# UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF ILLINOIS

Shenzhen Jinshui Technology Co., Ltd.,

Plaintiff,

V.

Gauanming Huang,

Defendant.

Case No.: 24-cv-2149

COMPLAINT FOR DECLARATORY JUDGMENT

JURY TRIAL DEMANDED

# **COMPLAINT FOR DECLARATORY JUDGMENT**

Plaintiff, Shenzhen Jinshui Technology Co.,Ltd. ("Plaintiff") files this Complaint for declaratory judgment against Defendant, Guanming Huang ("Defendant").

# **NATURE OF THE ACTION**

1. This is an action for a declaratory judgment that U.S. Patent D993,732 ("the '732 patent," attached hereto as Exhibit A to Bing Luo's Declaration) is invalid.

## PARTIES

- Plaintiff is a corporation organized with the principal place of business at Room 702, District 71, Xingdong Community, Xin'an Street, Bao'an District, Shenzhen, Guangdong, China.
- Upon information and belief, Defendant is an individual and resides in China. Defendant listed as the mailing address of inventor with the United States Patent and Trademark Office ("USPTO") an address of Daqiu Corner, Shaping Village, Guangde Town, Dapu County, Guangdong Province, China.
- 4. Upon information and belief, Defendant is the sole inventor and owner of '732 Patent. In the absence of a valid assignment by Defendant, as the individual listed as the inventor on the

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'732 patent, Defendant is presumed to be the owner of all right, title, and interest in and to the '732 patent.

#### JURISDICTION AND VENUE

- 5. This action arises under 35 U.S.C. § 101 et seq., 28 U.S.C. §§ 2201 and 2202.
- This Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331 (federal question) and 1338(a) (patents).
- 7. An immediate, real, and justiciable controversy exists between Plaintiff and Defendant as to whether the '732 Patent is valid. Defendant, by its complaint to Amazon, has asserted that Plaintiff has infringed and is infringing the '732 patent. Plaintiff asserts the '732 patent is invalid. Because this action presents an actual controversy with respect to the validity of the '732 Patent, this Court may grant the declaratory relief sought pursuant to 28 U.S.C. §§ 2201 and 2202.
- Absent a declaration of invalidity, Defendant will wrongfully assert and continue to wrongfully assert the '732 patent against Plaintiff, and thereby cause Plaintiff irreparable harm.
- 9. Personal jurisdiction over Defendant is proper in this judicial district because, on information and belief, Defendant has sufficient contacts with this judicial district and/or regularly conducts business within this judicial district. On information and belief, Defendant directly and/or through its agents distribute, offer for sale, sell and/or advertise its products within the State of Illinois.
- 10. Personal jurisdiction over Defendant is also proper in this judicial district under Fed. R. Civ.
  P. 4(k)(2) because for a claim that arises under federal law, serving a summons 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

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United States Constitution and laws. Where a non-resident defendant does not have "minimum contacts" with any individual state sufficient to support exercise of jurisdiction but does have sufficient contacts with the United States as a whole, federal claims will have a U.S. forum if sufficient national contacts exist. That Defendant obtained a U.S. patent suffices to establish minimum contacts with the United States. Defendant also enforced the '732 patent by sending a notice of infringement to Amazon.com, a U.S. company, relating to Plaintiff's product listings. This case arises directly out of these contacts.

11. Venue in this judicial district is proper pursuant to 28 U.S.C. §§ 1391(b)(3) because
Defendant is subject to this Court's personal jurisdiction. Venue is also proper under 28
U.S.C. § 1391(c)(3) because a defendant that does not reside in the United States may be sued in any judicial district.

#### **DEFENDANT'S ALLEGATIONS OF PATENT INFRINGEMENT**

- On February 10, 2024, Amazon informed Plaintiff that it had removed the Plaintiff's listings with ASIN B0BF4ZGF51, B0BYJRYPFC, B0C2Q2568S B0C2Q3S6HW, B0C2Q1468J, B0BF516GTK, and B0C2Q184VH. For convenience, all the listings removed are referred to here as the "Accused Products".
- 13. Amazon indicated that it had removed the Accused Products based on a report by Defendant, through his attorney Haoyi Chen, alleging that the Accused Product infringed the '732 patent. Mr. Chen wrote to Amazon.com: "Dear Sir or Madam, Authorized by, and on behalf of, the patentee of the US design patent No. D993732S ("the '732 Patent"), I am writing to inform you that we believe that certain wrap dispenser products listed on Amazon.com infringe the '732 Patent because each of their design is EXACTLY IDENTICAL to the patented design of the '732 Patent, and therefore demand Amazon.com takes immediate action to cease and desist listing those products."

- 14. On February 21, 2024, Plaintiff spoke with Defendant by telephone. Defendant asserted that the prior art products on Amazon.com were from authorized resellers of the Defendant's Chinese supplier. According to Defendant, the Defendant's Chinese supplier allegedly owns Chinese design and utility patents corresponding to the '732 patent. Defendant asserted that he was authorized by the Chinese supplier/patentee to obtain the '732 patent.
- 15. The '732 patent does not claim priority to any earlier patent application, United States or foreign.
- 16. Defendant indicated he would withdraw its infringement report with Amazon.com if Plaintiff would agree to sell his full inventory within six months and price his products no lower than 10% of the Defendant's prices.
- 17. Plaintiff agreed to consider Defendant's proposal because Plaintiff is under pressure to secure and expedite the withdrawal of the infringement report.
- On, or about, February 23, 2024, Defendant submitted to Plaintiff a draft agreement (titled "Promise Letter") for consideration.
- Under the draft Promise Letter, Plaintiff had to promise "to remove this product [covered by the '732 patent] from sale by" August 23, 2024, "regardless of whether all inventory is sold" by that date. Plaintiff would promise to "no longer sell this ASIN: B0BF516GTK, B0C2Q184VH, B0BF4ZGF51, B0C2Q2568S, B0C2Q3S6HW, B0BYJRYPFC, B0C2Q1468J."
- 20. Under the draft Promise Letter, Plaintiff had to "promise that the normal pricing for selling this product is: single pack selling price \$19.99 USD; two pack selling price \$32.99 USD; four pack selling price \$59.99 USD, and promotional prices do not exceed 10% of this price."

- 21. Under the draft Promise Letter, Plaintiff had to promise to "not to sell the same patented products [covered by the '732 patent]."
- 22. Under the draft Promise Letter, Plaintiff would agree that if "we violate the regulations by 2024.08.23, we will accept all relevant legal responsibilities from your side (the rights owner) and bear the related expenses incurred in the pursuit of responsibilities."
- 23. Plaintiff declined to execute the Promise Letter and make it into a binding, legal contract.
- 24. Continuing to this date, and at all material times, Defendant has refused to withdraw its report of infringement with Amazon.com.
- 25. Defendant maintains that the '732 patent is valid, and Defendant asserts he will enforce his patent rights under the '732 patent to keep the Accused Products off Amazon.com in the future. Plaintiff maintains their sales of the Accused Products do not infringe the '732 patent because the '732 patent is invalid.

#### <u>COUNT I</u>

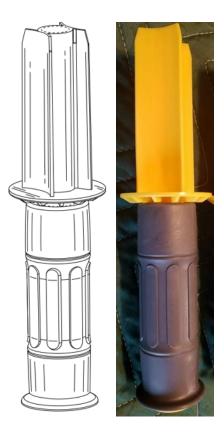
#### **DECLARATORY JUDGMENT THAT THE '732 PATENT IS INVALID**

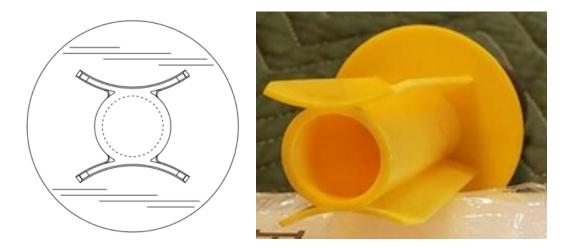
- 26. Plaintiff repeats and re-alleges the allegations of paragraphs 1 through 25 herein as if fully set forth.
- 27. The '732 patent has a single claim to the ornamental design for a wrappage dispenser tool, as shown and described in the '732 patent. The '732 patent has a priority date of October 28, 2022, which makes October 28, 2021, as the critical date for prior art invalidating the '732 patent.
- 28. On information and belief, Defendant Guanming Huang is the sole inventor, applicant, and owner of the '732 patent. The '732 patent has not been assigned to any other party.
- 29. On information and belief, wrappage dispenser tools exhibiting the same features as those claimed by the '732 patent were on sale, sold, or described in one or more printed

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publications prior to the priority date of the '732 patent rendering the '732 patent invalid under one or more of 35 U.S.C. §102, 103.

- 30. The '732 is invalid for anticipation under 35 U.S.C. § 102 in view of the following prior art reference published on December 21, 2019, a copy of which is attached as Exhibit E annexed to Bing Luo's Declaration: Amazon product review showing **identical product** covered by the '732 patent. By mere visual inspection it can be concluded that the prior art reference of Exhibit E discloses the design of the '732 patent.
- 31. Below is a side-by-side comparison of the patent design of the '732 patent and the prior art product sold on Amazon approximately 22 months before the critical date.





- 32. The '732 patent is invalid for obviousness under 35 U.S.C. § 103 in view of the prior art references of Exhibits E and F. Exhibit F annexed to Bing Luo's Declaration is a prior art reference published on January 13, 2021 (about 9 months before the critical date) showing a product covered by the '732 patent. A combination of the prior art references of Exhibits E and F disclose the claimed design of the '732 patent such that an ordinary observer, familiar with the prior art, would believe that the accused design is the same as the patented design.
- 33. Additionally, or in the alternative, the '732 patent is invalid under 35 U.S.C. §171 because the design of the alleged invention is primarily functional rather than ornamental.
- 34. Additionally, or in the alternative, the '732 patent is invalid for inequitable conduct in the prosecution the '732 patent at the USPTO. With knowledge that his Chinese supplier had obtained a Chinese design patent and a Chinese utility patent on the same subject matter as Defendant's application that matured into the '732 patent (Exhibit G attached to Luo Bing's Declaration), Defendant did not disclose these prior art references to the USPTO. The '732 patent shows that the Examiner considered only United States references, some of which were disclosed by Defendant.
- 35. Additionally, or in the alternative, the '732 patent is invalid because Mr. Huang is not the original inventor of the design claimed in the '732 patent. Even if Mr. Huang had authority

from his Chinese supplier to apply for the application that matured in the '732 patent, Mr.

Huang was not the original inventor of the patented design.

36. Therefore, Plaintiff is entitled to a declaratory judgment that the '732 Patent is invalid.

# DEMAND FOR TRIAL BY JURY

Plaintiff demands a trial by jury on all issues that are so triable.

## PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that this Court grant the following relief:

A. A declaratory judgment that the '732 patent is invalid;

B. Costs and reasonable attorneys' fees relating to this action pursuant to 35 U.S.C. § 285;

C. An order that Defendant, and all those acting in concert or participation with Defendant,

be permanently enjoined from contacting third-parties to remove Plaintiff's products as

infringing the '732 patent;

D. Such other and further relief as the Court may deem just and proper.

Dated: Queens, New York March 12, 2024 Respectfully submitted,

# J. Zhang and Associates, P.C. *Attorney for Plaintiff*

/s/ Jiyuan Zhang

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