

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

v.

JUST IN TIME TICKETS, INC., a corporation, and

EVAN KOHANIAN, individually and as an officer
of Just in Time Tickets, Inc.,

Defendants.

Civil Action No.
21-CV-215

**COMPLAINT FOR
PERMANENT INJUNCTION
AND OTHER EQUITABLE
RELIEF**

Plaintiff, the United States of America, by its undersigned attorneys, acting upon notification and authorization to the Attorney General by the Federal Trade Commission (“FTC”) pursuant to Section 16(a)(1) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 56(a)(1), for its Complaint alleges:

1. Plaintiff brings this action under Sections 5(m)(1)(A), 13(b), 16(a), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(m)(1)(A), 53(b), 56(a), and 57b and Section 2 of the Better Online Ticket Sales Act (“the BOTS Act”), 15 U.S.C. § 45c, to obtain monetary civil penalties, permanent injunctive relief, and other relief for Defendants’ acts or practices in violation of Section 2(a) of the BOTS Act, 15 U.S.C. § 45c(a) and Section 5 of the FTC Act, 15 U.S.C. § 45(a).

SUMMARY OF THE CASE

2. Between January 1, 2017 and the present date, Defendants have used ticket bots and other technology to gain access to tens of thousands of tickets for performances and events, including concerts and sporting events. Defendants’ purchases exceeded posted ticket limits to many popular events, like Elton John concerts. Defendants also have used hundreds of fictitious

Ticketmaster accounts, multiple credit cards (including some in the names of fictitious individuals), and proxy or spoofed IP addresses to bypass, trick, or otherwise avoid security measures, access control systems, or other technological controls or measures on Ticketmaster’s websites, that would have otherwise blocked or prevented them from obtaining so many tickets. Defendants then have resold or have attempted to resell the tickets on secondary ticketing websites. Defendants have made more than \$8.6 million in revenue selling the tickets they obtained from Ticketmaster on secondary markets—often at a significant price markup. Their actions prejudiced consumers, who otherwise may have been able to purchase those tickets directly from Ticketmaster at a lower price. By their actions, Defendants have violated the BOTS Act and the FTC Act.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), 1345.
4. Venue is proper in this district under 28 U.S.C. § 1391(b)(1), (b)(2), (b)(3), (c)(1), (c)(2), (c)(3) and (d), and 1395(a), and 15 U.S.C. § 53(b).

DEFENDANTS

5. Defendant Just in Time Tickets, Inc. (“Just in Time Tickets”) is a New York corporation with its principal place of business at 747 Middle Neck Road, Great Neck, NY 11024. Just in Time Tickets transacts or has transacted business in this District and throughout the United States.
6. Defendant Evan Kohanian (“Kohanian”) is the owner and president of Just in Time Tickets. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, or had the authority to control or participated in the acts and

practices of Just in Time Tickets, including the acts and practices set forth in this Complaint. Kohanian resides in New York, and, in connection with the matters alleged herein, transacts or has transacted business in this district.

7. On February 25, 2016, Defendants signed an Assurance of Discontinuance with the New York Attorney General relating to, among other things, their use of ticket bots. The New York Attorney General alleged, among other things, that Defendants violated New York state law by using automated ticket purchasing software, or any machine, device, or computer program that navigates or runs automated tasks on retail ticket purchasing websites in order to bypass security measures to purchase tickets. Under the Assurance of Discontinuance, Defendants agreed “not to utilize automated ticket purchasing software, including Bots, in order to bypass security measures to purchase tickets, or to maintain an interest in or maintain control over the operation of automated ticket purchasing software to bypass security measures to purchase tickets.”

COMMERCE

8. 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.

THE BOTS ACT

9. Under the BOTS Act, it is unlawful for any person to “circumvent a security measure, access control system, or other technological control or measure on an Internet website or online service that is used by the ticket issuer to enforce posted event ticket limits or to maintain the integrity of posted online ticket purchasing order rules.” 15 U.S.C. § 45c(a)(1).

10. The BOTS Act defines an “event” to mean “any concert, theatrical performance, sporting event, show, or similarly scheduled activity, taking place in a venue with a seating or

attendance capacity exceeding 200 persons that—(A) is open to the general public; and (B) is promoted, advertised, or marketed in interstate commerce or for which event tickets are generally sold or distributed in interstate commerce.”

11. A violation of the BOTS Act is “a violation of a rule defining an unfair or a deceptive act or practice under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).” 15 U.S.C. § 45c(b)(1). Thus, pursuant to Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the BOTS Act is an unfair or deceptive act or practice in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**DEFENDANTS CIRCUMVENTED SECURITY MEASURES,
ACCESS CONTROL SYSTEMS, OR TECHNOLOGICAL CONTROLS
OR MEASURES ON TICKETMASTER’S WEBSITES**

12. Defendant Just in Time Tickets is a ticket reseller. Its primary business involves purchasing tickets from ticket issuers, and then reselling the tickets to consumers on secondary ticketing websites.

13. Defendant Kohanian, as the President of Just in Time Tickets, was involved in selecting the tickets for purchase and arranging for their resale.

14. Between January 1, 2017 and the present date, Defendants have made more than 14,186 Ticketmaster ticket purchases. They obtained more than 48,451 event tickets from these purchases.

15. Ticketmaster is a ticket issuer that has implemented security measures, access control systems, or other technological controls or measures on its websites to enforce posted event ticket purchase limits and to maintain the integrity of posted online ticket purchasing order rules.

16. In many instances, Defendants circumvented security measures, access control systems, and other technological controls or measures on Ticketmaster’s websites by, among other things, using ticket bots and other computer software and technologies, CAPTCHA bypass or

solving services, fictitious names and addresses, multiple credit card accounts (including some in the names of fictitious individuals), and IP proxies.

17. By their actions, Defendants have been able to purchase tickets far more rapidly and in a greater volume than a consumer who was not using ticket bots or otherwise circumventing security measures, access control systems, or other technological controls or measures on Ticketmaster's websites.

18. Defendants later resold many of the tickets on secondary ticketing websites, for a profit.

**DEFENDANTS' USE OF TICKET BOTS TO CIRCUMVENT
SYSTEMS OR CONTROLS ON TICKETMASTER'S WEBSITES**

19. Between January 2017 to September 2018, in numerous instances, Defendants used an automated computer program called Automatick to purchase tickets on Ticketmaster's websites. The Automatick ticket bot is also known as Smartick.

20. Defendants entered information into the Automatick ticket bot about the tickets that they were interested in purchasing and the price they would pay for those tickets. The Automatick ticket bot then would search Ticketmaster's websites to see if the tickets were available to purchase. The Automatick ticket bot would automatically reserve any tickets that fit Defendants' search criteria. This reservation set aside the tickets for Defendants and blocked others from purchasing them, at least until the reservation clock expired. Defendant Kohanian would then review the reserved tickets and select which tickets to purchase.

21. The Automatick ticket bot saved Defendants' credit card information and Ticketmaster account information, and automatically entered that information into Ticketmaster's websites. In addition, the Automatick ticket bot would bypass any CAPTCHAs it encountered on Ticketmaster's websites while searching for or reserving tickets on Defendants' behalf.

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