 2018 wherein Shah agreed that it would "not infringe upon the Lutz-Brown/Corlinea copyrighted product in the future."
63. 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.
64. By committing further acts of copyright infringement after the signing of the October 3, 2018 SETTLEMENT AGREEMENT AND RELEASE, Shah has breached its duties under the terms of that agreement.
65. As a result of Shah's breach of contract, Corlinea has suffered, and will, unless Shah is restrained, continue to suffer damages, as well as irreparable harm and injury for which it has no adequate remedy at law.

Prayer for Relief

WHEREFORE, Corlinea requests that judgment be entered in favor of Corlinea and against Shah, Spath and Showcase as follows:

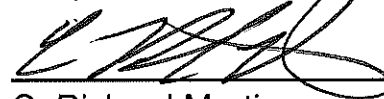
1. Finding that Shah, Spath and/or Showcase willfully and/or recklessly infringed on Corlinea's copyrights in violation of 17 U.S.C. § 501;
2. Finding that Shah is in breach of the October 3, 2018 Settlement Agreement and Release by way of its continued infringement upon the Lutz-Brown/Corlinea copyrighted product since at least August 31, 2019.
3. For an order (a) enjoining Shah, Spath, Showcase, 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 Defendants 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 Defendants 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 Defendants' possession, custody, or control and/or that are recalled by or returned to Defendants; (d) requiring Defendants 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 Defendants 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 Defendants to comply with the requirements set forth in subsections (a)-(d) of this Paragraph;

4. For an award of damages to compensate Corlinea for the injuries caused by Defendants' copyright infringement, and an order requiring Defendants 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;
5. For attorneys' fees and costs of suit;
6. For prejudgment and post-judgment interest; and
7. 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: January 6, 2020

Respectfully submitted,



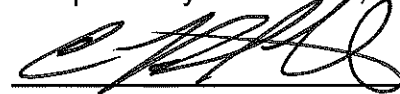
C. Richard Martin
Martin IP Law Group, PC
318 Main St., Ste. 503
Evansville, IN 47708
Telephone: 812.492.4478
Email: rick@ipsolutionslaw.com
Attorneys for Plaintiff

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: January 6, 2020

Respectfully submitted,



C. Richard Martin
Martin IP Law Group, PC
318 Main St., Ste. 503
Evansville, IN 47708
Telephone: 812.492.4478
Email: rick@ipsolutionslaw.com
Attorneys for Plaintiff