KATHERINE E. JOHNSON, pro hac vice pending 1 kjohnson3@ftc.gov 2 KRISTY M. TILLMAN, pro hac vice pending ktillman@ftc.gov 3 Federal Trade Commission 4 600 Pennsylvania Avenue NW, CC-9528 Washington, DC 20580 5 (202) 326-2185 (Johnson); (202) 326-3025 (Tillman) 6 Attorneys for Plaintiff 7 FEDERAL TRADE COMMISSION 8 Local Counsel **DELILAH VINZON** 9 Cal. Bar No. 222681; dvinzon@ftc.gov 10 Federal Trade Commission 10990 Wilshire Boulevard, Suite 400 11 Los Angeles, CA 90024 12 Tel: (310) 824-4300; Fax: (310) 824-4380 13 UNITED STATES DISTRICT COURT 14 CENTRAL DISTRICT OF CALIFORNIA 15 FEDERAL TRADE COMMISSION, 16 Case No. 17 Plaintiff, 18 v. 19 COMPLAINT FOR PERMANENT INJUNCTION AND OTHER 20 QYK BRANDS LLC d/b/a Glowyy, **EQUITABLE RELIEF** 21 DRJSNATURAL LLC, 22 RAKESH TAMMABATTULA, 23 individually and as an officer of QYK 24 BRANDS LLC, and 25 JACQUELINE THAO NGUYEN, 26 individually and as an officer of QYK BRANDS LLC and DRJSNATURAL LLC ) 27 28 Defendants.

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Plaintiff, the Federal trade Commission ("FTC") for its Complaint alleges:

1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the FTC's Trade Regulation Rule Concerning the Sale of Mail, Internet, or Telephone Order Merchandise ("MITOR" or the "Rule"), 16 C.F.R. Part 435, to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants' acts or practices in violation of Sections 5(a) and 12 of the FTC act, 15 U.S.C. §45 (a) and 52, and in violation of MITOR, 16 C.F.R. Part 435.

### **JURISDICTION AND VENUE**

- 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345.
- 3. Venue is proper in this District under 28 U.S.C. § 1391(b) (1-2), and 15 U.S.C. § 53(b).

### **PLAINTIFF**

- 4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5 of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces MITOR, which requires mail, Internet, or telephone-based sellers to have a reasonable basis for advertised shipment times, and, when sellers cannot meet promised shipment times or ship within 30 days, to provide buyers with the option to consent to a delay in shipment or to cancel an order and receive a prompt refund, and to deem an order cancelled and make a prompt refund to buyers under certain circumstances.
- 5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and MITOR, and to secure such equitable relief as may be appropriate in each case, including rescission or



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reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 57b, and 16 C.F.R. Part 435.

### **DEFENDANTS**

- Defendant QYK Brands LLC ("QYK" or "Glowyy") is a California 6. Limited Liability Company, with its principal place of business located at 9 MacArthur Place, # 302, Santa Ana, California. QYK does business as Glowyy through the website *glowwy.com* and owns the trademark for Dr. J's Natural. OYK transacts or has transacted business in this District and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, QYK has advertised, marketed, or sold merchandise to consumers throughout the United States.
- DRJSNATURAL LLC ("Dr. J's Natural") is a California Limited 7. Liability Company, with its principal place of business located at 10517 Garden Grove Boulevard, Garden Grove, California.
- Defendant Rakesh Tammabattula ("Tammabattula") is the Chief 8. Executive Officer of QYK. At all times material to this Complaint, acting alone or in concert with others, Tammabattula has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of QYK, including the acts and practices set forth in this Complaint. Defendant Tammabattula resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.
- 9. Defendant Jacqueline Thao Nguyen, who works under the moniker "Dr. J," is married to Rakesh Tammabattula, and is the Chief Operating Officer of QYK, and the founder and Chief Executive Officer of Dr. J's Natural. At all times material to this Complaint, acting alone or in concert with others, Dr. J has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of QYK and Dr. J's Natural, including the acts and practices set



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forth in this Complaint. Defendant Dr. J resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

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10. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

**COMMERCE** 

### **DEFENDANTS' BUSINESS ACTIVITIES**

- Tammabattula and Dr. J, through QYK (collectively, the "QYK 11. Defendants") own multiple brands and companies that sell skin care, health, beauty, personal care, and wellness products. The QYK Defendants promote and sell products on qyk.us, qyksonic.com, glowyy.com, and drjsnatural.com.
- Beginning on or around March 12, 2020, the QYK Defendants offered 12. Dr. J's Natural (and other branded) hand sanitizer through the website glowyy.com. The QYK Defendants market four sizes of Dr. J's Natural hand sanitizer: a 3.3 oz bottle for \$5.99; a 4.0 oz bottle for \$5.99; a 10 oz bottle for \$9.99; and a 16 oz bottle for \$12.99. The QYK Defendants also offer Personal Protective Equipment (such as face masks and shields), surface wipes, and disinfectants.

### The QYK Defendants' Shipment Claims

- During the early weeks of the pandemic quarantine in the United 13. States, obtaining hand sanitizer as quickly as possible was paramount for many consumers; this high demand made products difficult to find.
- 14. In order to capitalize on this demand, beginning in early March 2020, the QYK Defendants started advertising they had hand sanitizer "In Stock" and "Ships Today."



- 15. The QYK Defendants disseminated these advertisements on Instagram and in targeted ads through GQ.com, for example, and in response to web searches for hand sanitizer.
- 16. For example, the following appeared in response to a Google search on or about March 12, 2020:

Ad · www.glowyy.com/ ▼

### Hand Sanitizers in Stock | Disinfect & Stay Safe

CDC Recommends Using **Hand Sanitizers** to Protect from Infections & minimizing risk of COVID. Order online for fast shipping from California. Advanced formulas available. Protect From Virus &Germs. In Stock & Ships Today. Fast Shipping from CA USA.

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DrJ's Natural 75% Unscent - \$9.00 - Advanced Formula Kills Co · More ▼

- 17. The QYK Defendants' promises that hand sanitizer "Ships Today" were false.
- 18. For example, one consumer ordered from glowyy.com on March 12, 2020 following a Google search for hand sanitizer, which led to an advertisement from the QYK Defendants representing that glowyy.com had "Hand Sanitizers in Stock" and that the order would ship the same day it was purchased.
- 19. Despite this promise, the consumer's order did not ship until April 12, 2020. Moreover, when the consumer finally received her order on April 16, 2020, the sanitizer she received was a different brand and smaller size than she had ordered.
- 20. Beginning in April through May 2020, the QYK Defendants' website stated that shipment of hand sanitizer orders would be within seven (7) days. For example, on April 13, 2020, glowyy.com stated that customers should expect processing times of five to seven (5 to 7) days but indicated that orders would ship as soon as they were processed. Similarly, on April 19, 2020, glowwy.com stated that orders of hand sanitizer placed that day would ship by April 22, *i.e.* within



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