Case 2:21-cv-05731 Document 1 Filed 07/15/21 Page 1 of 21 Page ID #:1



4

8 9

7

11

12

10

13 14

15

16

17 18

19 20

21

22

23 24

25

27

26

28

Plaintiffs Sony Music Entertainment; Sony Music Entertainment US Latin LLC; Zomba Recording LLC; Arista Music; La Face Records LLC; Records Label, LLC; and The Century Media Family, Inc. (collectively, "Plaintiffs" or "Sony Music"), by and through their attorneys, allege as follows:

INTRODUCTION

- 1. Plaintiff Sony Music Entertainment is one of the world's largest music entertainment companies. Both directly and through its affiliated companies and record labels, including the other Plaintiffs, Sony Music Entertainment produces, manufactures, distributes, markets, sells and licenses some of the most iconic and popular sound recordings of all time, as well as many of today's biggest hits
- 2. Defendant Gymshark Limited ("Gymshark") is a fitness apparel and accessories manufacturer and online retailer. Gymshark has achieved its success by infringing sound recordings and musical compositions belonging to a number of different content owners, including Plaintiffs' copyrighted sound recordings, on a massive scale.
- Gymshark has largely eschewed traditional advertising, relying instead upon promotion of Gymshark's products through social media sites such as Instagram, TikTok, and Facebook. Gymshark's primary use of these platforms is to post videos showing use of Gymshark's products. These videos feature popular sound recordings as an integral part of the presentation; indeed, there is typically no speaking or sound other than the music integrated into the video.
- While these social media "commercials" have been instrumental to Gymshark's success, Gymshark has not paid for the privilege to use the sound recordings that are featured in them. As to Plaintiffs alone, Gymshark has misappropriated hundreds of the most popular and valuable sound recordings in the market, using those creative works to drive massive sales to Gymshark without any compensation to Plaintiffs. These works include sound recordings featuring such chart-topping and award-winning artists as Beyoncé, Britney Spears, The

7 8

6

10

11

9

12 13

14

15 16

17

18 19

20 21

22 23

24

25

26 27

28

Chainsmokers, Justin Timberlake, A\$AP Rocky, Travis Scott, Harry Styles, Usher, Noah Cyrus, and Calvin Harris.

- Gymshark created many of these videos itself. As to others, Gymshark partnered with "influencers"—private individuals who created the videos and posted them on their own pages, while at the same time providing them to Gymshark to repost on Gymshark's social media pages. On information and belief, Gymshark compensates these influencers with free product and/or a monetary payment, sometimes tied to Gymshark's sales of the product(s) featured in the influencer's videos.
- Plaintiffs' investment in recorded music is protected by copyright law, which grants the copyright owner the exclusive right to, among other things, reproduce, distribute, and create derivative works of copyrighted works, and to publicly perform sound recordings by means of a digital audio transmission. An important portion of Plaintiffs' return on their investment in recorded music, which they share with their exclusive recording artists, comes from licensing recordings and music videos to others who use Plaintiffs' works in videos, television shows, commercials, and on social media, just as Gymshark has done. Indeed, Gymshark's use of Plaintiffs' sound recordings is precisely the type of commercial use upon which Plaintiffs have built their robust licensing business.
- 7. Gymshark's conduct, in which it takes and exploits Plaintiffs' valuable intellectual property without any compensation to Plaintiffs or their artists, has caused Plaintiffs substantial and irreparable harm. Plaintiffs bring this action to obtain redress for Gymshark's infringement of Plaintiffs' valuable rights and to prevent further violations of those rights.

JURISDICTION AND VENUE

The Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 8. and 1338(a), insofar as this action arises under the Copyright Act of 1976, 17 U.S.C. §§ 101 et seq.



> 4 5

6 7

8 9

10 11

12 13

14

15 16

17

18

19 20

21

23

22

24 25

26

27 28

- 9. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) and 28 U.S.C. § 1400(a).
- 10. The Court has personal jurisdiction over Gymshark, including pursuant to Federal Rule of Civil Procedure 4(k)(2), for at least the following reasons: (1) Plaintiffs' claims arise under federal copyright law; (2) Gymshark actively uses U.S.based social media platforms in connection with its massive infringement of Plaintiffs' copyrights, and streams infringing videos through these social media platforms to consumers in the United States; (3) Gymshark accomplishes its infringement, in part, by partnering with and compensating influencers located in the United States, including, on information and belief, in this District, for purposes of creation, reproduction, distribution, and performance of the infringing videos; (4) Gymshark targets and attracts a substantial number of customers in the United States, and its infringement is an essential means of reaching, soliciting, and selling to these customers; (5) Gymshark maintains substantial business operations in the United States, on information and belief employing over one hundred people in the United States, including at its offices in Denver, Colorado, as well as within this District (in which, on information and belief, Gymshark maintains and operates its U.S.-based distribution center); and (6) Gymshark has operated "pop-up" stores throughout the United States, including in this District, featuring many of the "influencers" who appear in Gymshark's infringing videos.

THE PARTIES

- Plaintiff Sony Music Entertainment ("SME") is a Delaware general 11. partnership, the partners of which are citizens of New York and Delaware. SME's headquarters and principal place of business are located at 25 Madison Avenue, New York, New York, and it has substantial business operations in this District.
- Plaintiff Sony Music Entertainment US Latin LLC ("Sony Latin") is a 12. Delaware limited liability company with its principal place of business at 3390 Mary St., Suite 220, Coconut Grove, Florida.



- 13. Plaintiff Zomba Recording LLC ("Zomba") is a Delaware limited liability company with its principal place of business at 25 Madison Avenue, New York, New York.
- 14. Plaintiff Arista Music ("Arista Music") is a New York partnership with its principal place of business at 25 Madison Avenue, New York, New York.
- 15. Plaintiff LaFace Records LLC ("LaFace") is a Delaware limited liability company with its principal place of business at 25 Madison Avenue, New York, New York.
- 16. Plaintiff Records Label, LLC ("Records Label") is a Delaware limited liability company with its principal place of business at 25 Madison Avenue, New York, New York.
- 17. Plaintiff The Century Media Family, Inc. ("Century Media") is a California corporation with its principal place of business at 25 Madison Avenue, New York, New York.
- 18. On information and belief, Defendant Gymshark is a United Kingdom corporation with its headquarters in Solihull, England, and substantial operations in the United States.
- 19. On information and belief, Defendants Does 1 through 10 own, operate, or are employees of Gymshark, and/or are otherwise responsible for and proximately caused and are causing the harm and damages alleged in this Complaint. Plaintiffs are presently unaware of the true names and/or the involvement of the defendants sued herein by the fictitious designations Does 1 through 10, and for that reason sue them by those designations. Plaintiffs will seek leave to amend this pleading to identify those defendants when their true names and involvement in the infringements and other wrongful conduct hereinafter described are known.

DOCKET

Explore Litigation Insights



Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time** alerts and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.

