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7 Attorneys for Plaintiff Haven Beauty, Inc.

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 9  
 10 UNITED STATES DISTRICT COURT  
 11 CENTRAL DISTRICT OF CALIFORNIA – SOUTHERN DIVISION

12  
 13  
 14 HAVEN BEAUTY, INC., a Delaware  
 corporation,

15 Plaintiff,

16 v.

17 KIM KARDASHIAN, an individual;  
 18 KHLOE KARDASHIAN, an individual;  
 19 KOURTNEY KARDASHIAN, an  
 individual; KIMSAPRINCESS INC., a  
 20 California corporation, KHLOMONEY  
 INC., a California corporation,  
 21 2DIE4KOURT, a California corporation,  
 and DOES 1-10, inclusive,

22 Defendants.

Case No. CV 16-01307

**COMPLAINT FOR:**

- (1) BREACH OF CONTRACT**
- (2) BREACH OF DUTY OF GOOD FAITH AND FAIR DEALING**
- (3) TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONS**
- (4) TORTIOUS INTERFERENCE WITH BUSINESS RELATIONS**
- (5) DECLARATORY RELIEF**
- (6) INJUNCTIVE RELIEF**

**DEMAND FOR JURY TRIAL**

1 Plaintiff Haven Beauty, Inc. (“Haven”) hereby alleges, on information and belief,  
2 as follows:

3 **NATURE OF THE ACTION**

4 1. This action seeks declaratory and injunctive relief to prevent irreparable  
5 harm to Plaintiff arising from the conduct of defendants Kim Kardashian (“Kim”),  
6 Khloe Kardashian (“Khloe”), Kourtney Kardashian (“Kourtney”) (collectively, the  
7 “Kardashians”), and their respective personal services loan-out companies,  
8 Kimsaprincess Inc., Khlomoney Inc. and 2Die4Kourt (collectively with the  
9 Kardashians, the “Defendants”).

10 2. This dispute revolves around a licensing agreement entered into in May  
11 2012 between the Kardashians, via their loan-out companies, and Boldface (the  
12 “License”). The License was later transferred to Haven, along with substantially all of  
13 Boldface’s assets, in October 2014 via a court-appointed receiver, as reflected by a Bill  
14 of Sale and Instrument of Transfer and Assignment dated October 22, 2014. Haven was  
15 specifically formed as a company to be jointly owned by Hillair Capital Investments,  
16 L.P. (“HCI”) and the Kardashians, to continue distribution of the Kardashian-branded  
17 cosmetics line after HCI acquired Boldface’s assets out of insolvency. In this way both  
18 HCI and the Kardashians were to have a significant stake in the new company and,  
19 consequently, the success of the Kardashian Beauty line. The Kardashians’ support  
20 was, of course, absolutely essential to the success of the Kardashian-branded line and  
21 was a fundamental premise of the parties’ bargain. The License is Haven’s principal  
22 asset and Haven’s only business is selling, marketing and promoting the Kardashian  
23 Beauty line authorized by that agreement.

24 3. While Haven has upheld its end of the bargain, the Kardashians have not.  
25 After the License was transferred to Haven, the Kardashians almost immediately  
26 stopped marketing and promoting the line and began courting new potential investors  
27 to buy out HCI’s stake. In short: the Kardashians wanted a better, more lucrative deal  
28 than they had struck after the money to continue the line was already committed, and

1 they used their ability to withhold their support of the line to attempt to force HCI into  
2 a buyout of its interest, with Haven and its employees bearing the brunt of the  
3 Kardashians' window shopping.

4 4. Among other things, under the License, the Kardashians were required to  
5 market and promote the Kardashian Beauty products in "good faith," and to fulfill  
6 certain specifically enumerating marketing and promotional duties. In addition,  
7 Haven's rights to the use of the Kardashian name and image is "exclusive" within the  
8 field of cosmetics, meaning that the Kardashians could not market or promote other  
9 competing cosmetics products during the term under any circumstances.

10 5. The Kardashians have been in material breach of their contractual  
11 obligations since Day One. Since Haven acquired its rights as Licensee on October 22,  
12 2014, the Kardashians have failed and refused to perform their duties, instead offering  
13 a litany of excuses for their non-performance and requests for forbearance. The  
14 Kardashians have also blatantly and repeatedly promoted other competing cosmetics  
15 products on their apps, blogs, social media and in the press – and have been paid  
16 handsomely for this promotion. Indeed, they have announced endorsement deals with  
17 other makeup partners, including, by way of example only, announcing that a competing  
18 makeup brand would be the official makeup partner for Kim Kardashian's personal  
19 mobile game application ("Kim Kardashian Hollywood").

20 6. Beginning on or about February 26, 2016, the Kardashians began making  
21 threats to terminate the license authorizing the use of their names in connection with the  
22 Kardashian Beauty line. Under the License, in the event of a termination, Haven would  
23 be immediately barred from further distributing the Kardashian Beauty line. The  
24 Kardashian's threats recently culminated in their 12:08 a.m. email and letter on July 8,  
25 2016, purporting to provide notice of the immediate termination of the License – an act  
26 that would sound the death knell of Haven, and all but require the immediate termination  
27 of Haven's employees, despite the investment of millions of dollars to promote the  
28

1 Kardashian Beauty line in reliance on the Kardashians’ good faith and promises to  
2 continue to comply with their obligations under the License.

3 7. Moreover, after their improper notice of termination, the Kardashians  
4 immediately began threatening Haven’s business partners, issuing false press  
5 statements denying any involvement with Haven, accusing Haven and its business  
6 partners of engaging in trademark infringement, and taking other actions to interfere  
7 with Haven’s ability to exercise its exclusive rights to sell, market and promote  
8 Kardashian Beauty under the License.

9 8. The Kardashians’ wrongful conduct has effectively thwarted the benefits  
10 Haven was due to receive under the License and now threatens to force an end to a  
11 company which was created specifically to sell, market, and promote Kardashian  
12 Beauty products in reliance on the Kardashians’ good faith and promises to continue to  
13 actively market and support the Kardashian Beauty line after HCI bailed it out from  
14 insolvency. Haven, despite upholding its bargain under the License, now faces its own  
15 extinction because of the Kardashian’s wrongful conduct and has no choice but to bring  
16 this action.

### 17 PARTIES

18 9. Plaintiff Haven Beauty, Inc. (“Haven” or “Plaintiff”) is a Delaware  
19 corporation with its principal place of business in Lake Forest, California.

20 10. Defendant Kim Kardashian is a natural person who, on information and  
21 belief, is and was at all times relevant to the action, a resident of the County of Los  
22 Angeles. Kim is a celebrity and reality television star. Defendant Kimsaprincess Inc.  
23 is wholly owned, controlled, and dominated by Kim Kardashian.

24 11. Defendant Khloe Kardashian is a natural person who, on information and  
25 belief, is and was at all times relevant to the action, a resident of the County of Los  
26 Angeles. Khloe is a celebrity and reality television star. Defendant Khlomoney Inc. is  
27 wholly owned, controlled, and dominated by Khloe Kardashian.  
28

1           12. Defendant Kourtney Kardashian is a natural person who, on information  
2 and belief, is and was at all times relevant to the action, a resident of the County of Los  
3 Angeles. Kourtney is a celebrity and reality television star. Defendant 2Die4Kourt is  
4 wholly owned, controlled, and dominated by Kourtney Kardashian.

5           13. Defendant Kimsaprincess Inc. is a California corporation located at 21731  
6 Ventura Blvd. #300, Los Angeles, CA 91364. Kimsaprincess Inc. is a personal services  
7 loan-out corporation that is wholly owned, controlled, and dominated by defendant Kim  
8 Kardashian for the benefit of Kim Kardashian. At all times described herein there is  
9 and was a unity of interest and ownership between Kim Kardashian and Kimsaprincess  
10 Inc. At all times described herein Kim Kardashian and her namesake company were  
11 alter egos of each other and Kimsaprincess Inc. acted as Kim Kardashian's agent.

12           14. Defendant Khlomoney Inc. is a California corporation located at 21731  
13 Ventura Blvd. #300, Los Angeles, CA 91364. Khlomoney Inc. is a personal services  
14 loan-out corporation that is wholly owned, controlled, and dominated by Khloe  
15 Kardashian for the benefit of Khloe Kardashian. At all times described herein there is  
16 and was a unity of interest and ownership between Khloe Kardashian and Khlomoney  
17 Inc. At all times described herein Khloe Kardashian and her namesake company were  
18 alter egos of each other and Khlomoney Inc. acted as Khloe Kardashian's agent.

19           15. Defendant 2Die4Kourt is a California corporation located at 21731  
20 Ventura Blvd. #300, Los Angeles, CA 91364. 2Die4Kourt is a personal services loan-  
21 out corporation that is wholly owned, controlled, and dominated by Kourtney  
22 Kardashian for the benefit of Kourtney Kardashian. At all times described herein there  
23 is and was a unity of interest and ownership between Kourtney Kardashian and  
24 2Die4Kourt. At all times herein, Kourtney Kardashian and her namesake company  
25 were alter egos of each other and 2Die4Kourt acted as Kourtney Kardashian's agent.

26           16. The true names and capacities, whether individual, corporate, associate or  
27 otherwise, of Defendants sued herein as DOES 1-10, inclusive, are unknown at the  
28 present time and Plaintiff therefore sues said DOES and each of them by such fictitious

1 names. If necessary, Plaintiff will seek leave of the Court to amend this Complaint to  
2 allege their true names and capacities when they are ascertained.

3 17. Unless otherwise indicated herein, on information and belief, each of  
4 DOES 1-10, inclusive, participated in the activities described herein and rendered  
5 material assistance to the other Defendants in the actions alleged herein, conspired and  
6 agreed with and aided and abetted one or more of the other Defendants and at all  
7 relevant times each of the Defendants was the principal or agent, partner, joint venturer,  
8 co-venturer, co-conspirator, independent contractor, servant and/or employee of at least  
9 one other of the other Defendants and all of the acts performed by them or omissions  
10 alleged herein were made in the course and scope of their employment, agency,  
11 partnership or other such relationship and with knowledge, consent, approval and/or  
12 ratification of the principals and each of them. Unless otherwise indicated herein, each  
13 of the parties herein named as DOES 1-10 is responsible in some manner or fashion,  
14 and is by contract or otherwise, the successor, assign, joint venturer, co-venturer, co-  
15 conspirator, partner or alter ego of one or more of the Defendants, or was otherwise  
16 involved with the other Defendants in the wrongdoing alleged herein, and by virtue of  
17 such capacity, assumed the obligations herein owed by Defendants, and is liable and  
18 responsible for the damages on the facts alleged herein and for all the relief sought.

### 19 JURISDICTION AND VENUE

20 18. This Court has subject matter jurisdiction over this action pursuant to the  
21 Lanham Trademark Act of 1946 (15 U.S.C. §§ 1051 et seq.), as well as supplemental  
22 jurisdiction pursuant to 28 U.S.C. § 1367.

23 19. This Court has general personal jurisdiction over the Defendants because  
24 all Defendants reside and do business in this District. This Court has specific personal  
25 jurisdiction over the Defendants because their wrongful conduct as alleged herein  
26 occurred in this District.

27 20. Venue is proper in the Central District of California pursuant to 28 U.S.C.  
28 §§ 1391(b)(1) and 1391(b)(2).







1 describes the Kardashians as the “creators, ambassadors and faces for Khroma Beauty.”  
2 The Kardashians promoted and marketed the makeup line to the public as their own,  
3 including to tens of millions of their fans on their blogs and their social media. The  
4 Kardashians had complete involvement in every aspect of the makeup line – from  
5 naming and packaging, to colors and textures, to the products themselves.

6 31. On March 11, 2013, the United States District Court for the Central District  
7 of California entered a preliminary injunction, enjoining Boldface from marketing and  
8 distributing the Kardashian makeup line under the name “Khroma.” *See Boldface*  
9 *Licensing + Branding v. By Lee Tillett, Inc.*, 940 F. Supp. 2d 1178 (C.D. Cal. 2013)  
10 (order granting preliminary injunction). The court’s ruling was based on a finding that  
11 the distribution of the Kardashian-branded line under the “Khroma” mark was likely to  
12 infringe the trademark rights of counterclaimant By Lee Tillett, Inc. (“Tillett”) in  
13 Tillett’s prior registered mark “Kroma” for makeup products. *Id.* at 1196.

14 32. On August 14, 2013, the district court entered a permanent injunction,  
15 enjoining any further use of the name “Khroma” in connection with the Kardashians’  
16 makeup line. On June 5, 2014, the Tillett litigation was dismissed pursuant to a  
17 settlement agreement; however, the permanent injunction remained in place.

18 33. As a result of the injunction, in early May 2013, Boldface and the  
19 Kardashians decided to change the name of the line from “Khroma Beauty” to  
20 “Kardashian Beauty.” The name change was announced in a press release on May 9,  
21 2013. The press release, which Plaintiff is informed and believes was vetted and  
22 approved by the Kardashians, touted that “*Kourtney, Kim and Khloe are the inspiration*  
23 *and driving force behind every aspect of the [Kardashian Beauty line]*” (emphasis  
24 added).

25 34. From May 2013 through the present, the Kardashians’ makeup line has  
26 been marketed and distributed under the name “Kardashian Beauty.” The Kardashians  
27 own the rights to this name. On May 6, 2013, the Kardashians, via their loan-out  
28 companies, filed an application to register the “Kardashian Beauty” mark for cosmetics

1 with United States Patent and Trademark Office (“PTO”). The registration (no.  
2 4909148) issued on March 1, 2016. The Kardashians currently have six (6) other  
3 pending PTO registrations incorporating the name “Kardashian Beauty.”

#### 4 The License

5 35. The License dated May 9, 2012, and transferred to Haven in October 2014  
6 via the court-appointed receiver, details the Parties’ obligations with respect to the  
7 licensing of the Kardashians’ Images for use in the development, marketing, promotion  
8 and sale of cosmetics products.

9 36. Among other things, the License makes clear that the cosmetics “Products”  
10 subject to the agreement specifically include: foundation, concealer, primer, powder,  
11 blush, bronzer, face tints, gel blush, eye shadow and powder, eye liner, mascara,  
12 highlighter or shimmer, lip liner, lip gloss, lipstick, lip tints, palettes, body shimmer,  
13 cosmetic brushes, foundation prepping facial masks, makeup remover and makeup  
14 removing wipes, nail polish remover, cosmetic tools, and other items.

15 37. Section 3(A), establishing the exclusivity of the License granted under the  
16 License provides, “[i]n consideration of the remuneration to be paid to the Licensors  
17 pursuant hereto . . . each of the Licensors grants to Licensee the exclusive right and  
18 license during the Term and within the Contract Territory to use the Kardashian Image  
19 . . . for the sole purpose of developing, manufacturing, advertising, promoting, selling,  
20 distributing and endorsing Products.”

21 38. Section 4(A) provides in pertinent part, “[a]s part of the Services the  
22 Licensors agreed to hereunder, the Licensors shall cause each Kardashian to”: (i) make  
23 a certain number of appearances per Contract Period “in order to obtain a sufficient  
24 number of high quality photographs . . . for any Product packaging, posters, brochures,  
25 in-store displays, and/or any and other forms of print advertising and promotional  
26 materials to be produced by Licensee; provided that Licensee shall use commercially  
27 reasonable efforts to obtain a sufficient number of Beauty Shots for such purposes  
28 during the first two (2) Production Days of each Contract Period. . .”

1           39. Section 12(D) provides that Licensee shall have the right, without  
2 prejudice to any other rights or remedies Licensee may have, to terminate this  
3 Agreement immediately upon written notice to the Licensors if . . . [a]ny Licensor or  
4 Kardashian makes any public statement (written or oral) that materially disparages  
5 Licensee.”

6           40. Section 17 of the License provides “Good Faith and Fair Dealing. The  
7 Parties agree that their rights, duties and obligations will be subject to a duty of good  
8 faith and fair dealing on the part of each Party.”

9           41. The License specifically contemplates the availability of injunctive relief  
10 in disputes among and between the parties to the agreement. Section 27(A) explicitly  
11 provides that “nothing herein shall restrict or limit a Party from seeking or obtaining  
12 injunctive relief as provided herein.”

#### 13                           The Binding Term Sheet And The Creation of Haven

14           42. In or about July 31, 2014, HCI and the Kardashians entered into a binding  
15 term sheet agreement, via the Kardashians personal services loan-out companies (the  
16 “Term Sheet”). The Term Sheet sets forth the basic parameters for HCI and the  
17 Kardashians to move forward together with marketing and sale of the Kardashian  
18 Beauty line in light of the Boldface insolvency, provided that HCI (via a yet-to-be-  
19 formed entity) successfully obtained the Boldface assets at auction in the Boldface  
20 receivership. The mechanism for this venture, under the Term Sheet, was the formation  
21 of a new entity, in which the Kardashians and HCI would be joint owners.

22           43. The Kardashians’ commitment to market, promote and support the  
23 development of the line, as they had been doing for the two (2) prior years with Boldface  
24 as the distributor, was a fundamental premise of HCI’s agreement to enter into the Term  
25 Sheet and finance the jointly-owned company. The Kardashians, through their  
26 representatives, clearly and unequivocally represented to HCI, prior to entering into the  
27 Term Sheet, that the Kardashians would continue to fully market, promote and support  
28 their makeup line, as they had up to that time. Without this commitment, HCI would

1 not have entered into the Term Sheet, as it would be virtually impossible to exploit the  
2 Kardashian-branded makeup line without the Kardashians' full support, cooperation  
3 and approval. Moreover, without the Kardashians' full support, cooperation and  
4 approval, the assets of Boldface that HCI acquired pursuant to the Term Sheet would  
5 have been virtually worthless.

6 44. The auction of substantially all of Boldface assets by the court-appointed  
7 receiver was held on October 17, 2014.

8 45. On or about October 22, 2014, substantially all of Boldface's assets were  
9 transferred to Newco by the court-appointed receiver pursuant a Bill of Sale and an  
10 Instrument of Transfer and Assignment. The Kardashians consented to this transfer in  
11 writing in entering into the Term Sheet, and did not object to the transaction at auction.

12 46. On or about October 27, 2014, Newco's name was changed to Haven  
13 Beauty, Inc. From its inception through the present time, the entirety of Haven's  
14 business is and has been the worldwide distribution of the Kardashian Beauty makeup  
15 line.

16 HCI's Attempt to Transfer the Kardashians' Equity in Haven

17 47. The Term Sheet contemplates that the Kardashians "will receive 40% of  
18 the fully diluted equity" in Haven. Accordingly, shortly after Boldface's assets were  
19 transferred to Haven, HCI began attempting and offering to transfer the Kardashians'  
20 equity stake in Haven to them.

21 48. The Kardashians' family attorney, Todd Wilson, however, informed HCI  
22 that the Kardashians did not want the Haven equity transferred to them at that time due  
23 to negative tax consequences that they had not previously considered.

24 49. On or about December 10, 2014, Mr. Wilson suggested that Haven should  
25 be converted to a limited liability company before the Kardashians took their equity  
26 interest, and provided a draft LLC operating agreement to HCI for review. HCI agreed,  
27 but the Kardashians failed to take the necessary steps for the conversion and transfer  
28 of interest to occur after they were approached by a South African investment group

1 about a potential buyout of HCI's interest whereby the Kardashians would have  
2 received a \$10 million up-front payment.

3 50. To date, the Kardashians have refused all offers by HCI to transfer the  
4 Kardashians' equity interest in Haven to them, as contemplated under the Term Sheet.

5 The Kardashians' Delays And Requests For Forbearance

6 51. While Haven fully performed and/or stood ready to perform all of its  
7 material obligations under the License, the Kardashians did not. To the contrary, after  
8 the License was transferred to Haven, the Kardashians began taking steps to undermine  
9 Haven's ability to distribute the Kardashian Beauty line.

10 52. The Kardashians acknowledged their obligations to market and promote  
11 the Kardashian Beauty line but stated that they did not want to actively market and  
12 promote the line because they were in talks with other investment groups to buy out  
13 HCI's equity interest in Haven. Had any such deal(s) materialized, the Kardashians  
14 would have obtained even more lucrative financial terms and far greater up-front  
15 payments for distribution of the line. In short: the Kardashians wanted a better deal  
16 than they had struck. Towards this end, they delayed, failed, and refused to properly  
17 market and promote the line in the hope that a more lucrative financial deal would  
18 materialize. It never did.

19 53. Throughout the first part of 2015, the Kardashians continued to pursue  
20 negotiations with potential investment partners in an attempt to buy out HCI's interest  
21 in Haven and provide the Kardashians with a more lucrative deal. None of these deals  
22 materialized. For example, in the spring and summer of 2015, the Kardashians again  
23 entered into negotiations with the South African group, Azulade which resulted in a  
24 binding term sheet in or about April 2015. Per this term sheet, HCI's equity interest in  
25 Haven would be purchased for \$9 million, plus any additional funds invested in Haven  
26 after that time and the Kardashians would be paid approximately \$10 million in up-front  
27 money by Azulade. Again, in light of the fact that the Kardashians full cooperation was  
28 necessary for Haven to market and distribute the Kardashian Beauty line, Haven

1 reluctantly agreed to this deal. Soon it became clear that Azulade, like Regnery before  
2 it, did not have sufficient funds to complete the transaction, and that deal was also  
3 abandoned.

4 54. Meanwhile, during the summer of 2015, the Kardashians had a falling out  
5 with their hand-picked CEO, John LaBonty, formerly of Boldface, who became the  
6 CEO of Haven at the Kardashians' insistence. In September 2015, Mr. LaBonty was  
7 terminated as CEO of Haven solely due to the Kardashians' insistence. The  
8 Kardashians' attorney, Mr. Wilson, provided written comments on Mr. LaBonty's  
9 proposed severance agreement.

10 Haven's Efforts to Promote the Kardashian Beauty Line

11 55. In support of its obligations under the License, Haven assembled a team of  
12 management and other supporting staff to assist with the development, manufacturing,  
13 distribution, marketing, promotion and sale of cosmetics.

14 56. Further to its obligations, Haven also worked to repair relationships with  
15 cosmetics distributors that were damaged by the Boldface insolvency, including CVS,  
16 which agreed to reintroduce the Kardashian Beauty line into its stores, subject to the  
17 receipt of a letter from the Kardashian's stating that they continued to support the  
18 Kardashian Beauty line. Despite Haven's efforts, the Kardashian's awareness of CVS'  
19 requirements, the Kardashians did not provide CVS with such a letter and the chain did  
20 not resume its sales of the Kardashian Beauty line.

21 57. Haven also worked to obtain new distributors for the Kardashian Beauty  
22 line, including Walmart, Walgreen's, Target, Macy's and others, and worked to develop  
23 new products and product packaging, as well as designing and implementing a  
24 functioning e-commerce site to sell the Kardashian Beauty line.

25 58. As of March 31, 2016, Haven believed and informed the Kardashians and  
26 their representatives that, with the Kardashian's full support, it could vastly expand the  
27 reach of the Kardashian Beauty line and hit 9-figure gross sales targets within eighteen  
28 (18) months.



1 in light of the fact that the Kardashians collectively have well over 100 million social  
2 media followers on Twitter, Instagram, Facebook and other sites. All parties were  
3 aware of these facts. Nevertheless, after Haven diligently constructed the ecommerce  
4 site for the Kardashian Beauty line, its launch was delayed for months at the  
5 Kardashians' request, based largely on the Kardashians' desire to obtain another  
6 financier to buy out HCI's interest in Haven that would give them an even more  
7 lucrative deal. Even after the Kardashians' approval was finally obtained and the  
8 ecommerce site was launched, the Kardashians' attorneys began threatening to cancel  
9 the License (without which the Kardashian Beauty line could not be distributed) based  
10 on assertions that certain wholly unidentified images of the Kardashians on the site  
11 (which they had approved) had not been approved by the Kardashians.

12 66. In addition, despite failing to adequately promote the Kardashian Beauty  
13 line, the Kardashians have nonetheless repeatedly promoted other cosmetics brands and  
14 products on their social media.

15 67. In fact, as early as December 2014, the Kardashians began to use social  
16 media and advertising to promote cosmetic products in direct contravention of the  
17 exclusivity provisions of the License. For example, in December 2014, defendant Kim  
18 Kardashian began promoting Infinite Lash – a mascara and lash treatment product.

19 68. In or about late July 2015, defendant Kim Kardashian explicitly endorsed  
20 MAC cosmetics and other products for sponsoring a masterclass with one of her favorite  
21 makeup artists, Mario. Another sponsor of the event was CIRCA, a competing mass  
22 brand celebrity cosmetics line. When asked how the Kardashians were affiliated with  
23 the Kardashian Beauty line, Mario's response was "we don't have access to those  
24 products at this time, but they like the lashes, joysticks and nude lip glosses." Defendant  
25 Kim Kardashian added "bigger things to come." The clear implication being that the  
26 Kardashians were no longer supporting or promoting Kardashian Beauty products.

27 69. In the fall of 2015, defendants Kim and Khloe Kardashian launched digital  
28 content apps that promote and contain hyperlinks to several cosmetics brands other than



1 Kardashian Beauty. Upon information and belief, those brands include sellers of  
2 competing products such as Sephora, Amazon, ULTA and Nordstrom.

3 70. Indeed, in mid-March 2016, it was announced that Kim Kardashian was  
4 lending her name to a lipstick shade called “Kim KW” for a celebrity-endorsed line by  
5 makeup artist Charlotte Tilbury. According to reports, the line “pay homage to 12 of  
6 [Tilbury’s] favorite celebrities.” Photos of the lipstick and packaging displaying the  
7 name confirm that the lipstick takes the essence of the nude lip look that Kim  
8 Kardashian made famous and markets the Tilbury product under her name, “Kim KW.”

9 71. On or about March 15, 2016, in the “#PRODUCTPORN” section of her  
10 website, [www.kimkardasianwest.com](http://www.kimkardasianwest.com), defendant Kim Kardashian promoted several  
11 cosmetic products including foundation and eyeshadow products. Despite the  
12 provisions of the License, only one (1) of the fifteen (15) products is a Kardashian  
13 Beauty product – and the remaining fourteen (14) are products that directly compete  
14 with the Kardashian Beauty products exclusively authorized under the License.

15 72. Further, though social media and her official website, defendant Kim  
16 Kardashian actively endorses multiple brands which sell products that directly compete  
17 with those of Kardashian Beauty in violation of the exclusivity provisions of the License  
18 – including products by Infinite Lash, MAC, Sigma Beauty and others.

19 73. Specifically, on or about March 16, 2016, it was announced that Kim  
20 Kardashian would be collaborating with makeup artist Charlotte Tilbury on a line of  
21 twelve lipsticks, notwithstanding the fact that the License specifically includes lipsticks  
22 among the categories of cosmetics products for which the Kardashians agreed to  
23 exclusively promote through the Kardashian Beauty line.

24 74. In or about April 2016, defendant Kim Kardashian participated in another  
25 makeup tutorial with makeup artist Mario, using only drug store makeup. Though the  
26 tutorial included dozens of makeup products, only one of the products was a Kardashian  
27 Beauty product. However, the Kardashian Beauty product included in the tutorial,  
28 Gleam Club, was discontinued in October 2014.

1           75. In addition, at an appearance at the “Beauty World” exhibition in Dubai in  
2 May 2015, defendant Khloe Kardashian publicly disparaged the Kardashian Beauty line  
3 and Haven. Ms. Kardashian was scheduled to attend the exhibition to promote the  
4 Kardashian Beauty line along with two of Haven’s international distributors of the line,  
5 ANDA and Bee Beautiful. However, when Khloe showed up at the exhibition on May  
6 26 and met the ANDA representatives who were to take her to the Bee Beautiful booth  
7 for an appearance, Ms. Kardashian began screaming and cursing, stating publicly that  
8 Haven was selling the Kardashian Beauty products illegally and that she hated  
9 everything about the Kardashian Beauty products and appearance. Ms. Kardashians’  
10 appearance was therefore cancelled.

11           76. Also, in June 2015, after Haven repaired relations with CVS, a former  
12 distributor of the Kardashian Beauty, CVS agreed to reintroduce the Kardashian  
13 Beauty line into its stores provided only that the Kardashians provide a letter stating  
14 that they continued to support the Kardashian Beauty line. To date, despite repeated  
15 requests the Kardashians have failed to provide a letter of support for the line and the  
16 line has not been reintroduced into CVS.

17           77. On June 1, 2016, defendant Khloe Kardashian promoted highlighter  
18 products that directly compete with Kardashian Beauty’s Dashlight™ product. In  
19 promoting these products, defendant Khloe Kardashian noted Dashlight, but stated that  
20 Makeup Revolution Vivid Baked Highlighter was the only product she swears by.  
21 Defendant Khloe Kardashian reiterated that recommendation in promotion on her  
22 digital content app.

23           78. Upon information and belief, other competing products promoted by  
24 Khloe Kardashian include Kevyn Aucoin Sensual Skin Enhancer, Anastasia Beverly  
25 Hills Brow Wiz, Girlactik Beauty Star Lip Gloss, Benefit Cosmetics Hoola Bronzer,  
26 Anastasia Beverly Hills Brow Duo, Kevyn Aucoin’s Essential Eyeshadow Palette, Dior  
27 Diorshow Waterproof Mascara, Tom Ford Matte Lip Color and others.

28

1           79. Further, on June 2, 2016, it was announced that NARS was the official  
2 makeup partner for defendant Kim Kardashian’s game “Kim Kardashian Hollywood.”  
3 Through the game, users can apparently purchase customized makeup, including NARS  
4 products.

5           80. On or about June 14, 2016, defendant Kourtney Kardashian participated in  
6 an interview about beauty secrets and specifically promoted Charlotte Tillbury’s  
7 bronzer and highlighter and Manuka Doctor Gold Dust Firming Serum –  
8 notwithstanding the License’s exclusivity provisions which specifically relate to  
9 cosmetics items such as bronzer, highlighter and shimmer. Indeed, as of the date of this  
10 filing, the official website of Manuka Doctor specifically notes that Kourtney  
11 Kardashian loves their ApiRefine Gold Dust Firming Serum 1.01, and states that  
12 Kourtney Kardashian is a “Global Brand Ambassador” of Manuka Doctor skincare  
13 products.

14           81. On or about June 15, 2016, defendant Khloe Kardashian also posted about  
15 drug store mascara, including Maybeline Volum Express The Falsies Mascara.

16           82. Fans and followers of the Kardashians have taken note of the Kardashians’  
17 refusal to market and promote the Kardashian Beauty line. For example, on or about  
18 June 19, 2016, Haven received a message from one customer asking “I’m wondering  
19 why I should purchase this line when two Kardashian sisters don’t use their own make  
20 up line. When I’m saying use I’m meaning as in its not shown in their [daily makeup]  
21 routine.”

22           83. On or about June 22, 2016, defendant Kim Kardashian posted an item on  
23 her app explaining her daily beauty routine and named products Kim Kardashian uses  
24 on a daily basis, including eyeshadow, mascara, blush, bronzer and brow. None of the  
25 items listed are from the Kardashian Beauty line, notwithstanding the fact the  
26 exclusivity provisions of the License which direct relate to cosmetics items such as  
27 eyeshadow, mascara, blush, and bronzer.

28

1           84. On or about June 28, 2016, Kim Kardashian posted an item on her app  
2 regarding Mario Dedivanovic’s drugstore makeup picks. Upon information and belief,  
3 no Kardashian Beauty products were mentioned. To the contrary, defendant Kim  
4 Kardashian used the app entry to promote several products that are direct competitors  
5 of Kardashian Beauty.

6           85. Moreover, pursuant to the terms of the License, the Kardashians were  
7 required to: (a) appear at two Production Days per contract year in order to obtain a  
8 sufficient number of high quality photographs for use in the marketing, promotion and  
9 sale of Kardashian Beauty products, (b) make two marketing day appearances per  
10 contract year, (c) provide reasonable social media marketing support for Kardashian  
11 Beauty products, including tweets, Facebook posts and entries on their respective  
12 websites, and (d) provide hyperlinks to Kardashian Beauty from their respective  
13 websites. However, each of the Kardashians has failed to comply with these provisions  
14 of the License.

15           The Kardashians Continued Threats to Terminate The License Agreement

16           86. On February 26, 2016, the Kardashians’ outside counsel sent a letter to  
17 HCI, asserting various breaches of the License Agreement by Haven and threatening to  
18 terminate the License on this basis if the alleged breaches were not cured within ten  
19 (10) days. For the first time in this letter, the Kardashians asserted that the Term Sheet  
20 was ineffective because certain acts contemplated thereby (which were thwarted solely  
21 by the Kardashians’ conduct) had not occurred. Among the breaches alleged by the  
22 Kardashians was an alleged failure to pay certain minimum guarantee payments under  
23 the License, despite the fact that the Kardashians had expressly committed to giving up  
24 those minimum guarantee payments under the Term Sheet.

25           87. Further, because the Kardashians personally own the “Kardashian Beauty”  
26 trademark, in the event that they terminate the License, they could simply go on to sell  
27 the same rights to a new partner and continue on with their venture. Such an act would  
28

1 be the ultimate breach of good faith and would destroy Haven's ability to continue as  
2 an operating business and HCI's ability to obtain the benefit of its investments.

3 88. On March 31, 2016, Haven wrote the Kardashians and their  
4 representatives, and pursuant to Section 2 of the License Agreement, exercised its  
5 option to extend the term of the License by an additional eighteen (18) months, through  
6 May 30, 2018. Haven further demanded that the Kardashians perform their duties under  
7 the License Agreement regarding the promotion, marketing and support of the  
8 Kardashian Beauty cosmetics line. Haven also formally provided the Kardashians with  
9 notice of several breaches of the License Agreement, including: (a) their breach of their  
10 promotional duties pursuant to Section 4(A) of the License Agreement, (b) Kim  
11 Kardashian's recent agreement to lend her name to a lipstick shade for a celebrity-  
12 endorsed makeup line by Charlotte Tilbury, (c) Khloe Kardashian's public  
13 disparagement of the Kardashian Beauty line at an appearance at the "Beauty World"  
14 exhibition in Dubai in May 2015, and (d) the Kardashian's failure to provide a letter to  
15 CVS, a former distributor of the Kardashian Beauty line, reflecting their support of the  
16 line. On April 5, 2016, Haven followed up with a letter to the Kardashian's directly  
17 explaining that they were exercising their option to extend the term of the License by  
18 an additional eighteen (18) months.

19 89. On April 1, 2016, the Kardashians responded by letter from their outside  
20 counsel, refusing to provide services to promote, market and support the Kardashian  
21 Beauty line, and demanding indemnification for legal fees accrued before the formation  
22 of Haven, and Haven's receipt of the transfer of the License, and demanding Guaranteed  
23 Minimum Royalty payments which the Kardashians previously, and explicitly, waived  
24 under the Term Sheet agreement with HCI. Further, the Kardashians asserted that  
25 Haven had used Kardashian images without authorization on Twitter and Instagram,  
26 without specifying which images had been improperly used. The Kardashians further  
27 argued that Haven failed to use reasonable best efforts to develop, promote, market and  
28 sell Kardashian Beauty products, despite their knowledge of Haven's extensive efforts

1 to restore relationships with previous distributors of Kardashian Beauty products and  
2 extensive efforts to enter into relationships with new distributors and develop new  
3 Kardashian Beauty products.

4 90. Haven responded to the Kardashians' April 1, 2016 letter on April 15,  
5 making clear that all payments owed to the Kardashians were current and up to date.  
6 Haven again reiterated that the Kardashians waived the Guaranteed Minimum Royalty  
7 payments by their Term Sheet agreement with HCI and that the Kardashians'  
8 indemnifications claims were misplaced as they arose *before* Haven became the  
9 Licensee, and Haven's acquired interest under the License Agreement was not subject  
10 to any obligations arising before the transfer of the License. Haven further clarified  
11 that: (i) it spent more than six (6) times the required amount on the marketing,  
12 advertising and promotion of the Kardashian Beauty line, (ii) had then spent more than  
13 six (6) months towards a complete overhaul of the product line and packaging, and  
14 (iii) the Kardashians themselves had previously expressly approved the products and  
15 product packaging in writing when Boldface was the licensee.

16 91. On June 22, 2016, the Kardashians wrote to Haven and their counsel  
17 purporting to provide notice of a failure to make payments due under the License. In  
18 so doing, the Kardashians requested the immediate cure of purported breaches including  
19 the purported failure (1) to indemnify them for certain attorneys' fees and costs, and (2)  
20 make certain royalty payments. The Kardashians demanded that HCI and Haven pay  
21 each of the amounts purportedly owing on or before July 7, 2016.

22 92. Only two days later, on June 24, 2016, the Kardashians again wrote to  
23 purportedly provide notice of what they viewed to be breaches of the License for which  
24 they demanded a cure. Specifically, the Kardashians wrote regarding purported  
25 breaches of the License for which there is a thirty (30) day cure period, including: (i)  
26 purportedly unauthorized uses of Kardashian images, and (ii) purported potential  
27 infringements of third-party copyrights.

28

1           93.     On July 7, 2016, Haven responded to the Kardashian’s June 22 letter,  
2 (1) reiterating that the Kardashian’s claims for indemnification were not proper because  
3 the underlying claims arose *before* Haven was transferred rights under the License and  
4 that Haven’s acquired rights were not subject to any preexisting obligations under the  
5 License, and (2) noting that this is the first demand for royalty payments Haven received  
6 under section 5.A of the License, and that the Kardashians and their representatives had  
7 previously explicitly instructed Haven not to provide them with royalty payments  
8 pursuant to that section of the agreement. Haven further explained that because the  
9 Kardashians were in prior material breach of the License, no royalty payments were  
10 due.

11           94.     Further on July 7, 2016, the Kardashians wrote both Haven and HCI  
12 demanding that Haven cease and desist from moving forward with its planned launch  
13 of the “NEW Kardashian Beauty line” and promotional events related thereto.  
14 Specifically, the Kardashians argued that (i) the new Kardashian Beauty line was not  
15 authorized by the Kardashians, (ii) that Haven and HCI were in breach of the License  
16 Agreement, (iii) that Haven and HCI were not authorized to use the Kardashian’s  
17 images to promote the Kardashian Beauty line as planned, and (iv) that Haven and  
18 HCI’s actions may cause the Kardashians to be in breach of commitments to third  
19 parties regarding the use of their names and images in mobile “apps.”

20           95.     On July 8, at 12:08 a.m., the Kardashians sent a notice of termination of  
21 the License via email, purporting to go into effect immediately. By their notice, the  
22 Kardashians demanded that all payments referenced in the License Agreement must be  
23 paid immediately, and that Haven is no longer allowed to use the Kardashian images to  
24 market, promote, or sell the Kardashian Beauty line. By their letter, the Kardashians  
25 further allege that Haven “was violating the copyrights of Kim Kardashian West” and  
26 others.

27           96.     On July 8, 2016, Haven responded to the Kardashians’ cease and desist  
28 letter. Haven noted the irony in the Kardashians’ efforts to put a stop to Haven’s launch

1 of a new line of Kardashian Beauty products, as the Kardashians had repeatedly  
2 complained that the old line of products, developed by Boldface not Haven, was inferior  
3 was going to be replaced by a new line of products which have generated rave reviews  
4 from industry press and distribution partners. Haven reiterated that the products to be  
5 included in the new beauty line were sent to the Kardashians for approval on May 20  
6 and May 26, 2016, and that under the License, the Kardashians had seven (7) days to  
7 approve or disapprove of them and had not done so. With respect to the planned  
8 YouCam app, Haven made clear that the only Kardashian images employed therein  
9 would be the name of the product and pre-approved images for purposes of marketing,  
10 promoting and selling Kardashian Beauty products. Moreover, Haven expressed  
11 concerns that the Kardashians may have entered into agreements with third parties that  
12 either (a) permitted the exploitation of their names and likenesses in connection with  
13 cosmetics products that are subject to the provisions of the License, or (b) may interfere  
14 with Haven's right to use the Kardashians' names and likenesses in connection with the  
15 marketing and sale of cosmetics products. Haven made clear that any such promotion  
16 of competing products is in violation of the exclusivity provisions of the License.

17 The Kardashian's Interference With Haven's Contractual Relationships

18 97. On or about July 9, 2016, during Los Angeles Beauty Con, counsel for the  
19 Kardashians contacted Perfect Corp., a company that partners with Haven regarding the  
20 YouCam app developed by Haven in furtherance of Haven's obligations to develop,  
21 promote, market and sell Kardashian Beauty products.

22 98. Specifically, the Kardashian's counsel informed Perfect Corp. of their  
23 unilateral termination of the License and requested that Perfect Corp. no longer  
24 collaborate with Kardashian Beauty on the YouCam Makeup app. In doing so, counsel  
25 for the Kardashians threatened that Perfect Corp.'s continued partnership with  
26 Kardashian Beauty would violate the Kardashian's trademarks, right to publicity, and  
27 other rights without their authorization.

28



1 99. Additionally, on or about July 11, 2016, counsel for the Kardashians  
 2 wrongfully removed Haven’s access to the Kardashian Beauty Twitter account,  
 3 @kbeautyofficial, and Instagram account, @kbeautyofficial.

4 100. In response to these wrongful actions, Haven again contacted the  
 5 Kardashians’ counsel, reiterating that their termination of the License Agreement was  
 6 wrongful, and that these most recent actions constitute serious violations of Haven’s  
 7 rights and give rise to claims for, among other things, tortious interference with Haven’s  
 8 business and contractual relationships.

9 101. Nonetheless, on July 13, 2016, Defendants began issuing false statements  
 10 to the press that they have absolutely no relationship or involvement with Haven, and  
 11 that “[t]he people selling the Kardashian Beauty brand and their predatory owners knew  
 12 this and are attempting to mislead the Kardashians’ fans by stating that the Kardashians  
 13 are still involved.”

## FIRST CAUSE OF ACTION

### (Breach of Contract)

#### Against All Defendants

18 102. Plaintiff repeats and realleges the allegations made in paragraphs 1 through  
 19 101 as if fully set forth herein.

20 103. Plaintiff and Defendants entered into a valid, binding, and enforceable  
 21 agreement, namely the License.

22 104. Plaintiff has fully performed all of their material obligations under the  
 23 License, except insofar as those obligations have been waived by Defendants or excused  
 24 by Defendants’ failure to perform under the parties’ agreement.

25 105. Any conditions required for Defendants’ performance had either occurred  
 26 or were excused.

27 106. Defendants breached their obligations under the License. Defendants’  
 28 breaches include, without limitation, (i) repeatedly breaching the exclusivity provisions

1 of the License by developing, marketing, promoting and endorsing make-up products  
2 other than Kardashian Beauty products, (ii) failing and refusing to review and approve,  
3 or disapprove, sample products presented for review according to the terms of the  
4 License, (iii) failing and refusing to maintain links to Kardashian Beauty products on  
5 their respective websites, (iv) making statements disparaging to Haven and the  
6 Kardashian Beauty line, and (v) interfering with Haven's contractual and business  
7 partners engaged in activities specifically authorized by the License.

8 107. Further, the Kardashians breached their contractual duty of good faith and  
9 fair dealing by, without limitation, (i) repeatedly promoting cosmetic products other  
10 than Kardashian Beauty products, (ii) failing and refusing to comply with their  
11 obligations under the License to appear at production days, marketing days, and to  
12 actively promote Kardashian Beauty products on social media and in other venues, (iii)  
13 and by publicly disparaging Haven and Kardashian Beauty.

14 108. Based on the foregoing conduct and omissions, Defendants have  
15 materially breached their contractual obligations to Plaintiff under the License.  
16 Defendants' breaches were knowing and willful.

17 109. Plaintiff has been harmed as a result of Defendants' breach of their  
18 contractual obligations alleged herein, which breach was a substantial factor in causing  
19 the harm suffered by Plaintiff.

20 110. As a direct, proximate, and foreseeable result of the conduct and omissions  
21 alleged above, Plaintiff has suffered damages in an amount to be determined at trial,  
22 plus prejudgment interest thereon.

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1 117. Plaintiff has been harmed as a result of Defendants' breach of their duties  
2 of good faith and fair dealing alleged herein, which breach was a substantial factor in  
3 causing the harm suffered by Plaintiff.

4 118. As a direct, proximate, and foreseeable result of the conduct and omissions  
5 alleged above, Plaintiff has suffered damages in an amount to be determined at trial,  
6 plus prejudgment interest thereon.

7  
8 **THIRD CAUSE OF ACTION**

9 **(Tortious Interference with Contractual Relations)**

10 **Against All Defendants**

11 119. Plaintiff repeats and realleges the allegations made in paragraphs 1 through  
12 118 as if fully set forth herein.

13 120. Haven and Defendants entered into a valid and binding agreement, namely  
14 the License. Haven, in furtherance of its rights under the License, has entered into valid  
15 and binding agreements with third party vendors, retailers and distributors, including  
16 but not limited to Perfect Corp. These agreements would have provided an economic  
17 benefit to Haven.

18 121. Defendants, at all relevant times, knew of (a) their aforementioned  
19 contractual relationship with Haven and (b) the aforementioned contractual relationship  
20 between Haven and third party vendors, retailers and distributors, and specifically, of  
21 the contractual relationship between Haven and Perfect Corp.

22 122. Despite their aforementioned knowledge, Defendants wrongfully  
23 attempted to induce and cause Perfect Corp. to breach its contractual obligations to  
24 Haven by threatening Perfect Corp. with its improper termination of the License  
25 Agreement and alleging that Perfect Corp.'s continued association with Haven and the  
26 Kardashian Beauty line would infringe on the Kardashian's copyrights, rights to  
27 publicity, and other intellectual property interests.

28

1 123. Further, despite the aforementioned knowledge, Defendants took other  
2 wrongful actions to harm Haven's contractual relations with third parties, such as (a)  
3 wrongfully shutting down Haven's Kardashian Beauty Twitter and Instagram, and (b)  
4 issuing false public statements that the Kardashians had no relationship with Haven,  
5 and that Haven was fraudulently trying to take advantage of Kardashians' fans by  
6 stating that the Kardashians were involved.

7 124. Defendants took these actions both knowing and intending to disrupt  
8 Haven's contractual relationships with third parties, including but not limited to the  
9 relationship between Haven and Perfect Corp.

10 125. Defendants' actions did in fact disrupt Haven's contractual relationships  
11 with third parties, including but not limited to its relationship with Perfect Corp.

12 126. Plaintiff has been harmed as a result of the disruption of its contractual  
13 relationships with third parties, and Defendants' wrongful interference was a substantial  
14 factor in causing the harm suffered by Plaintiff.

15 127. As a direct, proximate, and foreseeable result of the conduct and omissions  
16 alleged above, Plaintiff has suffered damages in an amount to be determined at trial,  
17 plus prejudgment interest thereon.

18  
19 **FOURTH CAUSE OF ACTION**

20 **(Tortious Interference with Business Relations)**

21 **Against All Defendants**

22 128. Plaintiff repeats and realleges the allegations made in paragraphs 1 through  
23 127 as if fully set forth herein.

24 129. Haven and Defendants entered into a valid and binding agreement, namely  
25 the License. Haven, in furtherance of its rights under the License, has entered into  
26 business relationships with third party vendors, retailers, and distributors, including but  
27 not limited to Perfect Corp. These business relationships would have provided an  
28 economic benefit to Haven.

1           130. Defendants, at all relevant times, knew of (a) their aforementioned  
2 contractual relationship with Haven and either knew or should have known of (b) the  
3 aforementioned business relationships between Haven and third parties, including but  
4 not limited to Perfect Corp.

5           131. Defendants wrongfully attempted to induce and cause Perfect Corp. to  
6 terminate its business relationship with Haven by threatening Perfect Corp. with its  
7 improper termination of the License Agreement and alleging that Perfect Corp.'s  
8 continued association with Haven and the Kardashian Beauty line would infringe on the  
9 Kardashian's copyrights, rights to publicity, and other intellectual property interests.

10           132. Further, despite the aforementioned knowledge, Defendants took other  
11 wrongful actions to harm Haven's contractual relations with third parties, such as (a)  
12 wrongfully shutting down Haven's Kardashian Beauty Twitter and Instagram, and (b)  
13 issuing false public statements that the Kardashians had no relationship with Haven,  
14 and that Haven was fraudulently trying to take advantage of Kardashians' fans by  
15 stating that the Kardashians were involved.

16           133. When Defendants took these wrongful actions, they knew or should have  
17 known they would disrupt the business relationship Haven had established with third  
18 parties, including but not limited to Perfect Corp.

19           134. Defendants' actions did in fact disrupt Haven's business relationships with  
20 third parties, including but not limited to Perfect Corp.

21           135. Plaintiff has been harmed as a result of the disruption of its business  
22 relationships with third parties, and Defendants' wrongful interference was a substantial  
23 factor in causing the harm suffered by Plaintiff.

24           136. As a direct, proximate, and foreseeable result of the conduct and omissions  
25 alleged above, Plaintiff has suffered damages in an amount to be determined at trial,  
26 plus prejudgment interest thereon.

27

28

**FIFTH CAUSE OF ACTION**

**(Declaratory Judgment)**

**Against All Defendants**

137. Plaintiff repeats and realleges the allegations made in paragraphs 1 through 136 as if fully set forth herein.

138. Plaintiff and Defendants are bound by a valid, binding, and enforceable agreement, namely the License, which is valid and binding through May 30, 2018.

139. Based on the foregoing conduct and omissions, Defendants have materially breached their contractual obligations to Plaintiff under the License. Defendants' breaches were knowing and willful.

140. Plaintiff have fully performed all of their material obligations under the License, except insofar as those obligations have been waived by Defendants or excused by Defendants' failure to perform under the parties' agreement.

141. An actual case and controversy exists between Haven and the Kardashians as to (1) whether the Kardashians have breached their obligations under the License, (2) whether Haven has breached its obligations under the License, and (3) whether Haven has infringed any of Defendants copyrights or other intellectual property interests.

142. Haven alleges and asserts that Defendants have breached their obligations under the License by, among other things, (i) repeatedly breaching the exclusivity provisions of the License by developing, marketing, promoting and endorsing make-up products other than Kardashian Beauty products, (ii) failing and refusing to review and approve, or disapprove, sample products presented for review according to the terms of the License, (iii) failing and refusing to maintain links to Kardashian Beauty products on their respective websites, (iv) making statements disparaging to Haven and the Kardashian Beauty line, and (v) interfering with Haven's contractual and business partners engaged in activities specifically authorized by the License.

143. The Kardashians allege that Haven breached the terms of the License, violated the Kardashian's copyrights, trademarks, rights to publicity and other

1 intellectual property rights. Specifically, the Kardashians have asserted that Haven does  
2 not have the right to use certain images of the Kardashian defendants, and has done so  
3 in violation of the Kardashian defendants copyrights, right to publicity, and other  
4 intellectual property rights.

5 144. As Defendants explicitly agreed in the License that Haven would have an  
6 exclusive license to use the Kardashians' images in the marketing, promotion and sale  
7 of cosmetics products, through the end of the term, which has now been extended  
8 through May 30, 2018 pursuant to section 2 of the License.

9 145. A judicial determination resolving this actual controversy is necessary and  
10 appropriate at this time.

11 146. Accordingly, Plaintiff seeks a judicial declaration pursuant to 28 USC §§  
12 2201-2202 that Plaintiff, together with its agents, employees, representatives and/or any  
13 others acting in concert with it, performed, stood ready to perform, or are excused from  
14 performing under the License due to Defendants' prior material breaches of that  
15 agreement, Haven has not violated the terms of the License or infringed on the  
16 Kardashian's copyrights, trademarks, rights of publicity, or other intellectual property  
17 interests. *See Topps Chewing Gum, Inc. v. Fleer Corp.*, 799 F.2d 851, 856 (2nd Cir.  
18 1986) (declaratory relief may be sought re: meaning of disputed contract terms); *Black*  
19 *Gold Marine, Inc. v. Jackson Marine Co.*, 759 F.2d 466, 471 (5th Cir. 1985)  
20 (declaratory relief may be sought re: validity of contract).

21 147. Plaintiff further seeks a judicial declaration pursuant to 28 USC §§ 2201-  
22 2202 that, as Haven has not breached the License or infringed Defendants' copyrights  
23 or other intellectual property, Defendants purported termination of the License was  
24 invalid and carries no legal effect, particularly in light of (a) their previous uncured  
25 material breaches relieve Haven of its obligations to make payments under the License,  
26 and (b) the alleged uses of Kardashian Images underlying Defendants' claims for breach  
27 were either cured or within Haven's rights under the terms of the License. *See Tri-Star*  
28 *Pictures, Inc. v. Leisure Time Productions, B.V.*, 17 F.3d 38, 39-40 (2nd Cir. 1994)



1 (declaratory relief may be sought re: a party's right to terminate the contract); *Black*  
2 *Gold Marine, Inc. v. Jackson Marine Co.*, 759 F.2d 466, 471 (5th Cir. 1985)  
3 (declaratory relief may be sought re: validity of contract).

4 148. This Court has jurisdiction over the claims asserted in this Complaint and  
5 this controversy is ripe for adjudication.

6  
7 **SIXTH CAUSE OF ACTION**

8 **(Injunctive Relief)**

9 **Against All Defendants**

10 149. Plaintiff repeats and realleges the allegations made in paragraphs 1 through  
11 148 as if fully set forth herein.

12 150. Plaintiff and Defendants entered into a valid, binding, and enforceable  
13 agreement, namely the License.

14 151. Further, the License specifically contemplates, in section 27(A), that  
15 injunctive relief is available to the parties with respect to disputes related to the  
16 agreement by stating that "nothing herein shall restrict or limit a Party from seeking or  
17 obtaining injunctive relief as provided herein."

18 152. Plaintiff has fully performed all of their material obligations under the  
19 License, except insofar as those obligations have been waived by Defendants or excused  
20 by Defendants' failure to perform under the parties' agreement.

21 153. Despite all conditions for Defendants' performance under the License  
22 having occurred, Defendants unfairly interfered with Haven's right to receive the  
23 benefit of their bargain under contract through the actions and omissions alleged herein.  
24 Defendants' acts and omissions include, *inter alia*, (i) repeatedly breaching the  
25 exclusivity provisions of the License by developing, marketing, promoting and  
26 endorsing make-up products other than Kardashian Beauty products, (ii) failing and  
27 refusing to review and approve, or disapprove, sample products presented for review  
28 according to the terms of the License, (iii) failing and refusing to maintain links to

1 Kardashian Beauty products on their respective websites, (iv) making statements  
2 disparaging to Haven and the Kardashian Beauty line, and (v) interfering with Haven's  
3 contractual and business partners engaged in activities specifically authorized by the  
4 License.

5 154. Plaintiff seeks a judicial declaration that, as the License remains in effect  
6 and has not been terminated, Defendants, together with their agents, employees,  
7 representatives and/or any others acting in concert with them, are enjoined from  
8 engaging in the development, promotion, marketing or sale of cosmetics products for  
9 which Haven has an exclusive license under the terms of the License during the  
10 remaining term of that agreement.

11 155. Plaintiff further seeks a judicial declaration that, as the License remains in  
12 effect and has not been terminated, Defendants, together with their agents, employees,  
13 representatives and/or any others acting in concert with them, are enjoined from  
14 interfering with Haven's contractual and business relationships related to the  
15 development, promotion, marketing or sale of cosmetics products for which Haven has  
16 an exclusive license under the terms of the License during the remaining term of that  
17 agreement.

18 156. Plaintiff does not have a plain, speedy, and adequate remedy in the  
19 ordinary course of law, as demonstrated by the fact that (i) the parties to the License  
20 specifically contemplated the availability of injunctive relief with respect to disputes  
21 arising under the terms of the License, (ii) the termination of the License would  
22 effectively end Plaintiff's existence as an operating business and require the immediate  
23 termination of Haven's employees, and (iii) Defendants, and their representatives, have  
24 recently began harassing, insisting and demanding that Haven's business partners cease  
25 from doing business with Haven in light of their improper attempt to unilaterally  
26 terminate the License.

27 157. As a direct and proximate result of the foregoing facts and conduct, there  
28 is an imminent threat that Plaintiff will permanently sustain substantial, immediate, and

1 irreparable injury, for which there is no adequate remedy at law, including without  
2 limitation (i) the end of its existence as an operating business, and (ii) the destruction  
3 of its regular operations, including but not limited to its ability to distribute Kardashian  
4 Beauty products under the License. Plaintiff is informed and believes and on that basis  
5 avers that unless enjoined and restrained by this Court, Defendants will engage in  
6 conduct violative of the License. Plaintiff is entitled to preliminary and permanent  
7 injunctive relief.

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1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiff prays for judgment against all Defendants, and each of  
3 them, as follows:

4 A. For an award of damages in an amount to be ascertained at trial, but no less  
5 than \$10,000,000;

6 B. For prejudgment and postjudgment interest on said amounts at the  
7 maximum rate;

8 C. For an award of exemplary and punitive damages in an amount to be  
9 ascertained at trial;

10 D. For a judicial declaration that Haven is not in breach of the License  
11 Agreement (*See Topps Chewing Gum, Inc. v. Fleer Corp.*, 799 F.2d 851, 856 (2nd Cir.  
12 1986) (declaratory relief may be sought re: meaning of disputed contract terms); *Black*  
13 *Gold Marine, Inc. v. Jackson Marine Co.*, 759 F.2d 466, 471 (5th Cir. 1985)  
14 (declaratory relief may be sought re: validity of contract));

15 E. For a judicial declaration that Defendants' purported termination of the  
16 License on July 8, 2016 was not valid and has no legal effect (*See Tri-Star Pictures,*  
17 *Inc. v. Leisure Time Productions, B.V.*, 17 F.3d 38, 39-40 (2nd Cir. 1994) (declaratory  
18 relief may be sought re: a party's right to terminate the contract); *Black Gold Marine,*  
19 *Inc. v. Jackson Marine Co.*, 759 F.2d 466, 471 (5th Cir. 1985) (declaratory relief may  
20 be sought re: validity of contract));

21 F. For a judicial declaration that Haven, in continuing to operate under the  
22 License, is not infringing upon Defendants' trademarks, rights of publicity, or other  
23 rights (*See Topps Chewing Gum, Inc. v. Fleer Corp.*, 799 F.2d 851, 856 (2nd Cir. 1986)  
24 (declaratory relief may be sought re: meaning of disputed contract terms); *Black Gold*  
25 *Marine, Inc. v. Jackson Marine Co.*, 759 F.2d 466, 471 (5th Cir. 1985) (declaratory  
26 relief may be sought re: validity of contract));

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1 G. For preliminary and permanent injunctive relief restraining Defendants,  
2 together with their agents, employees, representatives and/or any others acting in  
3 concert with them, from taking any actions to enforce the July 8, 2016 termination of  
4 the License or to interfere with Haven's business or its rights under the License based  
5 upon the July 8, 2016 termination, including but not limited to: (a) Interfering with  
6 Haven's economic relations with business partners, including but not limited to a  
7 prohibition of sending letters and other communications regarding the Kardashians'  
8 purported termination of the License and/or Haven's alleged infringement of Kardashian  
9 trademarks and rights of publicity to Haven's manufacturers, distributors, advertisers,  
10 and retailers; or (b) Taking actions to interfere with, disable or prevent Haven's access to  
11 Kardashian Beauty's social media sites, including Instagram, Twitter, and Facebook;

12 H. For preliminary and permanent injunctive relief restraining Defendants,  
13 together with their agents, employees, representatives and/or any others acting in  
14 concert with them, from taking any actions to interfere with Haven's exclusivity rights  
15 under the License, including but not limited to promotion or endorsement of any products  
16 competing with the "Licensed Products" as defined in Section 1(F) of the License;

17 I. For Plaintiff's attorneys' fees and costs to the extent permitted by law;

18 J. For such other and further relief as the Court may deem just and proper.

19 DATED: July 14, 2016

20 FAYER GIPSON LLP  
21 GREGORY A. FAYER  
22 TYLER J. KING  
23 MICHELLE K. MILLARD  
24 STEVEN G. EDWARDS

25 By /s/ GREGORY A. FAYER

26 \_\_\_\_\_  
27 GREGORY A. FAYER  
28 Attorneys for Plaintiff Haven Beauty, Inc.

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**JURY DEMAND**

Haven hereby demands a trial by jury of all issues in the Complaint.

DATED: July 14, 2016

FAYER GIPSON LLP  
GREGORY A. FAYER  
TYLER J. KING  
MICHELLE K. MILLARD  
STEVEN G. EDWARDS

By /s/ GREGORY A. FAYER

GREGORY A. FAYER  
Attorneys for Plaintiff Haven Beauty, Inc.