#### IN THE UNITED STATE DISTRICT COURT

#### FOR THE NORTHERN DISTRICT OF ILLINOIS

#### **EASTERN DIVISION**

SHENZHEN DONGHONGZE TRADING CO., LTD.; SHENZHENSHIPENGLINGZHICHUANGKEJI YOUXIANGONGSI; SHEN ZHEN SHI JIA CAI LI KE JI YOU XIAN GONG SI; SHENZHENSHIWEIDONGZHIXINKEJIYOUX IANGONGSI; **SHENZHENSHILAIBOKEJIYOUXIANGONGS** SHEN ZHEN SHI TAI SEN AO KE JI YOU **XIAN GONG SI;** SHENZHENSHIMAOHONGSHENGKEJIYOUX **IANGONGSI**; DONGGUANSHIGUANGLIYINGDIANZIKEJI YOUXIANGONGSI; ZHAOTONGQIANHENGSHANGMAOYOUXIA **NGONGSI**; TRIPLE A INTERNATIONAL TRADING INC; Rongbang Enterprise USA INC; and **R&T BROTHERS LLC** 

Civil Action No.: 23cv14922

Plaintiffs,

v.

**XEBEC, INC.** 

Defendant.

## **COMPLAINT FOR DECLARATORY JUDGMENT OF NON-INFRINGEMENT**

Plaintiffs SHENZHEN DONGHONGZE TRADING CO., LTD.;

SHENZHENSHIPENGLINGZHICHUANGKEJIYOUXIANGONGSI; SHEN ZHEN SHI JIA CAI LI KE JI YOU XIAN GONG SI;

SHENZHENSHIWEIDONGZHIXINKEJIYOUXIANGONGSI;

SHENZHENSHILAIBOKEJIYOUXIANGONGSI; SHEN ZHEN SHI TAI SEN AO KE JI YOU XIAN GONG SI;

SHENZHENSHIMAOHONGSHENGKEJIYOUXIANGONGSI;

DONGGUANSHIGUANGLIYINGDIANZIKEJIYOUXIANGONGSI;

ZHAOTONGQIANHENGSHANGMAOYOUXIANGONGSI; TRIPLE A

INTERNATIONAL TRADING INC; Rongbang Enterprise USA INC; and R&T BROTHERS LLC (collectively "Plaintiffs") seek a declaratory judgment that Plaintiffs' products do not infringe Defendant Xebec, Inc.'s ("Xebec") U.S. Patent No. 9,395,757 (the '757 Patent).

## **NATURE OF THE ACTION**

1. This is an action for Declaratory Judgment of non-infringement under the Declaratory Judgment Act, 28 U.S.C. § 2201 et seq., and United States Patent Laws, 35 U.S.C. §1 et seq.

#### **PARTIES**

Plaintiff SHENZHEN DONGHONGZE TRADING CO., LTD.
 ("Donghongze") is a company organized and existing under the laws of the People's

Republic of China. Donghongze sells on Amazon under the seller name "CIDETTY Electronics" with the seller ID "A1H6O1WIK4G7U7".

#### 3. Plaintiff

#### SHENZHENSHIPENGLINGZHICHUANGKEJIYOUXIANGONGSI

("PENGLINGZHICHUANG") is a company organized and existing under the laws of the People's Republic of China. PENGLINGZHICHUANG sells on Amazon under the seller name "FICIHP" with the seller ID "A2QHBY23WKIJFI".

- 4. Plaintiff Shen Zhen Shi Jia Cai Li Ke Ji You Xian Gong Si ("Shi Jia Cai Li") is a company organized and existing under the laws of the People's Republic of China. Shi Jia Cai Li sells on Amazon under the seller name "KasoreyUS" with the seller ID "A37YGMD5GVDTJ7".
- 5. Plaintiff shenzhenshiweidongzhixinkejiyouxiangongsi ("weidongzhixin") is a company organized and existing under the laws of the People's Republic of China. Weidongzhixin sells on Amazon under the seller name "WESTHOD US" with the seller ID "A34W3FKE41Q7T6".
- 6. Plaintiff shenzhenshilaibokejiyouxiangongsi ("laibokeji") is a company organized and existing under the laws of the People's Republic of China. Laibokeji sells on Amazon under the seller name "LAIBO US" with the seller ID "A1HE3H7YCXTTQC".
- 7. Plaintiff shen zhen shi tai sen ao ke ji you xian gong si ("tai sen ao") is a company organized and existing under the laws of the People's Republic of China. Tai sen ao sells on Amazon under the seller name "TAISENAO-US" with the seller ID "A329F627Y2ZKIM".

- 8. Plaintiff shenzhenshimaohongshengkejiyouxiangongsi ("maohongsheng") is a company organized and existing under the laws of the People's Republic of China. Maohongsheng sells on Amazon under the seller name "Maohongsheng-US" with the seller ID "A6HNH5MEZPXAA".
- 9. Plaintiff dongguanshiguangliyingdianzikejiyouxiangongsi ("guangliying") is a company organized and existing under the laws of the People's Republic of China. Guangliying sells on Amazon under the seller name "KEFEYA US OFFICIAL" with the seller ID "AAGY69TCAKMLK".
- 10. Plaintiff zhaotongqianhengshangmaoyouxiangongsi ("zhaotongqianheng") is a company organized and existing under the laws of the People's Republic of China. Zhaotongqianheng sells on Amazon under the seller name "zhaotongqianhengshangmaoyouxiangongsi" with the seller ID "A1SDREI4SDVD5P".
- 11. Plaintiff Triple A International Trading INC ("Triple A") is a company organized and existing under the laws of the state of California. Triple A sells on Amazon under the seller name "US-Alecewey" with the seller ID "AK0TMQMYI0VAM".
- 12. Plaintiff Rongbang Enterprise USA INC ("Rongbang") is a company organized and existing under the laws of the state of California. Rongbang sells on Amazon under the seller name "BQAA US store" with the seller ID "A3ZB0VPFL7KAX".
- 13. Plaintiff R&T BROTHERS LLC ("R&T") is a company organized and existing under the laws of the state of California. R&T sells on Amazon under the seller name "BCopGain Store-US" with the seller ID "A1CTJUZMXXT9PE".

## **JURISDICTION AND VENUE**

- 14. This Court has original jurisdiction over the subject matter of this action against Xebec pursuant to 28 U.S.C. §§1331, 1338(a) because it arises under the Patent Laws of the United States, 35 U.S.C. §§ 101 et. seq. Jurisdiction over the subject matter of this action is further provided under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.
- 15. This Court also has original jurisdiction over the subject matter of this action against Xebec pursuant to 28 U.S.C. § 1332 (a) & (b). Plaintiffs are citizens of the People's Republic of China and the state of California. Defendant Xebec is a citizen of the state of Texas. The matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs.
- 16. Personal jurisdiction and venue exist in this Court over Xebec pursuant to 35 U.S.C. § 293 because Xebec has obtained rights in a United States Patent and enforcement of the U.S. patent rights by Xebec affected or will affect plaintiffs' business in the state of Illinois within the jurisdiction of the Court.

### <u>U.S. PATENT NO. 9,395,757</u>

- 17. The '757 patent is entitled Auxiliary Screen Mounting System. A true copy of the originally issued patent is attached here as Exhibit A.
- 18. The '757 patent was subject to an *ex parte* reexamination (No. 90/019,126) and, as a result of the reexamination, the '757 patent now includes three independent claims and 23 dependent claims. A true copy of the Certificate of Reexamination is attached here at Exhibit B.

#### PLAINTIFFS AND THE ACCUSED PRODUCTS

- 19. Each Plaintiff is an e-commerce company, i.e., an online retailer. The majority of each Plaintiff's products are sold and distributed around the world, often through the respective national Amazon platforms. Xebec asserted infringement of the '757 patent of three product types provided by the respective plaintiffs.
- 20. The Amazon Marketplace is Plaintiffs' primary sales channel into the United States. Amazon sales comprise the large majority of Plaintiffs' sales and over 90% of Plaintiffs' sales are to the United States.

#### XEBEC, INC.

- 21. Xebec operates the website thexebec.com selling display devices, e.g., portable computer screens.
- 22. On information and belief, on or about January 7, 2022, Xebec acquired all rights, title, and interest in the '757 Patent from the original owner Dovetail Technology LTD. According to the '757 Patent Assignment, Xebec received "the right to seek and collect past damages." The Assignment is attached here as Exhibit C.

## FACTUAL BACKGROUND

23. Over the past twenty years, online retailing has revolutionized how companies reach American consumers. Electronic marketplaces combined with dramatically increased transport speed and improved logistics networks allow even relatively small companies to compete across thousands of miles. These developments have generally increased competition and lowered prices.

- 24. Nine out of ten American consumers use Amazon to price check products they find elsewhere, and roughly 95 million people have Amazon Prime memberships in the United States facing the considerable challenges of managing this sprawling hive of commercial activity. Amazon, Inc. established intellectual property complaint and enforcement systems for Amazon.com primarily designed to protect itself from liability for contributing to infringement. Means that Amazon, Inc. provides, among others, include filing an Amazon Complaint by using its "Amazon's Report Infringement Form," and a patent infringement reporting procedure and an abbreviated, binding pseudoarbitration known as the Amazon Patent Evaluation Express ("APEX") process (sometimes referred to as Amazon Utility Patent Neutral Evaluation). If the patent owner initiates an APEX proceeding, the Seller may choose not to participate, but that refusal means Amazon will remove ("de-list") the accused product listings from the Amazon Marketplace.
- 25. Xebec initiated an APEX process on September 25, 2023 asserting claim 1 of the '757 Patent and, as of the date of this Complaint, Xebec has not withdrawn the request for APEX process.
- 26. Plaintiffs' accused products will be de-listed if the result of the APEX process indicates infringement on the '757 patent. See Declarations of the Plaintiffs as Exhibit D.

# **COUNT I: NON-INFRINGEMENT OF THE '757 PATENT**

27. Plaintiff incorporates by reference the preceding paragraphs as though fully set forth herein.

- 28. Claim 1 of '757 patent requires multiple limitations. For example, claim 1 requires "a plurality of mounting members arranged to be **disposed on** opposing lateral sides of the computing device in use."
- 29. At least one of the required multiple limitations is not included in Plaintiffs' accused products.
- 30. In light of the above, a substantial, immediate, real, and justiciable controversy exists between Plaintiffs and Defendant regarding whether Plaintiffs' products infringe claim 1 of the '757 patent.
- 31. Plaintiffs seek a judgment declaring that claim 1 of the '757 patent is not infringed by Plaintiffs' products.

## **DEMAND FOR JURY TRIAL**

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

## **PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs respectfully request that this Court enter judgment as follows:

- A. Declaring that claim 1 of the '757 patent is not infringed by Plaintiffs' products;
- B. Permanently enjoin Defendant, its successors and assigns, and anyone acting in concert therewith or on their behalf, from attempting to enforce the '757 patent against Plaintiffs, or any parents, affiliates, or subsidiaries of Plaintiffs, as well as their respective officers, agents, employees, successors, and assigns;

- C. Entering preliminary and permanent injunctions ordering Xebec to withdraw its APEX request against Plaintiffs dated September 25, 2023 and to make no further complaints of infringement to Amazon against Plaintiffs' Accused Products based on the '757 patent while this litigation is pending;
- D. A declaration that this case is exceptional and an award to Plaintiffs of their costs,
   expenses, and reasonable attorney fees incurred in this action pursuant to 35
   U.S.C § 285; and
- E. Such further and additional relief as the 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 15, 2023

Respectfully submitted,

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