THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

| CHITTHEN | |
|----------------|-------|
| GUIZHEN | GUNG. |

Plaintiff,

v.

Civil Case No.: 24-cv-10916

THE INDIVIDUAL, PARTNERSHIP OR UNINCORPORATED ASSOCIATION IDENTIFIED ON SCHEDULE A,

Defendant.

SEALED COMPLAINT FOR PATENT INFRINGEMENT

This is an action for patent infringement in which Guizhen Gong ("Plaintiff") accuses the Individual, Partnership, or Unincorporated Association Identified on Schedule A ("Defendant"), found on Schedule A, of infringing United States [REDACTED] (the "Patent-in-Suit") under 35 U.S.C. §271, alleging as follows:

PARTIES

- 1. Plaintiff is the owner of the Patent-in-Suit and sells products protected by the ornamental design of the Patent-in-Suit on online platforms to U.S. customers. The Patent-in-Suit is attached as **Exhibit A**.
- 2. Plaintiff has expended substantial time, money, and other resources in producing, advertising, and otherwise promoting the products covered by the Patent-in-Suit. Over time, Plaintiff has invested heavily in the products covered by the Patent-in-Suit.

- 3. Plaintiff's products protected by the Patent-in-Suit have become widely known from its distinctive design, and as such, Plaintiff's products protected by the Patent-in-Suit have become recognized by consumers as high quality products sourced from Plaintiff. Over time, Plaintiff's products protected by the Patent-in-Suit have become popular, resulting in seller aliases copying the ornamental design of the Patent-in-Suit.
- 4. Plaintiff became aware of sellers on various online platforms who also started to sell products virtually identical to the claimed Patent-in-Suit. Plaintiff filed this action to combat Defendant who is harming Plaintiff by offering to sell, selling, and shipping unlicensed products that infringe the Patent-in-Suit. See **Exhibit B**.
- 5. Plaintiff has not entered a contract with or licensing agreement with Defendant for the Patent-in-Suit.
- 6. Defendant is an anonymous individual and/or entity who targets sales to Illinois residents by setting up and operating various "storefronts" via online retail websites accepting U.S. Dollars that target Illinois consumers by selling, offering to sell, and shipping products that infringe the Patent-in-Suit ("Infringing Products") to the United States, including Illinois.
- 7. Upon information and belief, Defendant resides and operates in the People's Republic of China or other foreign jurisdictions with lenient intellectual property enforcement systems or redistribute products from the same or similar sources in those locations. As a result, Defendant has the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b).
- 8. Upon information and belief, Defendant either individually or jointly, operates one or more e-commerce stores. Tactics used by Defendant to conceal their identity and the full scope of their operations make it virtually impossible for Plaintiff to learn Defendant's true identity and the scope of their infringing network operations.

9. At present, Defendant can only be identified through their storefront and other limited publicly available information. No credible information regarding Defendant's physical addresses is provided. Plaintiff will voluntarily amend its Complaint as needed if Defendant provides additional credible information regarding their identity and location.

DEFENDANT'S INFRINGING CONDUCT

- 10. According to FY 2021 Intellectual Property Right Seizure Statistics report by U.S. Customs and Border Protection ("CBP"), 51% of the total number of seizure lines originated from mainland China and Hong Kong. **Exhibit C**, FY 2021 Intellectual Property Right Seizure Statistics report.
- 11. Third party online platforms do not adequately subject sellers to verification and confirmation of their identities and products, allowing infringers to "routinely use false or inaccurate names and addresses when registering with these e-commerce platforms." **Exhibit D**, Daniel C.K. Chow, *Alibaba, Amazon, and Counterfeiting in the Age of the Internet*, 40 NW. J. INT'L L. & BUS. 157, 186 (2020). "At least some e-commerce platforms, little identifying information is necessary for [an infringer] to begin selling" and recommending that "[s]ignificantly enhanced vetting of third-party sellers" is necessary." **Exhibit E**, *Combating Trafficking in Counterfeit and Pirated Goods* prepared by the U.S. Department of Homeland Security's Office of Strategy, Policy, and Plans. Because these online platforms generally do not require a seller to identify the underlying business entity, infringers can have many different profiles that can appear unrelated even though they are commonly owned and operated. *Id.* at 39.
- 12. E-commerce store operators like Defendant commonly engage in fraudulent conduct when registering the Seller Alias by providing false, misleading and/or incomplete

information to e-commerce platforms to prevent discovery of their true identities and the scope of their interconnected e-commerce operations.

- 13. The e-commerce store operating under the Seller Alias appears sophisticated and accepts payment in U.S. dollars via credit cards, Alipay, Amazon Pay, and/or PayPal. As seen by the webpage in **Exhibit B**, the e-commerce stores operating under the Seller Alias includes content and images that make it very difficult for consumers to distinguish such stores from an authorized retailer of Plaintiff's Patent-in-Suit products.
- 14. E-commerce store operators like Defendant regularly register new seller aliases for the purpose of offering for sale and selling Infringing Products. Such seller alias registration patterns are one of many common tactics used by e-commerce store operators like Defendant to conceal their identities and the scope of their infringing operations. Such tactics help Defendant avoid being shut down. Even after being shut down through enforcement efforts, such e-commerce store operators may conveniently register another storefront under another seller alias and continue to sell the Infringing Products.
- 15. Defendant uses different fake names and payment accounts to keep selling despite Plaintiff's actions. They also have bank accounts outside this Court's reach and may move money there to avoid paying any monetary judgment to Plaintiff. In fact, financial records from similar cases show that off-shore sellers frequently transfer money from U.S. accounts to foreign ones on a regular basis to avoid paying any judgment ordered by a court of law.
- 16. Upon information and belief, Defendant is in communication with other e-commerce infringers via chat rooms such as WeChat and regularly participate in other websites that provide litigation specific content to warn anonymous seller aliases of upcoming lawsuits against their respective product listings.

- 17. Upon information and belief, Defendant receives or purchases the Infringing Products from one or more major manufacturers in China. The identities of the major manufacturers remain unknown to Plaintiff.
- 18. Defendant knowingly and willfully manufactures, imports, distributes, offers for sale, and sells Infringing Products. As seen in Exhibit B, the e-commerce store operating under the Seller Alias offers shipping to the United States, including Illinois, and, Defendant has sold and shipped the representative sample into Illinois.

JURISDICTION AND VENUE

- 19. This is an action for infringement of the Patent-in-Suit arising under 35 U.S.C. §§ 271(a), 281, and 284 85. This Court has original subject matter jurisdiction over this claim under 28 U.S.C. §1331 and §1338.
- 20. Personal jurisdiction is proper because Defendant directly targets consumers in the United States, including in Illinois, through at least the fully interactive commercial Internet store operating under the Seller Alias, where Defendant offers to sell, and has sold and shipped Infringing Products to residents within the Northern District of Illinois. Thus, Defendant has purposefully availed themselves of the privilege of conducting business in the forum state or purposefully directed their patent infringement activities at the state; Plaintiff's injuries stems from the Defendant's forum-related activities of offering to sell, selling, and shipping Infringing Products to the forum-state; and the exercise of personal jurisdiction comports with traditional notions of fair play and substantial justice. As a result, Defendant is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Plaintiff substantial injury in Illinois.

- 21. In addition, after service of summons, personal jurisdiction is proper pursuant to Federal Rule of Civil Procedure 4(k)(2), where "a claim that arises under federal law, serving a summons or filing a waiver of service establishes personal jurisdiction over a defendant if: (A) the defendant is not subject to jurisdiction in any state's courts of general jurisdiction; and (B) exercising jurisdiction is consistent with the United States Constitution and laws." Based on information found on Defendant's Infringing Product listings and based on the Seller Alias, Defendant is a foreign entity or individual not subject to any state's courts general jurisdiction, and exercising jurisdiction is consistent with the United States Constitution and laws.
- 22. Venue in the Northern District of Illinois is proper pursuant to 28 U.S.C. § 1391 because a substantial part of the events that give rise to the claim occur within this District, Defendant has committed acts of infringement in and has significant contacts within this District, and Defendant is directly targeting their business activities of offering to sell, selling, and shipping the Infringing Products to this District.
- 23. In addition, based on information found on Defendant's Infringing Product listings and based on the Seller Alias, Defendant is a foreign entity or individuals, and "a defendant not resident in the United States may be sued in any judicial district." 28 U.S.C. § 1391(c)(3).

U.S. PATENT NO. [REDACTED]

- 24. On [REDACTED], United States [REDACTED] was duly and legally issued by the United States Patent and Trademark Office for an invention entitled "[REDACTED]." The Patent-in-Suit has a filing date of [REDACTED]. A true and correct copy of the Patent-in-Suit is attached hereto as **Exhibit A**.
 - 25. Plaintiff is the owner of the Patent-in-Suit.

26. Plaintiff sells products that include the ornamental design protected by the Patent-in-Suit. The Patent-in-Suit includes the ornamental design below:

| Patent Number | Claimed Design | Issue Date |
|---------------|----------------|------------|
| [REDACTED] | [REDACTED] | [REDACTED] |
| | | |

COUNT I INFRINGEMENT OF U.S. [REDACTED]

- 27. Plaintiff hereby re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs.
- 28. Defendant, directly or through intermediaries, offers to sell, sells, and ships products which infringe the ornamental design of the Patent-in-Suit into the United States and Illinois. See Exhibit B.
- 29. Defendant is making, using, offering for sale, selling, and/or importing into the United States, and Illinois, for subsequent sale or use, Infringing Products that infringe directly and/or indirectly infringe the ornamental design of the Patent-in-Suit. *See* Exhibit B.
- 30. Defendant is directly infringing, literally infringing, and/or infringing the Patent-in-Suit under the doctrine of equivalents. *See* **Exhibit B**.
- 31. Defendant's offering for sale, sales, and shipments of Infringing Products has caused and continues to cause Plaintiff to suffer irreparable harm through loss of Plaintiff's exclusive patent rights.
- 32. Defendant's offering for sale, sales, and shipments of Infringing Products into the United States was willful in nature, in part, based on Defendant's anonymity and virtual identical infringement.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter:

- 1. a judgment in favor of Plaintiff that Defendant has infringed the Patent-in-Suit;
- 2. a temporary, preliminary, and permanent injunction enjoining Defendant and their officers, agents, servants, employees, attorneys, and all persons acting for, with, by, through, under, or in active concert with them from infringement of, inducing the infringement of, or contributing to the infringement of the Patent-in-Suit, or such other equitable relief the Court determines is warranted;
- 3. a judgment and order requiring Defendant pay to Plaintiff their total profit, including damages, costs, expenses, and prejudgment and post-judgment interest for Defendant's infringement of the Patent-in-Suit as provided under 35 U.S.C. § 289, and an accounting of ongoing post-judgment infringement;
- 4. a judgment and order requiring Defendant pay to Plaintiff a reasonable royalty for Defendant's infringement of the Patent-in-Suit, together with interest and costs, and that such amount found or assessed be increased three times as provided under 35 U.S.C. § 284;
- 5. a determination that this is an exceptional case within the meaning of 35 U.S.C. § 285 and award to Plaintiff the costs, expenses, and reasonable attorneys' fees incurred in this action;
- 6. that, upon Plaintiff's request, all in privity with Defendant and with notice of the Injunctive relief, including but not limited to any online marketplace platforms, such as Alibaba, Ali Express, Amazon, DH Gate, eBay, Newegg, Shopify, Wish, and vendors of sponsored search terms or online ad-word providers, financial services providers, including but not limited to credit card providers, banks, merchant account providers, third party payment processors, web hosts, and Internet search engines, such as Google, Bing, and Yahoo shall:

a. cease providing services to Defendant, currently or in the future, to sell or offer for sale

goods under the Patent-in-Suit;

b. cease displaying any advertisements in any form, connected or associated with

Defendant in connection with the sale of infringing goods under the Patent-in-Suit; and

c. disable all links to the marketplace accounts identified on Schedule A from displaying

in search results, including from any search index; and

7. any and all other relief that this Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff, under Rule 38 of the Federal Rules of Civil Procedure, requests a trial by jury of any issues so triable by right.

DATED October 23, 2024

Respectfully submitted,

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ATTORNEY FOR PLAINTIFF