	Case 2:12-cv-00014-JHN-JEM Document 1	Filed	01/03/12	Page 1 of 10	Page ID #:8	
				Section 1	Street grows	
1	Surjit P. Soni (State Bar No. 127419) surj@sonilaw.com					
2	surj@sonilaw.com M. Danton Richardson (State Bar No. 141 danton@sonilaw.com	2012 JAN -3 AM 11: 37				
3	Leo E. Lundberg, Jr. (State Bar No. 12595 leo@sonilaw.com		CLERK U.S. DISTRICT COURT			
4	THE SONI LAW FIRM	- 720			ST. OF CALIF.	
5	35 North Lake Ave., Suite 720 Pasadena, California 91101 (626) 683-7600 Telephone			The state of the second section (1) and section (1) and second section (1) and section (d Billion on the respect to got the registrations of the selection and the second of t	
6	(626) 683-1199 Fax					
7	Attorneys for Plaintiffs, KTS KARAOKE, INC., and TIMMY SUI	ሳ ጋ ፒ V	J			
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14	KTS KARAOKE, INC., a California corporation, and TIMMY SUN TON,	CAS	SENO.:		FIFMI	
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16	Plaintiffs,) 1)		ARATION (OF NON-	
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19	SONY/ATV MUSIC PUBLISHING, LLC, a Delaware Limited Liability Company; and DOES 1 to 10, inclusive,) 2)	UNFA	AR COMPE	TITION AND	
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					COMPLAINT	
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- 6. SONY/ATV has made claims that KTS has committed no less than 6715 separate acts of infringement regarding the advertisement, sale and/or distribution of allegedly unlicensed recordings of music copyrights allegedly owned and/or controlled, in whole or in part, by SONY/ATV. As a result of these alleged acts of infringement, SONY/ATV has claimed that KTS is liable for no less than \$1,282,050,000.00 in statutory damages.
- The Stacey, have long since known of the manufacture and distribution of the karaoke music discs in issue, including many produced and first distributed well outside the applicable three (3) year statute of limitations. However, rather than take reasonable steps to stop such manufacture and distribution of such products at the source, SONY/ATV and its counsel have instead committed copyright misuse by seeking to secure multiple license fees for the same allegedly infringing work by suing each link of the distribution chain, by demanding license fees for licensed goods and by attempting to obtain more than one statutory damage award for the continuing infringement (*i.e.*, down stream distributions of the infringing work) of a SINGLE WORK.
- 8. KTS is informed and believes, and on that basis alleges, that a dispute has arisen, and now exists, as to whether KTS has infringed any music copyrights owned or controlled by SONY/ATV and, if so, the scope of any such alleged infringement and the applicable measure of damages to be applied thereto. For example, KTS is informed and believes and based thereon alleges that SONY/ATV claims that it is entitled to multiple awards of statutory damages for the same song appearing on different products while KTS believes that SONY/ATV is limited to one award per work, no matter how many different products are at issue as to a given work. KTS is also informed and believes and based thereon alleges that SONY/ATV believes that it is entitled to recover from KTS an award of damages, whether statutory or actual, even though as to some if not all of the discs in issue, SONY/ATV

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27 28 has already recovered damages for the distribution of the subject discs and without allowing credit for all sums so recovered.

- 9. A dispute has also arisen as to whether SONY/ATV has committed copyright misuse by unjustifiably and illegally seeking to and, in fact, recovering multiple times for the distribution of the same allegedly infringing discs, which SONY/ATV knowingly allowed to be manufactured and distributed in the first place. to further its scheme to obtain multiple recoveries by going after sub-distributors while failing to take action against those parties which actually created and first distributed the discs in issue.
 - The disputes amongst the parties are ripe for adjudication. 10.
- KTS therefore asks that this Court declare that KTS has not infringed 11. any rights of SONY/ATV but that if any acts of infringement have occurred that infringement has not occurred to the extent claimed by SONY/ATV and further that any such infringement occurred as a result of SONY/ATV's actions and/or inaction in allowing the subject karaoke discs to be placed in the stream of commerce without taking reasonable steps to stop their manufacture and distribution at the source.
- KTS also seeks a declaration that SONY/ATV is limited to one recovery 12. per work and cannot recover a second (or more) times for the re-distribution of the same songs which SONY/ATV has previously recovered for from others.

SECOND CAUSE OF ACTION

(Unfair Competition and Unfair Trade Practices)

- KTS repeats and realleges all of the allegations contained in Paragraphs 13. I through 12, inclusive, of this Complaint and by reference thereto incorporate them herein as though set forth in full.
- Upon information and belief, Defendant has committed acts of unfair competition and unfair trade practices in violation of the common law of the State of California based on a scheme to extort money from innocent distributors ensnared

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into distributing infringing works which SONY/ATV has knowingly allowed to enter and/or remain in the stream of commerce.

- KTS is informed and believes and based thereon alleges that 15. SONY/ATV has allowed the karaoke music discs at issue to be placed in the stream of commerce so that SONY/ATV could make claims against various sub-distributors and thereby recover multiple times for the same allegedly infringing conduct at rates greater than if the claims had been asserted against the manufacturers. The scheme by SONY/ATV and its counsel is not designed to stop the acts of infringement (as SONY/ATV has knowingly allowed the manufacturer and initial distribution of some if not all of the subject discs) but has actually encouraged, caused and contributed to such alleged acts of infringement for the purpose of unjustifiably and illegally extracting multiple recoveries for the same infringing discs and to line the pockets of SONY/ATV and its counsel.
- 16. Upon information and belief, Defendant has been unjustly enriched by its acts of unfair competition and unfair trade practices.
- KTS is informed and believes, and thereupon alleges, that the acts 17. alleged above were willful, fraudulent, malicious and oppressive and were undertaken with the intent to harm KTS, or were done with reckless disregard of KTS's rights, and justify the awarding of punitive damages so as to set an example and to deter others from engaging in such conduct.
- KTS has suffered, is suffering, and will continue to suffer irreparable 18. injury for which KTS has no adequate remedy at law.

PRAYER FOR RELIEF

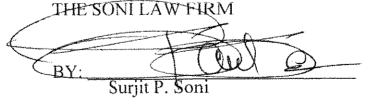
WHEREFORE, KTS prays for judgment against the Defendant SONY/ATV as follows:

For a declaration that KTS has not infringed any rights of SONY/ATV 1. but that if any acts of infringement have occurred that infringement has not occurred

to the extent claimed by SONY/ATV and further that any such infringement occurred as a result of SONY/ATV's actions and/or inaction in allowing the subject karaoke discs to be placed in the stream of commerce without taking reasonable steps to stop their manufacture and distribution at the source.

- 2. For a declaration that SONY/ATV is limited to one recovery per work and cannot recover a second (or more) times for the re-distribution of the same songs which SONY/ATV has previously recovered for from others.
- 3. That KTS have judgment against SONY/ATV for all damages suffered by KTS as a result of the advertisement, offer to sell and sale of the products in issue which would not have occurred but for SONY/ATV's acts of copyright misuse and SONY/ATV's encouraging, causing and contributing to the distribution of the subject songs in issue.
- 4. That KTS be awarded damages against SONY/ATV in an amount according to proof for SONY/ATV's acts of unfair competition and unfair trade practices;
- 5. That SONY/ATV be preliminarily and permanently enjoined from committing further acts of unfair competition and unfair trade practices.
- 6. That KTS have judgment against the SONY/ATV for KTS's costs and attorney's fees.
- 5. That the Court grant such other, further and different relief as the Court deems just and proper under the circumstances.

Dated: January 3, 2012



Attorneys for Plaintiffs, KTS KARAOKE, INC., and TIMMY SUN TON

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Jacqueline Nguyen and the assigned discovery Magistrate Judge is John E. McDermott.

The case number on all documents filed with the Court should read as follows:

CV12- 14 JHN (JEMx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Manistrate Judge has been designated to been discovery related

Failu	re to file at the proper location will resu	lt in yo	ur documents being returned to you.		
[X]	Western Division 312 N. Spring St., Rm. G-8 Los Angeles, CA 90012		Southern Division 411 West Fourth St., Rm. 1-053 Santa Ana, CA 92701-4516		Eastern Division 3470 Twelfth St., Rm. 134 Riverside, CA 92501
Sub	sequent documents must be filed a	at the	following location:		
A cc filed	py of this notice must be served w , a copy of this notice must be serv	ith the ed or	e summons and complaint on all det n all plaintiffs).	endar	nts (if a removal action is
			NOTICE TO COUNSEL		

Α	All discovery related motions	shou	ald be noticed on the calendar	of th	e Magistrate Judge
	notions.	gisuc	ne Judge has been designated	to ne	ar discovery rerated

Name & Carre 2:12-cv-00014-JHN-JEM Document Surjit P. Soni (State Bar No. 127419) M. Danton Richardson (State Bar No. 141709) THE SONI LAW FIRM 35 N. Lake Ave., Suite 720 Pasadena, CA 91101	1 Filed 01/03/12 Page 7 of 10 Page ID #:14
UNITED STATES I CENTRAL DISTRIC	ϵ
KTS Karaoke, INC., a California Corporation, and TIMMY SUN TON, Individually	CASE NUMBER
PLAINTIFF(S) V.	CV 12 0014-JHH GEMS
SONY/ATV MUSIC PUBLISHING, LLC, a Delaware Limited Liability Company; and DOES 1 to 10, Inclusive, DEFENDANT(S).	SUMMONS
	iching, uc, a Delauare limited liability company
A lawsuit has been filed against you.	ns on you (not counting the day you received it), you complaint 2 of the Federal Rules of Civil Procedure. The answer rjit P. Soni, The Soni Law Firm, whose address is If you fail to do so,
	Clerk, U.S. District Court
Dated: <u>JAN - 3 2012</u>	By: MAKILYN BATIS Deputy Glerk (Seal of the Court)
[Use 60 days if the defendant is the United States or a United State 60 days by Rule 12(a)(3)].	rs agency, or is an officer or employee of the United States. Allowed
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M. Danton Richardson (State Bar No. 141709) THE SONI LAW FIRM 35 N. Lake Ave., Suite 720 Pasadena, CA 91101	
UNITED STATES I CENTRAL DISTRIC	
KTS Karaoke, INC., a California Corporation, and TIMMY SUN TON, Individually	CASE NUMBER
PLAINTIFF(S) V.	CV 12 0014-3HL (JEMY)
SONY/ATV MUSIC PUBLISHING, LLC, a Delaware Limited Liability Company; and DOES 1 to 10, Inclusive, DEFENDANT(S).	SUMMONS
must serve on the plaintiff an answer to the attached ☑ counterclaim ☐ cross-claim or a motion under Rule 1: or motion must be served on the plaintiff's attorney, Sur 35 N. Lake Ave., Suite 720, Pasadena, CA 91101 judgment by default will be entered against you for the ryour answer or motion with the court.	2 of the Federal Rules of Civil Procedure. The answer rjit P. Soni, The Soni Law Firm , whose address is . If you fail to do so,
JAN - 3 2012 D Dated: [Use 60 days if the defendant is the United States or a United States 60 days by Rule 12(a)(3)].	By: May Deputy Clerk (Seal of the Court) s agency, or is an officer or employee of the United States. Allowed

SUMMONS

Filed 01/03/12 Page 8 of 10 Page ID #:15

Name & Address: Document

Surjit P. Soni (State Bar No. 127419)

CV-01A (10/11

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA Case 2:12-cv-00014-JHN-JEM Documental Refered 01/03/12 Page 9 of 10 Page ID #:16

(a) PLAINTIFFS (Check box KTS Karaoko, INC., a Ca Individually	DEFENDANTS SONY/ATV MUSIC PUBLISHING, LLC, a Delaware Limited Liability Company: and DOES 1 to \$0, Inclusive,							
b) Attarneys (Firm Name, Ad- yourself, provide same) Surjit P. Soni tState Bar N M. Danton Richardson (St 35 N. Luke Ave., Suite 726	ate Bar No. 141709)	ou are representing	Attorneys (If Known)					
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AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

71 (05/08)

Case Number:

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA

Case 2:12-cv-00014-JHN-JEM Doctymeth 17 Page 10 of 10 Page ID #:17

(a). IDENTICAL CASES: Has			nd dismissed, remanded or closed? ☑No □Yes			
		viously filed in this court tha	at are related to the present case? MNo 🖂 Yes			
□ C. 1	Arise from the same Call for determination For other reasons we	or closely related transaction of the same or substantial ould entail substantial duplic	ons, happenings, or events; or Ity related or similar questions of law and fact; or cation of labor if heard by different judges; or , and one of the factors identified above in a, b or c also is present.			
ENUE: (When completing the	following informati	on, use an additional sheet i	f necessary.)			
			if other than California; or Foreign Country, in which EACH named plaintiff resides. f this box is checked, go to item (b).			
Angeles County			California County outside of this District; State, if other than California; or Foreign Country			
-	-		If other than California; or Foreign Country, in which EACH named defendant resides. If this box is checked, go to item (c).			
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or other papers as required by lay	w. This form, approv	ved by the Judicial Conference	ormation contained herein neither replace nor supplement the filing and service of pleadings ce of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed ating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)			
to Statistical codes relating to Sc	ocial Security Cases:					
Nature of Suit Code	Abbreviation	Substantive Statement of	of Cause of Action			
861	НіА	All claims for health insurance benefits (Medicare) under Title 18. Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))				
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969, (30 U.S.C. 923)				
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))				
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))				
864	SSID	All claims for supplemen Act, as amended.	ntal security income payments based upon disability filed under Title 16 of the Social Security			
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))				

CIVIL COVER SHEET Page 2 of 2 71 (05/08)