

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

**TAIZHOU KUNHAI PLASTIC INDUSTRY )  
CO., LTD. )**

Plaintiff, )

**CASE NUMBER: 1:24-CV-9778**

v. )

**THE INDIVIDUALS AND ENTITIES )  
IDENTIFIED ON SCHEDULE A TO )  
THE COMPLAINT )**

**PUBLIC VERSION**

Defendants. )

**COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff Taizhou Kunhai Plastic Industry Co., Ltd. (“Plaintiff”), by and through its undersigned counsel, hereby files this Complaint for design patent infringement against the individuals and entities identified on **Schedule A** attached hereto (each a “Defendant” and collectively “Defendants”). In support hereof, Plaintiff states as follows:

**BACKGROUND AND THE PARTIES**

1. Plaintiff is a limited company formed under the laws of the People’s Republic of China with a registered address of Chengjiang Slice, West Industrial Park, Chengjiang Street, Huangyan District, Taizhou, Zhejiang, China 318020.
2. Plaintiff is the applicant, assignee and record owner of [REDACTED] (the “Patent-in-Suit”) and has spent substantial time, money, and resources in the research, development, procurement and maintenance of the Patent-in-Suit.
3. The Patent-in-Suit teaches and protects certain innovative [REDACTED] designs. A true and correct copy of the Patent-in-Suit is attached as **Exhibit 1**.

4. Plaintiff has invested substantial time, money, and resources in the making, distributing, marketing and selling, in this judicial district and throughout the United States including via its online stores and other sales channels, various products embodying the inventions protected by the Patent-in-Suit (“Patented Products”).
5. The Patent-in-Suit, entitled “[REDACTED],” was duly and legally issued by the United States Patent and Trademark Office on [REDACTED].
6. The Patent-in-Suit is issued from U.S. Application No. [REDACTED], which was filed on [REDACTED] and claims priority to [REDACTED].
7. Upon information and belief, Defendants are individuals and business entities residing in foreign jurisdictions who conduct business throughout the United States, including within the State of Illinois and this judicial district, through the operation of their fully interactive, commercial Internet stores operating under the online marketplace accounts identified in **Schedule A** (collectively, the “Defendant Internet Stores”).
8. Upon information and belief, Defendants have the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b).

#### **DEFENDANTS’ INFRINGING ACTIVITIES**

9. Plaintiff has filed this lawsuit against Defendants to enjoin online patent infringers who trade upon Plaintiff’s valuable patent rights by making, using, distributing, offering to sell, selling and importing unauthorized goods that incorporate and infringe the Patent-in-Suit.
10. Upon information and belief, each of Defendants makes, sells, offers to sell, imports and has imported and sold in the United States unauthorized and unlicensed products identified in **Exhibit 2** that infringe the Patent-in-Suit (the “Infringing Products”).

11. Upon information and belief, Defendants also receive or purchase their Infringing Products from one or more shared manufacturers in China.
12. Defendants' Infringing Products directly compete with Plaintiff's Patented Products in the online market.
13. Upon information and belief, Defendants produce and/or procure their Infringing Products from foreign jurisdictions including China and ship the Infringing Products from such foreign jurisdictions either (1) to fulfillment centers within the United States for redistribution to end customers in the United States, including the State of Illinois and this judicial district, and/or (2) directly to end customers in the United States, including the State of Illinois and this judicial district.
14. Each Defendant targets the United States, including Illinois, and has offered to sell, stand willing and ready to sell and ship, and, upon information and belief, has sold and shipped and continues to sell and ship Infringing Products to consumers within the United States, including the State of Illinois and this judicial district.
15. Upon information and belief, Defendants are an interrelated group of infringers working in active concert to knowingly and willfully make, use, offer for sale, sell, and/or import into the United States, including the State of Illinois and this judicial district, Infringing Products in the same transaction, occurrence, or series of transactions or occurrences.
16. For example, based on sample products obtained by Plaintiff as well as Defendants' online listings of Infringing Products, the Infringing Products share the same or substantially similar designs and are often marked as coming from the same manufacturer in China. Defendants' online listings of Infringing Products also share the same or substantially similar webpage and marketing designs, including the same or substantially similar promotional pictures.

17. Upon information and belief, Defendants engage in activities to conceal their identities and often use multiple fictitious names and addresses to register and operate their network of Defendant Internet Stores.
18. Upon information and belief, Defendants regularly create new online marketplace accounts on various e-commerce platforms, as well as other unknown fictitious names and addresses. Such Defendant Internet Store registration patterns are one of many common tactics used by Defendants to conceal their identities and the full scope and interworking of their operation in order to avoid being shut down.
19. Upon information and belief, Defendants also often register new online marketplace accounts under new aliases once they receive notice of a lawsuit.
20. Upon information and belief, Defendants are likely to transfer or conceal their assets to avoid payment of any monetary judgment awarded to Plaintiff to preserve their illegal financial gains from their infringement.
21. Upon information and belief, Defendants' payment and financial accounts are being used to accept, receive, and deposit profits from Defendants' infringing activities connected to Defendant Internet Stores and other sales channels controlled by them for distributing the Infringing Products.
22. Upon information and belief, Defendants maintain off-shore bank accounts and regularly move funds from their Defendant Internet Stores or other financial accounts to the off-shore bank accounts outside the jurisdiction of this Court.
23. Upon information and belief, Defendants regularly move funds from their U.S.-based accounts connected to the Defendant Internet Stores to their off-shore bank accounts.

24. Plaintiff has not granted a license or any other form of permission to Defendants with respect to the Patent-in-Suit.

### **JURISDICTION AND VENUE**

25. This is a civil action for patent infringement of the Patent-in-Suit arising under the United States Patent Laws, Title 35, United States Code, § 1, et seq., including 35 U.S.C. § 271, 281, 284-85, 289. This Court has subject matter jurisdiction of the action under 28 U.S.C. § 1331 and § 1338(a).

26. This Court has personal jurisdiction over Defendants pursuant to due process and/or the Illinois Long-Arm Statute at least because, upon information and belief, (1) each of Defendants have minimum contacts within the State of Illinois and this judicial district, (2) each of Defendants have purposefully availed themselves of the privileges of conducting business in the State of Illinois and this judicial district and has derived substantial revenue from such activities, including by committing and continuing to commit acts of patent infringement in the State of Illinois and this judicial district by offering to sell and/or selling accused products in Illinois, and/or importing accused products into the State of Illinois, such as through Internet sales on e-commerce platforms and other online channels, inducing others to commit acts of patent infringement in the State of Illinois, and/or committing a least a portion of any other infringements alleged herein, and (3) each of Defendants directly targets their sales and other business activities toward residents in Illinois and this judicial district (and consumers in the United States), by operating Defendant Internet Stores that stand willing and ready to ship Infringing Products to the State of Illinois and this judicial district, accept payment in U.S. dollars, and have sold and shipped Infringing Products to the residents of Illinois and this judicial district.

27. In the alternative, Defendants are subject to this Court's specific personal jurisdiction consistent with the principles of due process and the Federal Long-Arm Statute of Fed. R. Civ. P. 4(k)(2) because: (1) they have substantial contacts with the United States and directly committed, induced and/or knowingly contributed to acts of patent infringement in the United States; and (2) they are not subject to jurisdiction in any state's courts of general jurisdiction.
28. Venue is proper in this judicial district over Defendants under 28 U.S.C. §§ 1391 and 1400(b) because they are either entities organized under the laws of a foreign jurisdiction or individuals residing in a foreign jurisdiction, thus may be sued in any judicial district in the United States. *See In re HTC Corp.*, 889 F.3d 1349, 1351 (Fed. Cir. 2018).
29. Joinder in this matter is proper under 35 U.S.C. § 299(a) as the Defendants are all making, selling, offering for sale and importing the same or substantially similar Infringing Products and this case will involve common questions of fact to all Defendants. Furthermore, Defendant Internet Stores share unique identifiers, such as using the same or substantially similar product images, same advertising, design elements and similarities of the Infringing Products offered for sale, establishing a logical relationship between them and suggesting that Defendants' operation arises out of the same transaction, occurrence, or series of transactions or occurrences.

#### **COUNT I: PATENT INFRINGEMENT**

30. Plaintiff incorporates by reference each of the paragraphs above as if fully stated herein.
31. The Patent-in-Suit is valid, enforceable, unrevoked and uncanceled.
32. Defendants have and are continuing to directly infringe the Patent-in-Suit, within the meaning of 35 U.S.C. § 271(a) either literally or under the doctrine of equivalents, by

making, having made, using, selling, offering for sale Infringing Products in the United States and Illinois and importing Infringing Products into the United States and Illinois, without license or authorization from Plaintiff, including via sales made through the Defendant Internet Stores.

33. As non-limiting examples, Defendants have infringed the Patent-in-Suit by making, having made, using, selling, offering for sale, and/or importing into the United States and Illinois the Infringing Products identified in **Exhibit 2**.
34. Defendants infringe upon the Patent-in-Suit because, as shown in **Exhibit 2**, an ordinary observer, giving the attention a purchaser would give, would believe the Infringing Products are identical to, or at least substantially the same as, the innovative design protected by the Patent-in-Suit shown in **Exhibit 1** such that the ordinary observer would be induced to purchase the Infringing Products supposing it to be Plaintiff's.
35. Additionally, Defendants have and continue to induce infringement of the Patent-in-Suit. Defendants have actively encouraged and/or induced their end-users and customers, to directly infringe (literally and/or under the doctrine of equivalents) the Patent-in-Suit by using the Infringing Products.
36. Upon information and belief, Defendants have taken active steps, directly and/or through contractual relationships with others, with the specific intent to cause them to use the Infringing Products in a manner that infringes the Patent-in-Suit. Such steps by Defendants include, among other things, advising or directing customers and end-users to use the Infringing Products in an infringing manner; advertising and promoting the use of the Infringing Products in an infringing manner; and/or displaying and distributing marketing

materials and product brochures, specifications, tutorial videos, manuals and/or instructions that guide users to use the Infringing Products in an infringing manner.

37. Upon information and belief, Defendants know their Infringing Products are specifically made or adapted for use in an infringing manner. Defendants are engaging such activities, which constitute induced infringement with the knowledge of the Patent-in-Suit and with the knowledge that the induced acts constitute infringement. Defendants are aware that the normal and customary use of the Infringing Products by Defendants' customers and end-users would infringe the Patent-in-Suit.
38. Plaintiff has satisfied the notice requirement of 35 U.S.C. § 287, including by applying virtual patent marking on its online store.
39. At all times relevant hereto, Defendants knew or should have known of Plaintiffs' exclusive rights in the Patent-in-Suit.
40. Defendants have knowledge of the Patent-in-Suit at least as of the date when they are notified of the filing of this action.
41. Upon information and belief, Defendants have knowledge of the Patent-in-Suit prior to the filing of this complaint, at least via the patent markings on the online listings of Plaintiff's Patented Products.
42. Upon information and belief, Defendants have reviewed and analyzed the Patent-in-Suit in connection with their Infringing Products.
43. Upon information and belief, Defendants have extensive knowledge of Plaintiff's Patented Products because Defendants' Infringing Products are directly competing with Plaintiff's Patented Products in the same online market.

44. Upon information and belief, Defendants' direct and indirect infringement of the Patent-in-Suit has been and is continuing to be willful, intentional, deliberate, and/or in conscious disregard of Plaintiff's rights under the Patent-in-Suit, entitling Plaintiff to recover, among other things, treble damages under 35 U.S.C. § 284, and attorney's fees and costs under 35 U.S.C. § 285.
45. As a direct and proximate result of Defendants' infringement, Plaintiff has suffered monetary and other damages in an amount to be determined at trial.
46. As a direct and proximate result of Defendants' infringement, Plaintiff has suffered irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering for sale, and importing the patented inventions as well as price erosion, lost sales, loss of repeat sales, loss of sales of accessories and reputational loss stemming from the Defendants' infringing acts.
47. For example, the Infringing Products at issue are durable in nature and are designed to stay in service for an extended period of time without needing replacement, thus the extensive sales of the Infringing Products in the United States have caused and continue to cause long term and irreparable market harm to Plaintiff, which includes but is not limited to lost sales of the Patented Products and lost sales of accessories commonly sold and used with the Patented Products.
48. As another example, various Infringing Products have generated unfavorable online reviews as shown in **Exhibit 2**, which cause damage to the reputation of Plaintiff's innovative product design protected by the Patent-in-Suit and also Plaintiff's reputation as an innovator.
49. Plaintiff has no adequate remedy at law and are entitled to injunctive relief pursuant to 35 U.S.C. § 283. Unless Defendants are preliminarily and permanently enjoined by this Court

from continuing their infringement of the Patent-in-Suit, Plaintiff will continue to suffer additional irreparable harm, including loss of market share, lost sales, loss of repeat sales, lost sales of accessories to the Patented Products, price erosion, reputational damage and erosion of patent rights.

### **PRAYER FOR RELIEF**

Plaintiff requests that the Court find in its favor and against Defendants, and that the Court grant Plaintiff the following relief:

- 1) Entry of judgment that the Patent-in-Suit has been and is continuing to be infringed, either literally and/or under the doctrine of equivalents, by Defendants and/or anyone acting for, with, by, through, under, or in active concert with them;
- 2) Award Plaintiff damages in an amount adequate to compensate Plaintiff for Defendants' infringement of the Patent-in-Suit, including lost profits, and in no event less than a reasonable royalty, pursuant to 35 U.S.C. § 284;
- 3) Award Plaintiff complete accounting of Defendants' total profits from Defendants' infringement of the Patent-in-Suit, pursuant to 35 U.S.C. § 289;
- 4) Declare that Defendants' infringement has been willful and award Plaintiff treble damages, pursuant to 35 U.S.C. § 284;
- 5) Declare this case to be "exceptional" under 35 U.S.C. § 285 and award Plaintiff its attorneys' fees, expenses, and costs incurred in this action;
- 6) Entry of an order that Defendants, their officers, agents, servants, employees, attorneys, divisions, branches, affiliates, subsidiaries, parents, their successors in interest and assignees and all other entities and individuals acting for, with, by, through, under, or in

active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:

- a. making, having made, using, offering for sale, selling and/or importing into the United States any products that apply or embody the patented design in the Patent-in-Suit, or any colorable imitation thereof; and
  - b. aiding, abetting, contributing to, inducing or otherwise assisting anyone in making, having made, using, offering for sale, selling and/or importing into the United States any products that apply or embody the patented design in the Patent-in-Suit, or any colorable imitation thereof; and
  - c. effecting assignments or transfers of online stores and funds, forming new entities or associations or utilizing any other device for the purpose of circumventing or otherwise avoiding the prohibitions set forth in Subparagraphs (a) and (b) above.
- 7) Entry of an order that, upon Plaintiff's request, those in privity with Defendants and those with notice of the injunction, including, without limitation, any online marketplace platforms (such as [REDACTED]), web hosts, sponsored search engine or ad-word providers, credit cards, banks, merchant account providers, third party processors and other payment processing service providers, Internet search engines such as Google, Bing and Yahoo (collectively, the "Third Party Providers") shall:
- a. disable and cease providing services being used by Defendants, currently or in the future, to engage in the sale of any Infringing Products; and
  - b. disable any advertisements used by or associated with Defendants in connection with the sale of any Infringing Products.

- 8) Award Plaintiff pre-judgment and post-judgment interest to the fullest extent allowable by law on the damages caused by Defendants' infringing activities and other conduct complained of herein; and
- 9) Such other and further relief as the Court may deem just and proper under the circumstances.

Dated: October 31, 2024

Respectfully submitted,

/s/ Zheng Gong

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***Counsel for Plaintiff***

**ATTACHMENT LIST**

- Schedule A List of Defendants
- Exhibit 1 [REDACTED]
- Exhibit 2 List of Infringing Products

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**SCHEDULE A – SEALED DOCUMENT**

This document is being filed separately under seal with a motion for leave to file documents under seal, and will remain under seal until further order of this court.

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Defendants. )

**EXHIBIT 1 – SEALED DOCUMENT**

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**EXHIBIT 2 – SEALED DOCUMENT**

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