

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
GAINESVILLE DIVISION**

SLEP-TONE ENTERTAINMENT
CORPORATION,
Plaintiff,

v.

DAVID MORGAN; ROBERT KODRITCH;
MAC DADDY'S IRISH PUB INC.;
KARAOKE-PLUS; WALTER GRAHAM;
JENNIFER GRAHAM; STEVEN FINLAY;
BALLMER ENTERTAINMENT
ENTERPRISES; ALICE BALLMER; CHRIS
BALLMER; KEVIN SHORETTE; NICK
WRIGHT; SAWGRASS TIKI BAR INC.;
MICHAEL B. DAVIS; W.R.A.T.H.
ENTERTAINMENT; SHAWN P. KELLEY;
CAROLYNE DELANEY KELLEY;
HAROLD E. SONNAY, JR.; FRANTZ
BARON; BERNARD RAVELO; PETER A.
RAVELO; JORGE LEDO; JOHN DOE NO.
1; JOHN DOE NO. 2; JOHN DOE NO. 3;
JOHN DOE NO. 4; JANE DOE NO. 5; ROD
SEAFOOD INC.; HUME ENTERPRISES,
LLC; and HOLLEMAN'S RESTAURANT &
LOUNGE, INC.,
Defendants.

Civil Action No. 1:10cv207

COMPLAINT

The Plaintiff, Slep-Tone Entertainment Corporation ("Slep-Tone"), by its undersigned counsel, complains of the Defendants and for its complaint alleges as follows:

INTRODUCTION

Slep-Tone is the manufacturer and distributor of karaoke accompaniment tracks sold under the name “Sound Choice.” Slep-Tone was founded 25 years ago by Kurt and Derek Slep, two brothers with a vision to nurture the development of karaoke in America as a participatory entertainment phenomenon. During that time, Sound Choice came to be recognized as one of the leading producers of high-quality karaoke accompaniment tracks. The company invested over \$18 million to re-record and replicate the authentic sound of popular music across different eras and genres of music.

The Sleps’ dedication to producing music of the highest quality and the most authentic character led its music to become the staple of almost every karaoke show in the country. As karaoke grew in popularity, Sound Choice became the brand that nearly every karaoke fan wanted to sing and that nearly every karaoke jockey (“KJ”) wanted in his or her library.

KJs play karaoke songs using compact discs containing files written in one of two special encoded formats, either “CD+G” (“compact disc plus graphics”) or “MP3G” (“MP3¹ plus graphics”), in which the disc contains the music and the lyrics, which will display on a screen. In recent years, computer technology, cheap

¹ MP3 is an acronym standing for “Moving Picture Experts Group Audio Layer 3.” MP3G is a far newer format than CD+G and is significantly more portable than CD+G. The Plaintiff has only recently begun distributing its karaoke tracks in this format, and only under tight contractual controls that require user registration and audits, confine possession to professional karaoke operators, include serialization of licensed discs, and prohibit file sharing under pain of forfeiture of license rights.

file memory devices, and the internet have made it possible for karaoke discs to be decoded and “ripped” (copied) to a user’s hard drive and easily copied and distributed between KJs. This technology has proven irresistible to KJs, many of whom have used this opportunity to copy one purchased disc to several different computer based systems, copy a singer’s personal discs if they use them during a show, “swap” song files among each other, download them from illegal file-sharing sites and build libraries of tens of thousands of karaoke songs without paying for them. Whereas in the past a KJ would buy multiple copies of an original disc if he or she desired to operate multiple systems, now they simply “clone” their songs for multiple commercial systems or even their entire karaoke song libraries to start a new operation. Additionally, many KJs or operators starting in the business simply buy computer drives pre-loaded with thousands of illegally copied songs.

These practices have become so widespread that Slep-Tone and its sister company, Sound Choice Studios, Inc., have been driven nearly out of business. At its peak, the Sound Choice family of companies employed 75 individuals and produced as many as 5 new karaoke discs per month. Today, the enterprise employs fewer than 10 individuals. Sound Choice Studios, which is responsible for production of new material, has virtually ceased making new discs, because the companies have lost money on every recent new karaoke disc. The most recent

new disc did not produce enough revenue even to cover the production and licensing costs associated with it—yet the songs from that disc can be found on as many as 30,000 karaoke systems around the United States.

For KJs, karaoke is a commercial enterprise. KJs who legitimately acquired all of their music at great cost are being forced by illicit competition to produce shows for lower and lower fees. Illegitimate competitors offer libraries of tens of thousands of songs, which would have cost \$50,000 to \$100,000 or more to acquire legitimately, but produce shows for one-third the rates a legitimate KJ can offer. The result is significant financial pressure on once-legitimate KJs to skirt or ignore the law and become pirates, simply to stay in business.

Slep-Tone has been forced to undertake this litigation in order to ensure that it survives and continues to produce the high-quality karaoke music its fans demand and to level the playing field for the legitimate KJs.

JURISDICTION AND VENUE

1. This is an action for trademark infringement and unfair competition arising under §§ 32 and 43 of the Trademark Act of 1946, 15 U.S.C. §§ 1114 and 1125. This Court has exclusive jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, in that this is a civil action arising under the laws of the United States.

2. This Court further has jurisdiction pursuant to 28 U.S.C § 1338(a), in that this civil action arises under an Act of Congress relating to trademarks, and, as to the Plaintiff's Lanham Act unfair competition claim, pursuant to 28 U.S.C. § 1338(b), in that the claim is joined with a substantial and related claim under the trademark laws of the United States.
3. This Court has supplemental jurisdiction over the subject matter of the Plaintiff's state-law claims pursuant to 28 U.S.C. § 1367(a), in that those claims are so related to the Plaintiff's federal claims that they form part of the same case or controversy.
4. Alternatively, this Court has jurisdiction over the subject matter of the Plaintiff's state-law claims pursuant to 28 U.S.C. § 1332(a), in that this is an action between citizens of different States, and the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs.
5. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b), because all of the defendants reside in this State, and at least one of the defendants resides in this judicial district.

THE PLAINTIFF

6. Plaintiff SLEP-TONE is a North Carolina corporation having its principal place of business at 14100 South Lakes Drive, Charlotte, North Carolina.

THE DEFENDANTS

7. Defendant DAVID MORGAN is an individual who does business as “Rockin’ Road Show” and who has his principal business address in Tampa, Florida. Defendant DAVID MORGAN is engaged in the business of providing karaoke entertainment, and he conducts his business activities at multiple venues in this State.
8. Defendant ROBERT KODRITCH is an individual who does business as “Main Act Entertainment” and who has his principal business address in Tampa, Florida. Defendant ROBERT KODRITCH is engaged in the business of providing karaoke entertainment, and he conducts his business activities at multiple venues in this State.
9. Defendant MAC DADDY’S IRISH PUB, INC. is a Florida corporation with its principal business address in Hudson, Florida. Defendant MAC DADDY’S IRISH PUB, INC. operates an eating and drinking establishment at which karaoke entertainment is provided.
10. Defendant KARAOKE-PLUS is an unincorporated association and, upon information and belief, a general partnership whose general partners include at least Defendant WALTER GRAHAM, Defendant JENNIFER GRAHAM, and Defendant STEVEN FINLAY.

11. Defendants WALTER GRAHAM, JENNIFER GRAHAM, and STEVEN FINLAY are individuals who together operate Defendant KARAOKE-PLUS, and who have their principal business address in Miami, Florida. Defendant KARAOKE-PLUS and its general partners are engaged in the business of providing karaoke entertainment, and they conduct their business activities at multiple venues in this State.
12. Defendant BALLMER ENTERTAINMENT ENTERPRISES is an unincorporated association and, upon information and belief, a general partnership whose general partners include at least Defendant ALICE BALLMER and Defendant CHRIS BALLMER.
13. Defendants ALICE BALLMER and CHRIS BALLMER are individuals who together operate Defendant BALLMER ENTERTAINMENT ENTERPRISES, and who have their principal business address in Clearwater, Florida. Defendant BALLMER ENTERTAINMENT ENTERPRISES and its general partners are engaged in the business of providing karaoke entertainment, and they conduct their business activities at multiple venues in this State.
14. Defendant KEVIN SHORETTE is an individual who does business as “The Karaoke Club” and who has his principal business address in Williston or Bronson, Florida. Defendant KEVIN SHORETTE is engaged in the

business of providing karaoke entertainment, and he conducts his business activities at multiple venues in this State.

15. Defendant NICK WRIGHT is an individual who does business as “Krazy Karaoke” and as “The Karaoke Mafia” and who has his principal business address in New Port Richey, Florida. Defendant NICK WRIGHT is engaged in the business of providing karaoke entertainment, and he conducts his business activities at multiple venues in this State.
16. Defendant SAWGRASS TIKI BAR INC. is a Florida corporation with its principal business address in Tarpon Springs, Florida. Defendant SAWGRASS TIKI BAR INC. operates a drinking establishment at which karaoke entertainment is provided.
17. Defendant MICHAEL B. DAVIS is an individual who does business as “Mr. October” and who has his principal business address in or near Gainesville, Florida. Defendant MICHAEL B. DAVIS is engaged in the business of providing karaoke entertainment, and he conducts his business activities at multiple venues in this State.
18. Defendant W.R.A.T.H. ENTERTAINMENT is an unincorporated association and, upon information and belief, a general partnership whose general partners include at least Defendant SHAWN P. KELLEY and Defendant CAROLYNE DELANEY KELLEY.

19. Defendants SHAWN P. KELLEY and CAROLYNE DELANEY KELLEY are individuals who together operate Defendant W.R.A.T.H. ENTERTAINMENT, and who have their principal business address in Gainesville, Florida. Defendant W.R.A.T.H. ENTERTAINMENT and its general partners are engaged in the business of providing karaoke entertainment, and they conduct their business activities at multiple venues in this State.
20. Defendant HAROLD E. SONNAY, JR. is an individual who does business as “Sonday Music Productions” and who has his principal business address in or near Hudson, Florida. Defendant HAROLD E. SONNAY, JR. is engaged in the business of providing karaoke entertainment, and he conducts his business activities at one or more venues in this State.
21. Defendant FRANTZ BARON is an individual who does business as “Karaoke Knights” and who has his principal business address in Plantation, Florida. Defendant FRANTZ BARON is engaged in the business of providing karaoke entertainment, and he conducts his business activities at multiple venues in this State.
22. Defendant BERNARD RAVELO is an individual who does business as “Karaoke Miami” and who has his principal business address in Miami, Florida. Defendant BERNARD RAVELO is engaged in the business of

providing karaoke entertainment, and he conducts his business activities at one or more venues in this State.

23. Defendant PETER A. RAVELO is an individual who does business in association with Defendant BERNARD RAVELO and Karaoke Miami, and who is engaged in the business of providing karaoke entertainment, conducting his business activities at one or more venues in this State.
24. Defendant JORGE LEDO is an individual who does business in association with Defendant BERNARD RAVELO and Karaoke Miami, and who is engaged in the business of providing karaoke entertainment, conducting his business activities at one or more venues in this State.
25. Defendant JOHN DOE NO. 1 is an individual known to the Plaintiff only as “C-Money” despite efforts to identify him by his true name. Defendant JOHN DOE NO. 1 is an individual who does business or who formerly did business in association with Defendant BERNARD RAVELO and Karaoke Miami, and who is or was engaged in the business of providing karaoke entertainment, conducting his business activities at one or more venues in this State.
26. Defendant JOHN DOE NO. 2 is an individual known to the Plaintiff only as “Peter” despite efforts to identify him by his true name. Defendant JOHN DOE NO. 2 is an individual who does business or who formerly did business

in association with Defendant BERNARD RAVELO and Karaoke Miami, and who is or was engaged in the business of providing karaoke entertainment, conducting his business activities at one or more venues in this State.

27. Defendant JOHN DOE NO. 3 is an individual known to the Plaintiff only as “Brian” despite efforts to identify him by his true name. Defendant JOHN DOE NO. 3 is an individual who does business or who formerly did business in association with Defendant BERNARD RAVELO and Karaoke Miami, and who is or was engaged in the business of providing karaoke entertainment, conducting his business activities at one or more venues in this State.
28. Defendant JOHN DOE NO. 4 is an individual known to the Plaintiff only as “Nacho” despite efforts to identify him by his true name. Defendant JOHN DOE NO. 4 is an individual who does business or who formerly did business in association with Defendant BERNARD RAVELO and Karaoke Miami, and who is or was engaged in the business of providing karaoke entertainment, conducting his business activities at one or more venues in this State.
29. Defendant JANE DOE NO. 5 is an individual known to the Plaintiff only as “Daisy” despite efforts to identify her by her true name. Defendant JANE

DOE NO. 5 is an individual who does business or who formerly did business in association with Defendant BERNARD RAVELO and Karaoke Miami, and who is or was engaged in the business of providing karaoke entertainment, conducting her business activities at one or more venues in this State.

30. Defendant ROD SEAFOOD INC. is a Florida corporation having its principal place of business in Miami, Florida. Defendant ROD SEAFOOD INC. operates an eating and drinking establishment known as “Seven Seas Seafood Market & Restaurant” at which karaoke entertainment is provided.
31. Defendant HUME ENTERPRISES, LLC is a Florida limited liability company having its principal place of business in Miami, Florida. Defendant HUME ENTERPRISES, LLC operates an eating and drinking establishment known as “Tom's NFL American Sports Bar and Grill” at which karaoke entertainment is provided.
32. Defendant HOLLEMAN’S RESTAURANT & LOUNGE, INC. is a Florida corporation having its principal place of business in Miami Springs, Florida. Defendant HOLLEMAN’S RESTAURANT & LOUNGE, INC. operates an eating and drinking establishment of the same name at which karaoke entertainment is provided.

BACKGROUND FACTS

33. The term “karaoke” means “empty orchestra” in Japanese. Karaoke entertainment has grown into a multi-million dollar business in the United States.
34. Karaoke compact disc plus graphics or MP3 plus graphics recordings contain re-created arrangements of popular songs for use as “accompaniment tracks.”
35. Typically, the lead vocal tracks in an accompaniment track are omitted so that a karaoke participant can sing along, as though he or she were the lead singer. In other situations, the lead vocal track by a sound-alike artist might be included, and some formats allow the lead vocal to be selectively muted upon playback so that the accompaniment track may be listened to either with or without the lead vocals.
36. The “graphics” portion of a karaoke recording refers to the encoding of the recording with data to provide a contemporaneous video display of the lyrics to the song, in order to aid the performer.
37. This graphics data is also utilized to mark the accompaniment tracks with the Sound Choice trademarks and to cause the Sound Choice trademarks to be displayed upon playback.

38. Entertainers who provide karaoke services in bars, restaurants, and other venues are known as karaoke jockeys (“KJs”), karaoke hosts, or karaoke operators. The services provided by KJs typically include providing the karaoke music and equipment for playback, entertaining the assembled crowd for warm-up purposes, and organizing the karaoke show by controlling access to the stage, setting the order of performance, and operating the karaoke equipment.
39. Typically, a KJ will maintain a catalog of songs available for performance in order to aid participants in selecting a song to sing.
40. Legitimate KJs purchase equipment and purchase or license compact discs containing accompaniment tracks and charge for the above-mentioned karaoke services.
41. Many KJs, such as some of the present Defendants, obtain, copy, share, distribute and/or sell media-shifted copies of the accompaniment tracks via pre-loaded hard drives, USB drives, CD-R’s, or the Internet.
42. Neither SLEP-TONE nor any of its associated companies has ever authorized the digitization of its songs for commercial use in producing karaoke shows.
43. SLEP-TONE tolerates, but does not authorize, the shifting of its accompaniment tracks from the original medium to another medium, such as

a computer hard drive, provided that the KJ strictly follows SLEP-TONE's media-shifting policy by maintaining "one-to-one correspondence."

44. "One-to-one correspondence" requires (1) that each track stored on an alternative medium have originated from an original Sound Choice compact disc; (2) that the tracks from the original Sound Choice compact disc be shifted to one, and only one, alternative medium at a time; (3) that the KJ maintain ownership and possession of the original Sound Choice compact disc while its content is shifted to the alternative medium; and (4) that the original Sound Choice compact disc not be used for any commercial purpose while its content is shifted to the alternative medium.
45. The copying, sharing, distribution, and selling of media-shifted copies is not accompanied by the payment of any royalty to SLEP-TONE, nor authorized by any license agreement.
46. SLEP-TONE and its affiliated companies pay statutory and negotiated royalties to the owners of copyright in the underlying musical works for their activities in legitimately creating, copying, distributing, and selling compact discs containing karaoke accompaniment tracks.
47. Those persons, including the Defendants, who illegitimately obtain, copy, share, distribute, and/or sell media-shifted copies of the Plaintiff's

accompaniment tracks do not pay royalties to the owners of copyright in the underlying musical works.

48. SLEP-TONE and its affiliated companies have spent millions of dollars building and maintaining studios, hiring artists, building a distribution facility, paying royalties to copyright owners, building a company that is capable of reliably producing high-quality karaoke versions of current and historical musical hits, and building a brand that is one of the pre-eminent brands in the industry.
49. The widespread creation of counterfeit copies of SLEP-TONE's karaoke discs has denied SLEP-TONE the benefit of its investments.
50. These counterfeits include SLEP-TONE's registered trademarks, such that to the consumers of the illegitimate KJs' services, the counterfeits are virtually indistinguishable from genuine Sound Choice materials.
51. For each of the several recent releases of new karaoke music by SLEP-TONE, dozens of illegitimate copies of the contents of the disc have been created, on average, for each legitimate copy sold. SLEP-TONE, its affiliated companies, and its licensors have lost a considerable amount of money due to this widespread piracy.

52. Such widespread illegal copying of music has been made possible by improving and ever cheaper computer technology and memory devices and the easy distribution of digital content over the internet.
53. Widespread pirating of songs has contributed to the loss of more than sixty jobs at the Plaintiff's location in Charlotte, North Carolina, as well as several consecutive years of operating losses, as revenues do not cover fixed costs.
54. Legitimate KJs spend thousands of dollars acquiring SLEP-TONE's accompaniment tracks, an irreducible overhead cost that must be recovered over a significant number of engagements.
55. Illegitimate KJs, who acquire the songs in their libraries illegally, have an unfair advantage over legitimate KJs, because the illegitimate KJs are able to provide karaoke services with a considerably lower overhead cost and significantly more songs through the pirating of SLEP-TONE's tracks.
56. Piracy therefore unfairly increases the profits of illegitimate KJs and unfairly decreases the profits of legitimate KJs, a condition that pressures legitimate KJs to either commit piracy instead of doing business with SLEP-TONE and other karaoke music producers or lose their shows to KJs offering more songs at cheaper prices to the same venues.

57. Because of piracy, it is nearly impossible for legitimate KJs to compete against illegal KJs, who are able to provide less expensive karaoke services and a greater number of tracks due to their lower overhead costs.

THE RIGHTS OF THE PLAINTIFF

58. Plaintiff SLEP-TONE is the owner of U.S. Trademark Registration No. 1,923,448 for the trademark SOUND CHOICE.
59. Plaintiff SLEP-TONE is also the owner of U.S. Trademark Registration No. 2,000,725, for a display trademark as follows:



60. Plaintiff SLEP-TONE has, for the entire time its marks (“the Sound Choice Marks”) have been federally registered, provided the public, including the Defendants, with notice of its federal registrations through the consistent display of the symbol ® with its marks as used.

ACTIVITIES OF DEFENDANT GROUP A

61. For purposes of this suit, “Defendant Group A” is used to refer to Defendants DAVID MORGAN, ROBERT KODRITCH, MAC DADDY’S

IRISH PUB INC., KARAOKE-PLUS, WALTER GRAHAM, JENNIFER GRAHAM, STEVEN FINLAY, BALLMER ENTERTAINMENT ENTERPRISES, ALICE BALLMER, CHRIS BALLMER, KEVIN SHORETTE, NICK WRIGHT, SAWGRASS TIKI BAR INC., MICHAEL B. DAVIS, W.R.A.T.H. ENTERTAINMENT, SHAWN P. KELLEY, CAROLYNE DELANEY KELLEY, HAROLD E. SONNAY, JR., and FRANTZ BARON, severally.

62. SLEP-TONE's investigators observed each of the Defendants in Defendant Group A possessing, using, or authorizing or benefiting from unauthorized counterfeit copies of at least one work bearing the Sound Choice Marks.
63. Defendant DAVID MORGAN was observed operating a karaoke system to produce a karaoke show at a venue in this State in which counterfeit copies of SLEP-TONE's accompaniment tracks were being used.
64. In connection with that show, Defendant DAVID MORGAN repeatedly displayed the Sound Choice Marks without right or license.
65. Defendant DAVID MORGAN has advertised or otherwise indicated that he is in possession of a library containing more than 27,500 tracks stored on his karaoke system.

66. Defendant ROBERT KODRITCH was observed operating a karaoke system to produce a karaoke show at a venue in this State in which counterfeit copies of SLEP-TONE's accompaniment tracks were being used.
67. In connection with that show, Defendant ROBERT KODRITCH repeatedly displayed the Sound Choice Marks without right or license.
68. Upon information and belief, Defendant ROBERT KODRITCH performs regular karaoke shows in at least two venues in this State using his karaoke system.
69. Defendant ROBERT KODRITCH has advertised or otherwise indicated that he is in possession of a library containing more than 106,000 tracks stored on his karaoke system.
70. Defendant MAC DADDY'S IRISH PUB INC. was observed operating, through an employee or contractor known as "DJ Gary," a karaoke system to produce a karaoke show at its establishment in which counterfeit copies of SLEP-TONE's accompaniment tracks were being used.
71. Upon information and belief, the karaoke system described in the preceding paragraph is directly owned by Defendant MAC DADDY'S IRISH PUB INC.
72. In connection with that show, Defendant MAC DADDY'S IRISH PUB INC. repeatedly displayed the Sound Choice Marks without right or license.

73. Upon information and belief, Defendant MAC DADDY'S IRISH PUB INC. is in possession of a library containing more than 100,000 karaoke accompaniment tracks stored on its karaoke system.
74. Upon information and belief, Defendant KARAOKE-PLUS, acting through three general partners, Defendants WALTER GRAHAM, JENNIFER GRAHAM, and STEVEN FINLAY (together, "the KARAOKE-PLUS Defendants"), operates at least three separate karaoke systems to produce karaoke shows at venues in this State.
75. In April 2010, SLEP-TONE commenced a lawsuit in this District captioned *Slep-Tone Entertainment Corporation v. Kara-O-King Inc. et al.*, No. 5:10cv71, in which SLEP-TONE asserted claims against Kara-O-King Inc. that are similar to the claims asserted herein. At the time of commencement of that suit, the KARAOKE-PLUS Defendants were affiliates of Kara-O-King Inc.
76. Upon information and belief, when Kara-O-King Inc. initially agreed to settle the prior suit with SLEP-TONE, the KARAOKE-PLUS Defendants agreed with Kara-O-King Inc. to be a part of the settlement. However, after Kara-O-King Inc. entered into the settlement, the KARAOKE-PLUS Defendants declined to participate in the settlement with Kara-O-King Inc. and instead ended their affiliation with that company.

77. Prior to ending their affiliation with Kara-O-King Inc., the KARAOKE-PLUS Defendants utilized counterfeit Sound Choice karaoke accompaniment tracks to perform their karaoke shows.
78. Rather than settling this matter with SLEP-TONE after being made aware of SLEP-TONE's intent to enforce its rights against them, the KARAOKE-PLUS Defendants made an arrangement with another karaoke track manufacturer to obtain a license to use that manufacturer's music going forward. The KARAOKE-PLUS Defendants have never provided any compensation to SLEP-TONE for their use of pirated material, and they retain the technical ability to continue to use pirated material should they choose to do so.
79. Additionally, the KARAOKE-PLUS Defendants falsely advertise that they are members of the Karaoke Industry Alliance of America ("KIAA"), an anti-piracy karaoke advocacy organization that requires that prospective KJ members submit to a pre-membership audit to verify their compliance with KIAA's anti-piracy policies.
80. In fact, the KARAOKE-PLUS Defendants are not members of the KIAA and have not submitted to such an audit. Upon information and belief, however, the KARAOKE-PLUS Defendants falsely advertise their

membership in the KIAA in order deceive prospective customers into believing that KARAOKE-PLUS is in compliance with the law.

81. Defendant BALLMER ENTERTAINMENT ENTERPRISES, acting through two general partners, Defendants ALICE BALLMER and CHRIS BALLMER, was observed operating a karaoke system to produce a karaoke show at a venue in this State in which counterfeit copies of SLEP-TONE's accompaniment tracks were being used.
82. In connection with that show, Defendant BALLMER ENTERTAINMENT ENTERPRISES repeatedly displayed the Sound Choice Marks without right or license.
83. Upon information and belief, Defendant BALLMER ENTERTAINMENT ENTERPRISES performs regular karaoke shows in at least six venues in this State using at least two karaoke systems.
84. Defendant BALLMER ENTERTAINMENT ENTERPRISES regularly performs karaoke shows in two separate venues simultaneously.
85. Upon information and belief, each of Defendant BALLMER ENTERTAINMENT ENTERPRISES's karaoke systems includes a library containing between 80,000 and 100,000 accompaniment tracks.

86. Defendant KEVIN SHORETTE was observed operating a karaoke system to produce a karaoke show at a venue in this State in which counterfeit copies of SLEP-TONE's accompaniment tracks were being used.
87. In connection with that show, Defendant KEVIN SHORETTE repeatedly displayed the Sound Choice Marks without right or license.
88. Upon information and belief, Defendant KEVIN SHORETTE performs regular karaoke shows in at least three venues in this State using his karaoke system.
89. Defendant KEVIN SHORETTE has advertised or otherwise indicated that he is in possession of a library containing more than 50,000 tracks stored on his karaoke system.
90. Defendant NICK WRIGHT was observed operating a karaoke system to produce a karaoke show at a venue in this State in which counterfeit copies of SLEP-TONE's accompaniment tracks were being used.
91. In connection with that show, Defendant NICK WRIGHT repeatedly displayed the Sound Choice Marks without right or license.
92. Upon information and belief, Defendant NICK WRIGHT performs regular karaoke shows at venues in this State using his karaoke system.
93. Defendant NICK WRIGHT has advertised or otherwise indicated that he is in possession of a library containing more than 32,000 tracks stored on his

karaoke system. Upon information and belief, the library actually contains in excess of 100,000 tracks.

94. Upon information and belief, Defendant NICK WRIGHT has also provided one or more copies of the accompaniment tracks stored on his computer hard drive to other karaoke hosts, specifically including persons in a group of karaoke hosts in the Tampa area who refer to themselves as “The Karaoke Mafia.”
95. Defendant SAWGRASS TIKI BAR INC. was observed operating a karaoke system to produce a karaoke show at its establishment in which counterfeit copies of SLEP-TONE’s accompaniment tracks were being used.
96. Upon information and belief, the karaoke system described in the preceding paragraph is directly owned by Defendant SAWGRASS TIKI BAR INC.
97. In connection with that show, Defendant SAWGRASS TIKI BAR INC. repeatedly displayed the Sound Choice Marks without right or license.
98. Upon information and belief, Defendant SAWGRASS TIKI BAR INC. is in possession of a library containing more than 120,000 karaoke accompaniment tracks stored on its karaoke system.
99. Defendant MICHAEL B. DAVIS was observed operating a karaoke system to produce a karaoke show at a venue in this State in which counterfeit copies of SLEP-TONE’s accompaniment tracks were being used.

100. In connection with that show, Defendant MICHAEL B. DAVIS repeatedly displayed the Sound Choice Marks without right or license.
101. Upon information and belief, Defendant MICHAEL B. DAVIS performs regular karaoke shows at venues in this State using his karaoke system.
102. Defendant MICHAEL B. DAVIS has advertised or otherwise indicated that he is in possession of a library containing at least 48,000 karaoke tracks and as many as 70,000 karaoke tracks, with some 18,000 to 19,000 of those tracks having been recently added.
103. Defendant W.R.A.T.H. ENTERTAINMENT, acting through two general partners, Defendants SHAWN P. KELLEY and CAROLYNE DELANEY KELLEY, was observed operating a karaoke system to produce a karaoke show at a venue in this State in which counterfeit copies of SLEP-TONE's accompaniment tracks were being used.
104. In connection with that show, Defendant W.R.A.T.H. ENTERTAINMENT repeatedly displayed the Sound Choice Marks without right or license.
105. Upon information and belief, Defendant W.R.A.T.H. ENTERTAINMENT performs regular karaoke shows in venues in this State using its karaoke system.

106. Defendant W.R.A.T.H. ENTERTAINMENT has advertised or otherwise indicated that its karaoke system includes a library containing between 80,000 and 98,000 accompaniment tracks.
107. Defendant HAROLD E. SONNAY, JR. was observed operating a karaoke system to produce a karaoke show at a venue in this State in which counterfeit copies of SLEP-TONE's accompaniment tracks were being used.
108. In connection with that show, Defendant HAROLD E. SONNAY, JR. repeatedly displayed the Sound Choice Marks without right or license.
109. Upon information and belief, Defendant HAROLD E. SONNAY, JR. performs regular karaoke shows at venues in this State using his karaoke system.
110. Defendant HAROLD E. SONNAY, JR. has advertised or otherwise indicated that he is in possession of a library containing more than 117,000 tracks stored on his karaoke system.
111. Upon information and belief, Defendant HAROLD E. SONNAY, JR. is a member of the group of karaoke hosts known as "The Karaoke Mafia."
112. Defendant FRANTZ BARON was observed operating a karaoke system to produce karaoke shows at two venues in this State in which counterfeit copies of SLEP-TONE's accompaniment tracks were being used.

113. In connection with those shows, Defendant FRANTZ BARON repeatedly displayed the Sound Choice Marks without right or license.
114. Upon information and belief, Defendant FRANTZ BARON performs regular karaoke shows at venues in this State using his karaoke system.
115. Defendant FRANTZ BARON has advertised or otherwise indicated that he is in possession of a library containing more than 33,500 tracks stored on his karaoke system.
116. Upon information and belief, Defendant FRANTZ BARON has also provided one or more copies of the accompaniment tracks stored on his computer hard drive to other karaoke hosts.
117. Based upon the popularity of SLEP-TONE's music and the size of the Defendants' respective libraries, which vary between 27,500 and 117,000 songs, operating in many cases with multiple karaoke systems, the Plaintiff has a good-faith belief that discovery will show that each of the Defendants who operates a karaoke system for his, her, or its own account is in possession of unauthorized counterfeit copies of the Plaintiff's karaoke discs, primarily in media-shifted format, which are marked with the Sound Choice Marks.
118. Although the Defendants are not specifically alleged to have acted in concert with each other, all of them are committing acts of infringement and unfair

competition and deceptive and unfair trade practices in substantially the same way, such that the right to relief asserted against them severally arises out of the same series of transactions and occurrences, and this action raises substantial questions of law and fact common to all of the defendants hereto.

ACTIVITIES OF DEFENDANT GROUP B

119. For purposes of this suit, “Defendant Group B” is used to refer to Defendants BERNARD RAVELO, PETER A. RAVELO, JORGE LEDO, JOHN DOE NO. 1, JOHN DOE NO. 2, JOHN DOE NO. 3, JOHN DOE NO. 4, JANE DOE NO. 5, ROD SEAFOOD INC, HUME ENTERPRISES, LLC, and HOLLEMAN’S RESTAURANT & LOUNGE, INC., severally.
120. For purposes of this suit, “Defendant Subgroup B-1” is used to refer to Defendants BERNARD RAVELO, PETER A. RAVELO, JORGE LEDO, JOHN DOE NO. 1, JOHN DOE NO. 2, JOHN DOE NO. 3, JOHN DOE NO. 4, and JANE DOE NO. 5, severally. “Defendant Subgroup B-2” is used to refer to Defendants ROD SEAFOOD INC, HUME ENTERPRISES, LLC, and HOLLEMAN’S RESTAURANT & LOUNGE, INC., severally.
121. Generally, the members of Defendant Group B have acted and are acting in concert, through a common scheme or plan, in a conspiracy directed to the

systematic infringement of the Plaintiff's trademark rights, through which the Plaintiff and its licensees have been damaged.

122. The members of Defendant Subgroup B-1 formerly operated an enterprise known as "Karaoke Miami LLC."
123. On or about April 2, 2010, the Plaintiff commenced a lawsuit in this District, No. 5:10cv71, in which Karaoke Miami LLC was a named defendant.
124. The claims against Karaoke Miami LLC included claims for trademark infringement, Lanham Act unfair competition, and Deceptive and Unfair Trade Practices under Florida law.
125. The claims against Karaoke Miami LLC were based upon the Plaintiff's investigation of Karaoke Miami LLC's activities, including both personal observation of infringing karaoke shows and review of advertising and promotional material published by Karaoke Miami LLC.
126. Defendant BERNARD RAVELO was observed operating a karaoke system to produce a show at the venue operated by Defendant HOLLEMAN'S RESTAURANT & LOUNGE, INC. in which counterfeit copies of SLEP-TONE's accompaniment tracks were being used.
127. In connection with that show, Defendant BERNARD RAVELO repeatedly displayed the Sound Choice Marks without right or license.

128. The members of Defendant Subgroup B-1 have put on as many as 11 shows per week at as many as eight different venues, as many as three simultaneously.
129. The members of Defendant Subgroup B-1 maintain a library in excess of 33,000 songs stored on each of their respective karaoke systems.
130. Upon information and belief, each of the members of Defendant Subgroup B-1 except for Defendant JANE DOE NO. 5 utilized karaoke systems with identical libraries. The precise size and content of the library utilized by Defendant JANE DOE NO. 5 are unknown to the Plaintiff, despite a reasonable investigation, but an opportunity for discovery will demonstrate that the library utilized by Defendant JANE DOE NO. 5 contains evidence of counterfeit copies of Sound Choice karaoke tracks.
131. On the same day as the aforementioned suit was filed, the Plaintiff dispatched a courtesy (non-service) copy of the Complaint and other papers to Defendant BERNARD RAVELO in his capacity as registered agent for Karaoke Miami LLC. The Priority Mail package was delivered on April 5, 2010, to Defendant BERNARD RAVELO's address, according to the records of the United States Postal Service.
132. On or about May 10, 2010, Karaoke Miami LLC, acting through its then-registered agent, Magaly Valdivia, upon information and belief at the

instigation of Defendant BERNARD RAVELO, filed Articles of Dissolution of Karaoke Miami LLC with the Secretary of State.

133. According to the Articles of Dissolution filed with the Secretary of State, the dissolution was approved on April 1, 2010.
134. In the Articles of Dissolution, the reason given for the dissolution was “Company no longer in Business.”
135. In the Articles of Dissolution, the statement “There are no suits pending against the company in any court” is accompanied by a check mark.
136. In fact, the company continued in business after April 1, 2010, and continues in business to this day.
137. In fact, the attempt to dissolve Karaoke Miami LLC was not actually approved on April 1, 2010, but was back-dated to the day before the lawsuit was filed in order to make the statement “There are no suits pending against the company in any court” appear to be true.
138. In fact, however, on the date the dissolution papers were filed with the Secretary of State, Defendant BERNARD RAVELO knew that a suit had been commenced against Karaoke Miami LLC.
139. Upon information and belief, the members of Defendant Subgroup B-1 undertook steps to destroy evidence of their wrongful conduct after being

notified of the pending lawsuit, in an attempt to avoid liability to the Plaintiff for that wrongful conduct.

140. On or about June 25, 2010, the Plaintiff wrote to the members of Defendant Subgroup B-2, as well as a number of other persons or entities not parties to this action, informing them of the Plaintiff's claims against Karaoke Miami LLC and informing them about their liability for Karaoke Miami LLC's infringement if they allowed Karaoke Miami LLC to continue to perform infringing karaoke shows at their respective venues.
141. According to the records of the United States Postal Service, the members of Defendant Subgroup B-2 each received and signed for the letters described in the preceding paragraph on June 28, 2010.
142. Accordingly, as of June 28, 2010, the members of Defendant Subgroup B-2 had knowledge of the Plaintiff's claims of infringement against Karaoke Miami LLC and its associated hosts.
143. Despite this knowledge, the members of Defendant Subgroup B-2 continued to permit one or more hosts associated with Karaoke Miami LLC to perform infringing karaoke shows in their respective venues.
144. The members of Defendant Subgroup B-2 benefited financially from the performance of infringing karaoke shows in their respective venues.

145. The members of Defendant Subgroup B-2 each had the ability to control whether infringing karaoke shows were performed in their respective venues.
146. Based upon the pre-suit investigation of the activities of the members of Defendant Subgroup B-1, the size of their libraries, actual observation of counterfeit copies of Sound Choice karaoke tracks in use by them, and their activities undertaken to evade accountability for their wrongful conduct through the April 2010 suit, the Plaintiff has a good-faith belief that discovery will show that each of the members of Defendant Subgroup B-1 operates a karaoke system for his or her own account and is in possession of unauthorized counterfeit copies of the Plaintiff's karaoke discs, primarily in media-shifted format, which are marked with the Sound Choice Marks.
147. Because of their knowing and willful use of the services of members of Defendant Subgroup B-1, the members of Defendant Subgroup B-2 have joined with them in a conspiracy to violate the rights of the Plaintiff.
148. Although the members of Defendant Group B are not specifically alleged to have acted in concert with the members of Defendant Group A, all of them are committing acts of infringement and unfair competition and deceptive and unfair trade practices in substantially the same way, such that the right to relief asserted against them severally arises out of the same series of

transactions and occurrences, and this action raises substantial questions of law and fact common to all of the defendants hereto.

FIRST CLAIM FOR RELIEF
TRADEMARK INFRINGEMENT
(Against All Defendants)

149. Plaintiff SLEP-TONE realleges each and every allegation set forth in the foregoing paragraphs, as though fully set forth herein, and incorporates them herein by reference.
150. Each of the Defendants used, or authorized or directly benefited from the use of, a reproduction, counterfeit, or copy of the Sound Choice Marks in connection with the provision of services including karaoke services, by manufacturing or acquiring the reproduction, counterfeit, or copy of the Sound Choice Marks and by displaying the reproduction, counterfeit, or copy of the Sound Choice Marks during the provision of those services.
151. The Defendants' use of the Sound Choice Marks was "in commerce" within the meaning of the Trademark Act of 1946 as amended.
152. Plaintiff SLEP-TONE did not license any of the Defendants to manufacture or acquire reproductions, counterfeits, or copies, or to use the Sound Choice Marks in connection with the provision of their services.

153. The Defendants' use of the Sound Choice Marks is likely to cause confusion, or to cause mistake, or to deceive the Defendants' customers and patrons into believing that the Defendants' services are being provided with the authorization of the Plaintiff and that the Defendants music libraries contain bona fide Sound Choice accompaniment tracks.
154. The acts of each of the Defendants were willful.
155. Unless enjoined by the Court, the Defendants' infringing activities as described above will continue unabated and will continue to cause harm to the Plaintiff.

SECOND CLAIM FOR RELIEF
UNFAIR COMPETITION UNDER 15 U.S.C. § 1125(a)
(Against All Defendants)

156. Plaintiff SLEP-TONE realleges each and every allegation set forth in the foregoing paragraphs, as though fully set forth herein, and incorporates them herein by reference.
157. On each occasion when they caused a SLEP-TONE accompaniment track to be played during a karaoke show, the Defendants displayed the Sound Choice Marks in connection with the Defendants' karaoke services.
158. The display of the Sound Choice Marks is likely to cause confusion, or to cause mistake, or to deceive those present during the display, in that those

present are likely to be deceived into believing, falsely, that SLEP-TONE sponsored or approved the Defendants' services and commercial activities.

159. The display of the Sound Choice Marks is also likely to cause confusion, or to cause mistake, or to deceive those present during the display, in that those present are likely to be deceived into believing, falsely, that the works being performed were sold by SLEP-TONE and purchased by the Defendants.
160. The Defendants' use of the Sound Choice Marks in this fashion would have inured to the benefit of the Plaintiff if the Defendants had legitimately acquired genuine Sound Choice discs instead of counterfeiting them or acquiring counterfeit copies, in that the Plaintiff would have received revenue from such sales.
161. Because SLEP-TONE has been denied this revenue, it has been damaged by the Defendants' uses.
162. Unless enjoined by the Court, the Defendants' unfair competition activities as described above will continue unabated and will continue to cause harm to the Plaintiff.

THIRD CLAIM FOR RELIEF
DECEPTIVE AND UNFAIR TRADE PRACTICES
UNDER FLA. STAT. § 501.211
(Against All Defendants)

163. Plaintiff SLEP-TONE realleges each and every allegation set forth in the foregoing paragraphs, as though fully set forth herein, and incorporates them herein by reference.
164. Each Defendant has engaged in acts of infringement of the Sound Choice Marks, in derogation of SLEP-TONE's common-law and statutory rights in those marks.
165. Each Defendant's acts of infringement occurred during the conduct of trade or commerce.
166. Each Defendant's acts of infringement constitute deceptive or unfair trade practices within the meaning of Fla. Stat. § 501.204(1) (2009).
167. As a direct and proximate result of each Defendant's acts of infringement, SLEP-TONE has suffered a pecuniary loss, to wit: the loss of revenue associated with sales or distribution of compact discs to karaoke jockeys, commensurate with the demand for the contents of those discs, which revenue would have been received but for the Defendants' acts in creating or acquiring counterfeits of SLEP-TONE's accompaniment tracks.
168. As such, SLEP-TONE is an aggrieved person within the meaning of Fla. Stat. § 501.211(1) (2009).

FOURTH CLAIM FOR RELIEF
CIVIL CONSPIRACY TO COMMIT TRADEMARK INFRINGEMENT
(Against Defendant Group B)

169. Plaintiff SLEP-TONE realleges each and every allegation set forth in the foregoing paragraphs, as though fully set forth herein, and incorporates them herein by reference.
170. The members of Defendant Group B made an agreement or a series of agreements among themselves for the performance of karaoke shows at certain venues.
171. The agreement called for the performance of karaoke shows at those venues with the knowledge that such performances constituted infringement of the Plaintiff's trademark rights and that such performances would be carried out using counterfeit copies of the Plaintiff's trademarked goods.
172. At least Defendants BERNARD RAVELO, PETER A. RAVELO, and JORGE LEDO have committed overt acts in pursuit of the object of the conspiracy, namely, the creation, acquisition, retention, and/or use of infringing, counterfeit copies of the Plaintiff's trademarked goods, and the use of those counterfeit copies to produce one or more karaoke shows at the venues operated by the members of Defendant Subgroup B-2.
173. As the direct, proximate, and intended result of the acts undertaken by the members of the conspiracy, namely the members of Defendant Group B, the

Plaintiff has suffered pecuniary damage, to wit: the loss of sales associated with the legitimate use of its trademarked products, as well as the diminution of the market for its trademarked products by devaluing the services provided by the Plaintiff's legitimate customers.

174. The members of Defendant Group B undertook their activities with the knowledge that those activities would cause harm to the Plaintiff.
175. The members of Defendant Group B were motivated by a prospective financial benefit that they hoped to obtain and did obtain, with complete disregard for the rights of the Plaintiff.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff SLEP-TONE prays for judgment against each of the Defendants severally and that the Court:

- A. Find that each of the Defendants has committed acts of infringement, including but not limited to counterfeiting, of the federally registered Sound Choice Marks;
- B. Find that each of the Defendants has engaged in unfair competition against Plaintiff SLEP-TONE in violation of 15 U.S.C. § 1125(a);
- C. Find that each of the Defendants has committed deceptive and unfair trade practices under Florida law;

- D. Find that the members of Defendant Group B have engaged in a civil conspiracy to commit trademark infringement;
- E. Enter judgment against each of the Defendants and in favor of SLEP-TONE;
- F. Find that Defendants' activities were in all respects conducted willfully and for profit;
- G. Award to SLEP-TONE the Defendants' profits and the damages sustained by SLEP-TONE because of the Defendants' conduct in infringing the Sound Choice Marks, or, in the alternative, statutory damages per trademark infringed by counterfeiting;
- H. Award to SLEP-TONE the Defendants' profits and the damages sustained by SLEP-TONE because of the Defendants' acts of unfair competition under 15 U.S.C. § 1125(a);
- I. Award to SLEP-TONE treble, punitive, or otherwise enhanced damages, as available, for the Defendants' acts of willful infringement;
- J. Award to SLEP-TONE its actual damages caused by the Defendants' deceptive and unfair trade practices, plus its attorney's fees and court costs as provided in Fla. Stat. § 501.2105 (2009).
- K. Order the seizure of all computer disks, drives, or other media belonging to any of the Defendants, which media contain illegal counterfeits of registered trademarks;

- L. Grant SLEP-TONE preliminary and permanent injunctive relief against further infringement of the Sound Choice Marks by the Defendants;
- M. Award SLEP-TONE its costs of suit and attorney's fees, to the extent not awarded above; and
- N. Grant SLEP-TONE such other and further relief as justice may require.

Respectfully submitted this the 22nd day of October, 2010.

HARRINGTON CIPRIANI LLP

By: s/James M. Harrington

James M. Harrington

N.C. State Bar No. 30005

jharrington@lawhc.com

Attorney for the Plaintiff

HARRINGTON CIPRIANI LLP

PO Box 403

Concord, North Carolina 28026-0403

Telephone: 704-315-5800

Facsimile: 704-625-9259