

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

Dongguan Saien Chuangke Technology Co.,  
Ltd.,

*Plaintiff,*

v.

Shenzhen Huamingjun Rubber Co. Ltd.,

*Defendants.*

**CASE NO.** 24-cv-02943

**Judge:**

**Magistrate Judge:**

**COMPLAINT FOR DECLARATORY JUDGMENT**

Plaintiff Dongguan Saien Chuangke Technology Co., Ltd (“Saien” or “Plaintiff”), for its Complaint against Defendant Shenzhen Huamingjun Rubber Co., Ltd, hereby alleges as follows:

**NATURE OF THE ACTION**

1. This is an action for declaratory judgment that one United States patent is not enforceable and invalid pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201-02, and the Patent Laws of the United States, 35 U.S.C. § 100 *et seq.*, and for such other relief as the Court deems just and proper.

**THE PARTIES**

2. Plaintiff Dongguan Saien Chuangke Technology Co., Ltd is a limited liability company organized and existing under the laws of the People’s Republic of China, having its principal place of business at Rm301, Building No.1, No. 33, Jianshe Road, Xiabian, Houjie Town, Dongguan City, Guangdong Province, China. Plaintiff does business in this District through on-line marketplace such as Amazon.

3. Defendant is a limited liability company organized and existing under the laws of People's Republic of China, having its principal place of business at 301, No. 1, Lianyu Lane, Xiuxin Community, Kengzi Street, Pingshan District, Shenzhen City, Guangdong Province, China. Defendant also does business in this District through on-line marketplace such as Amazon.

### **JURISDICTION AND VENUE**

4. This Court has exclusive subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338(a), 2201, and 2202, and the Patent Laws of the United States, 35 U.S.C. § 1 *et. seq.*

5. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391.

6. This Court has personal jurisdiction over Defendant since the Defendant directly targets business activities toward consumers in the United States, including Illinois, through at least the fully interactive, e-commerce Amazon. Specifically, Defendant has targeted sales to Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more Seller Aliases, offers shipping to the United States, including Illinois, accepts payment in U.S. dollar and, on information and belief, has sold products to residents of Illinois. Defendant is engaging in interstate commerce, and has wrongfully accused Plaintiff for infringement in the United States, including Illinois.

### **FACTS**

7. Defendant purports to be the owner of a patent ("U.S. Patent No. 11,786,835" or " '835 Patent" ) allegedly "A toy water ball includes at least two shells that are enclosable to form a water storage cavity, each of the shells including: a mounting frame, a magnetic member and a water pocket mounted on the mounting frame, a magnetic member and a water pocket mounted on the mounting frame." *See* Exhibit A.

8. Defendant's Patent was filed on **May 24, 2023**. Defendant claimed foreign application priority data was **April 7, 2023** (CN) 202320769008.9. *See* Exhibit B.

9. On information and belief, the Defendant has been involved in a campaign of asserting its patent against both the Plaintiff and the Plaintiff's customers. Specifically, the Plaintiff has been notified by its customers that the Defendant has retained counsel in the United States, prepared to file a lawsuit against all online sellers who offer similar products for patent infringement. *See* Liao Declaration at ¶6. The Defendant intends to seek a Temporary Restraining Order (TRO) from the Court to restrain these sellers' financial accounts. This practice, known as Schedule A cases, is not unfamiliar to this District Court.

10. Plaintiff manufactures and sells product that is the subject of Defendant's accusations against Plaintiff and Plaintiff's customers. Plaintiff has engaged in meaningful preparations to continue manufacturing and selling such product. Plaintiff's customers have purchased/sell and will continue to purchase/sell such product.

11. The Plaintiff's product has not infringed, nor does it infringe, either directly or indirectly, any valid and enforceable claim of the '835 Patent. This is because the Defendant's '835 Patent was procured through intentional fraud, rendering it unenforceable.

#### **A. Plaintiff's Invention History**

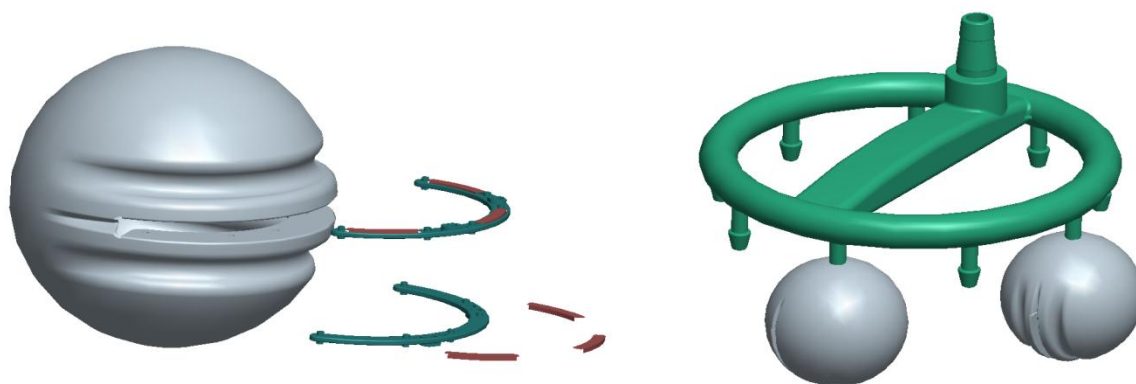
12. The Plaintiff has been in the business of selling kid toys since its inception. Since 2020, the Plaintiff has been developing and producing water balloons connected by magnets. The Plaintiff has developed at least 15 different versions.

- a. R0 Version (2020.8.29): Fixed magnets onto PC plastic components. Embedded PC plastic<sup>1</sup> components into molds to form the silicone water balloon body. The formed

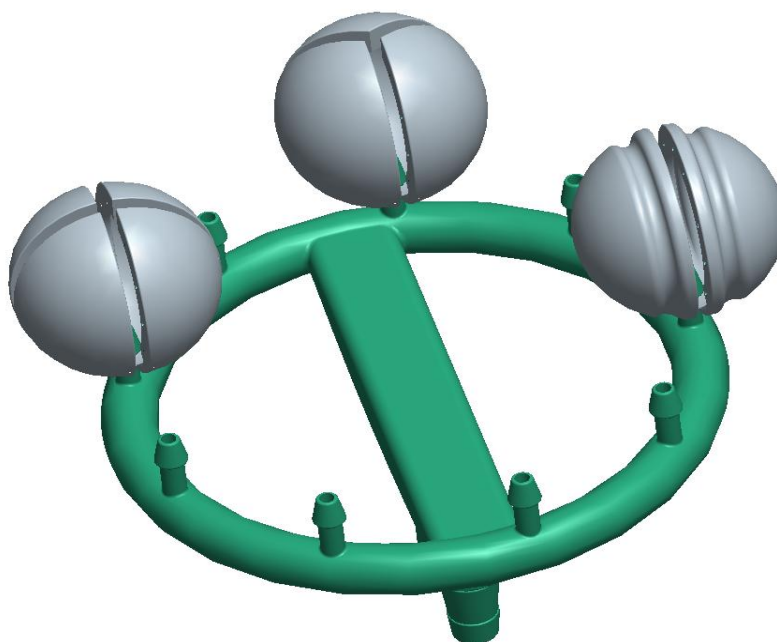
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<sup>1</sup> Polycarbonate (PC) is a transparent, tough, and thermally stable thermoplastic polymer.

silicone water balloon is then mounted onto ABS plastic<sup>2</sup> water filling base. Water is injected through a hose connected to the faucet.



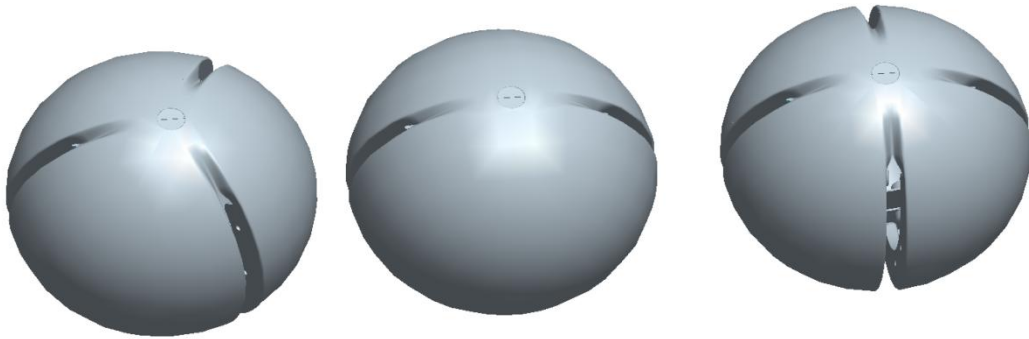
b. R1 Version (2020.9.15): Added shapes of 3- and 4-lobed water balloons.



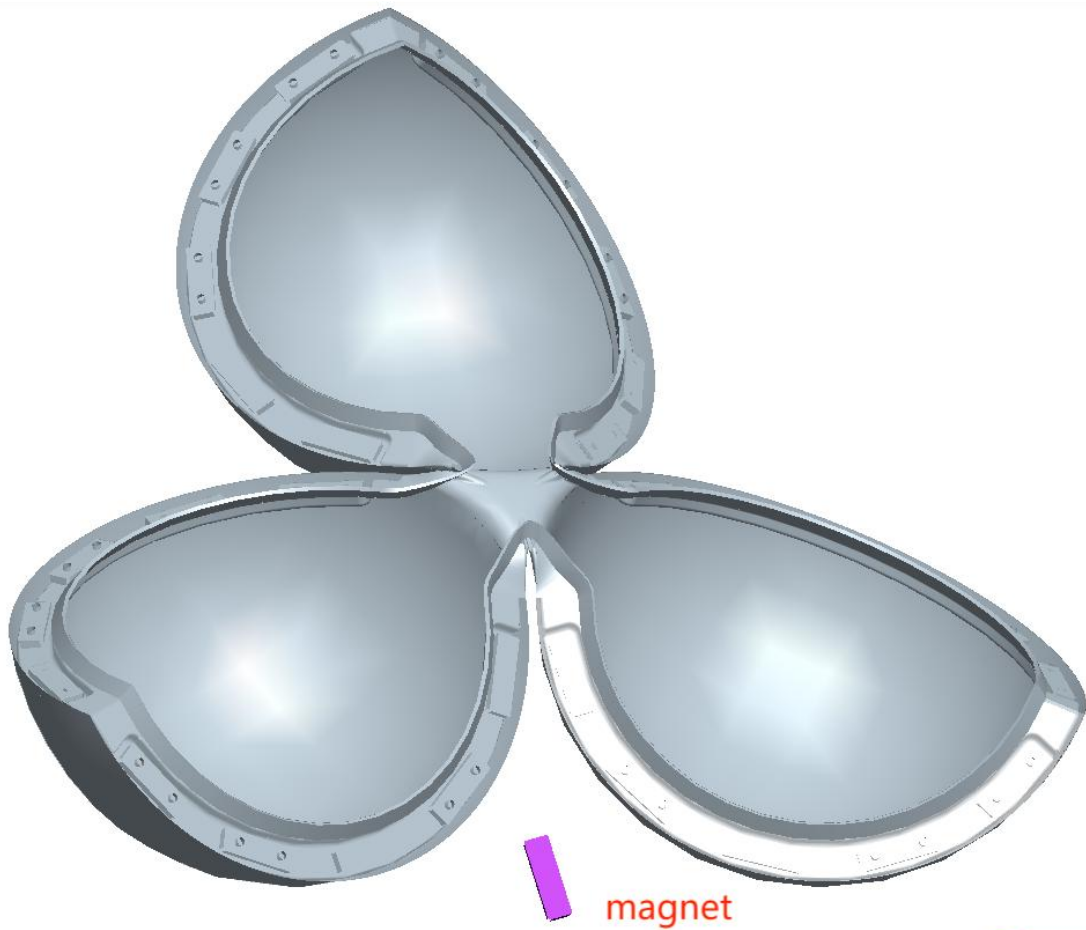
c. R2 Version (2020.11.3): Changed the method and shape of the water sealing valve.

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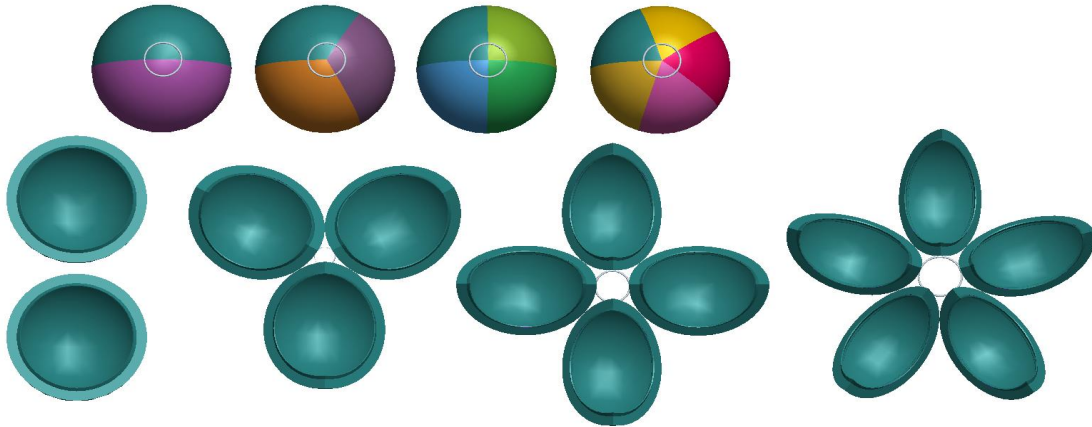
<sup>2</sup> Acrylonitrile butadiene styrene (ABS) is a common thermoplastic polymer typically used for injection molding applications



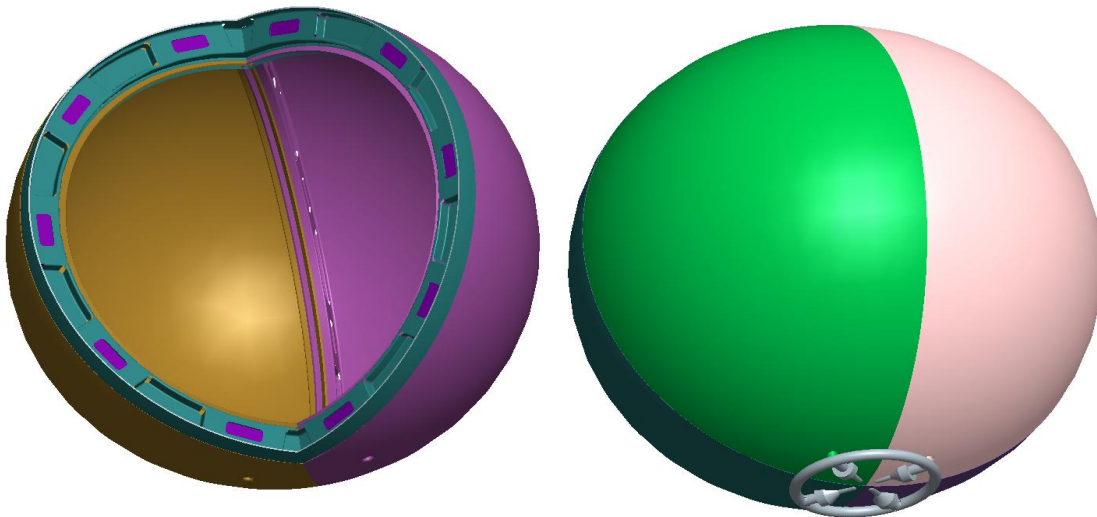
- d. R3 Version (2020.11.26): Modified the mold shape of the water balloon body. Added sealing lips. The method of magnet fixation on PC plastic components was eliminated, and magnets were manually assembled onto the water balloon body.



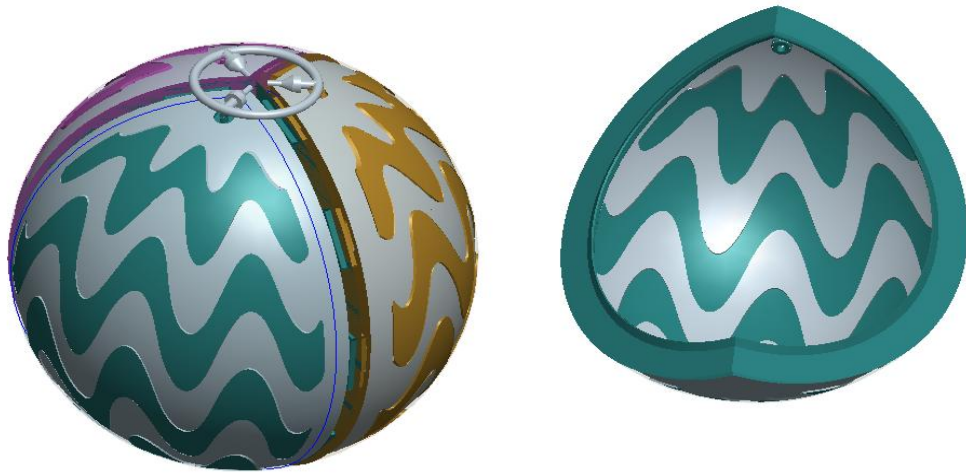
- e. R4 Version (2020.12.10): Split the lobes of the water balloon into independent lobes. Connected by a central circle to form a complete water balloon. Added 2-lobed, 3-lobed, and 4-lobed water balloons. Simultaneously began applying for patent.



- f. R5 Version (2020.12.22): Modified the structure of magnet assembly.



- g. R6 Version (2021.1.13): Added wave patterns on the inner surface of the sphere.



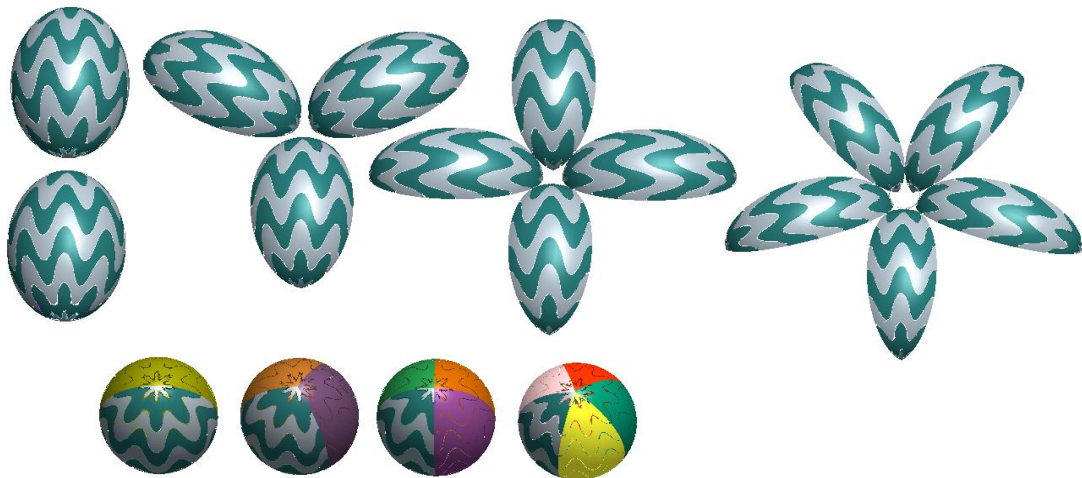
- h. R7 Version (2021.1.22): Changed the wave pattern to the surface of the sphere.



- i. R8 Version (2021.1.25): Added wave pattern for 2-lobed, 3-lobed, 4-lobed, and 5-lobed water balloons.

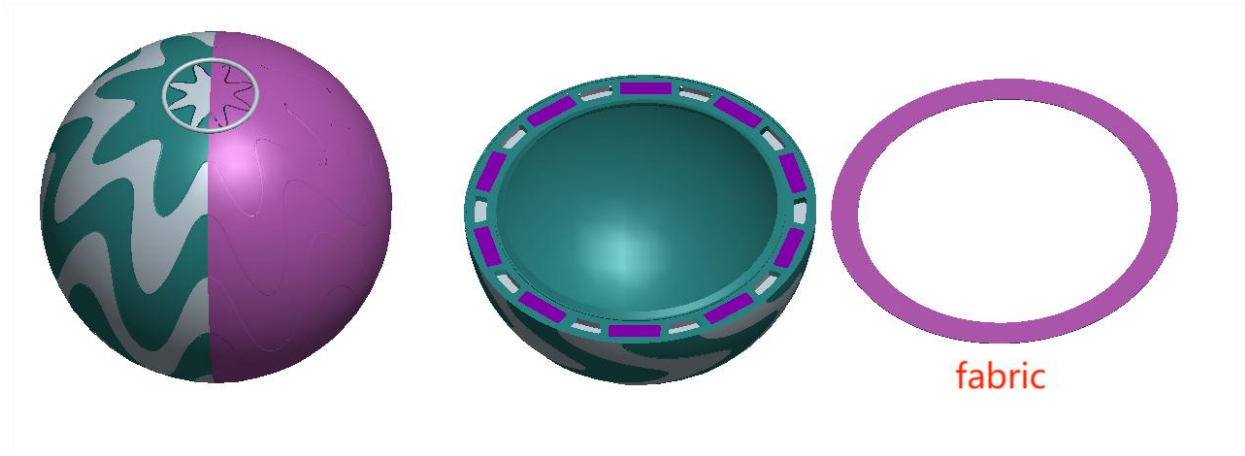


- j. R9 Version (2021.5.12): Prepared to apply for patent for 2-lobed, 3-lobed, 4-lobed, and 5-lobed **elliptical** water balloons.



- k. R10 Version (2021.6.2): Changed the method of magnet fixation to adhesive using fabric and glue.

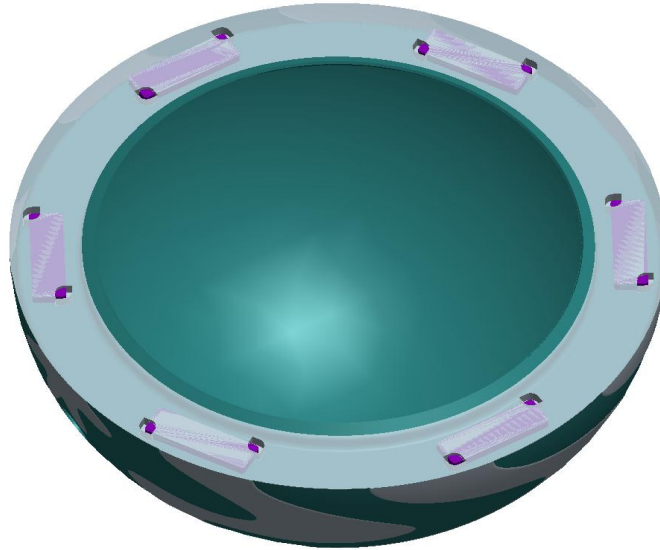




1. R11 Version (2021.6.23): Changed the outer diameter of the water balloon from 68mm to 58mm.

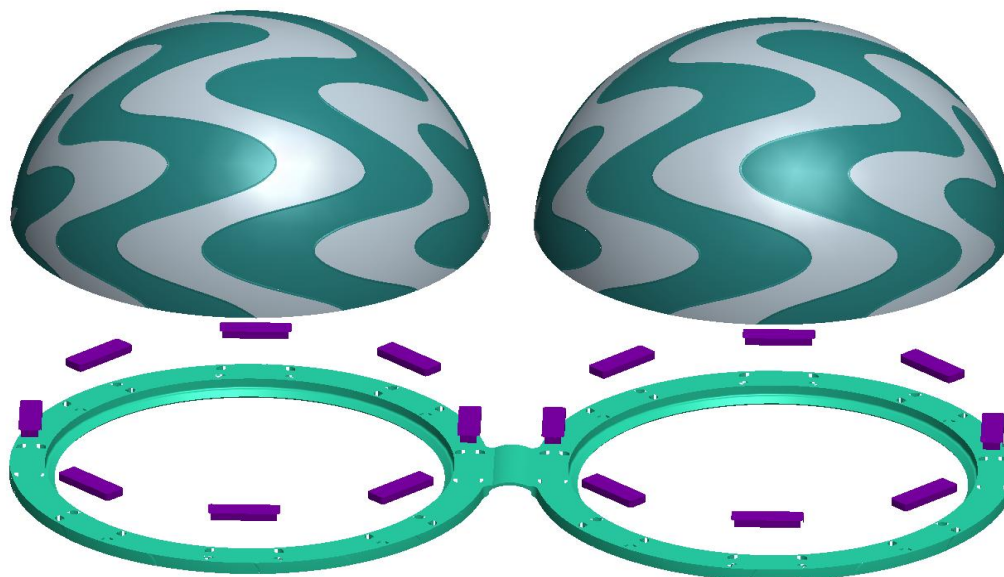


- m. R12 Version (2021.7.17): Modified the method of magnet fixation. The magnet is embedded and molded as a single unit in the mold, with the magnet mold positioning hole on the surface of the sphere.

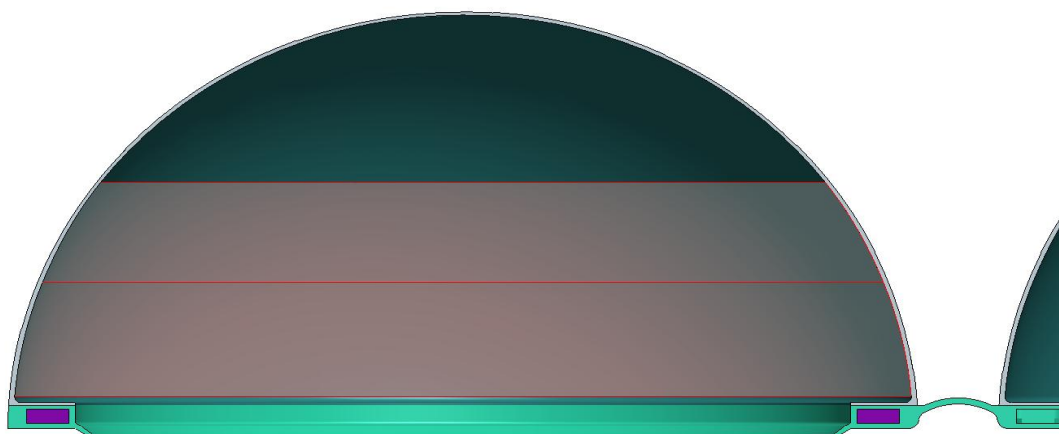


- n. R13 Version (2021.9.27): Changed the water balloon structure. Split into First-color and Second-color segments connected by connecting straps to form a complete water balloon. The molding sequence is to embed the magnet into the First-color water balloon mold for molding. Then embed the formed First-color water balloon into the Second-color water balloon mold for molding.

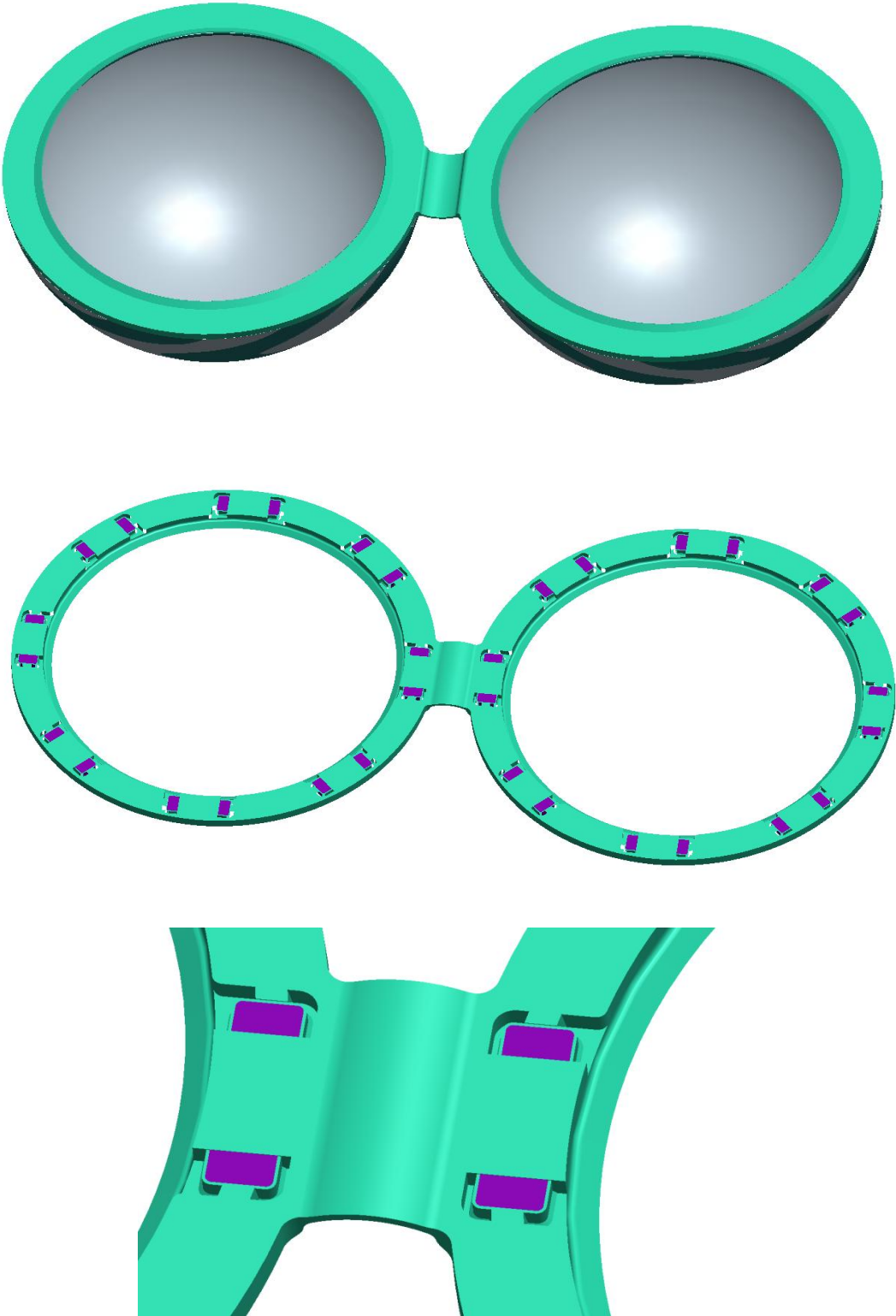




- o. R14 Version (2021.11.20): After drop testing, it was found that the edges of the sphere were prone to breakage. Therefore, glue was added to the red area on the inner surface of the sphere.



- p. R15 Version (2022.4.20): To address issues such as magnet floating during mass production, the structure for fixing the magnets was modified.



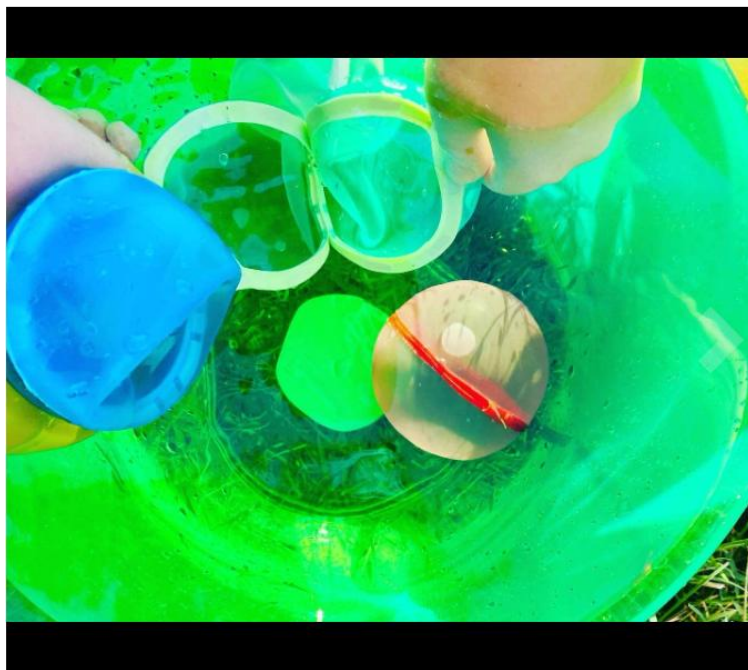
13. Defendant’s ‘835 Patent mirrors the design of the R15 Version (2022.4.20), indicating that the Defendant’s patent misappropriates the design of the R15 Version.


## B. Plaintiff's Sale of the product

14. Plaintiff's R15 Version product began sales as early as 2022. Some sales links are provided below:

- a. [https://www.amazon.com/gp/customer-reviews/R20IXSZGP11QH1?ref=pf\\_vv\\_at\\_pdctrvw\\_srp](https://www.amazon.com/gp/customer-reviews/R20IXSZGP11QH1?ref=pf_vv_at_pdctrvw_srp)


An Amazon customer review dated on July 11, 2022 showed the sale of the R15 Version product.



 Emily Banning  
★★★★★ **Worth it!**  
Reviewed in the United States on July 11, 2022

I was hesitant to spend the money on these but thought if they worked they'd save me tons with two kids. We got a 6 pack and so far through 3 epic water bomb battles we are loving them. They are very easy to use and super durable. No broken pieces of balloon all over my backyard and my kiddos are loving them. We try very hard to be eco friendly in our home so this was a great buy in my opinion. We will definitely be ordering more!

Images in this review





b. <https://www.youtube.com/watch?v=T3094uvJWH0>

A YouTube video introducing Plaintiff's R15 version was provided below, with a screenshot taken at 0'57". An Amazon link was attached to this video. This Amazon store is operated by a seller called 98k, who is a customer of the Plaintiff. <https://amzn.to/3z6zVpG>

### Description



Reusable Water Balloons reviewed and tested   
[433]

162

Likes

15,117

Views

2022

Jul 24

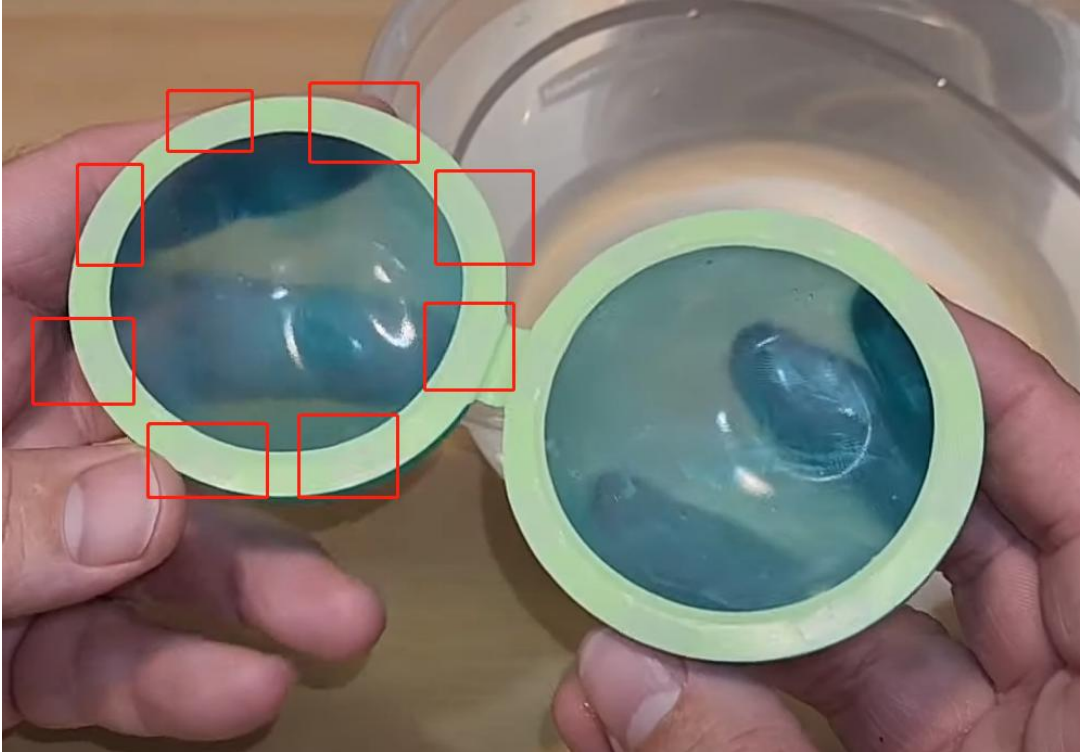
To purchase this on Amazon click:

<https://amzn.to/3z6zVpG>

Check out my website: <http://www.jeffreviews4u.com>

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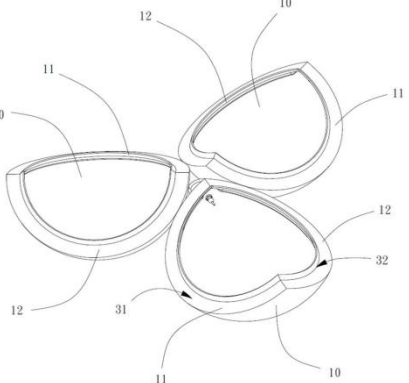
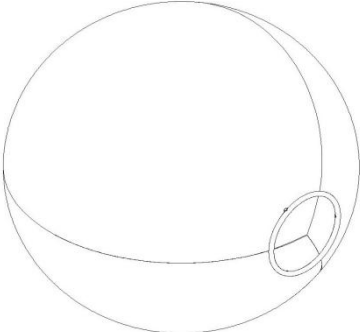
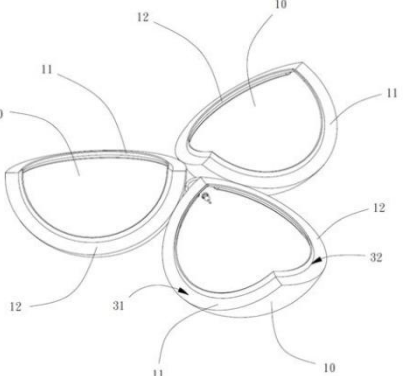
c. <https://emmareed.net/soppycid-reusable-water-balloons-review/>

An article introducing Plaintiff's R15 Version Reusable Water Balloons was published on September 2, 2022.

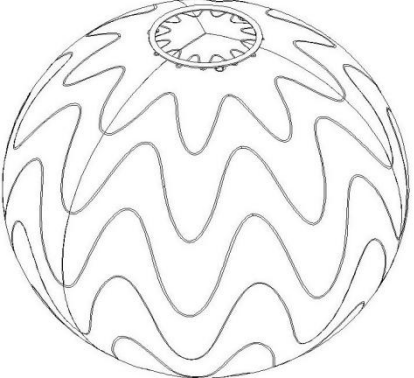
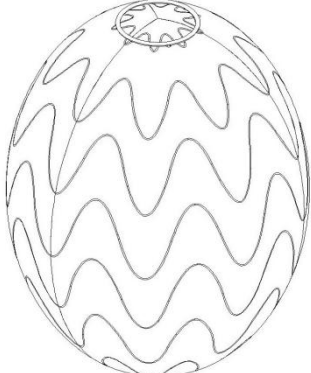
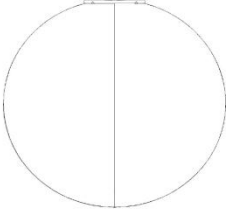
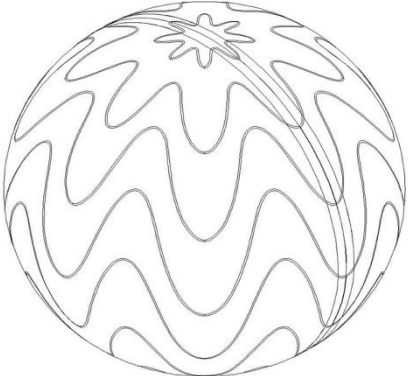


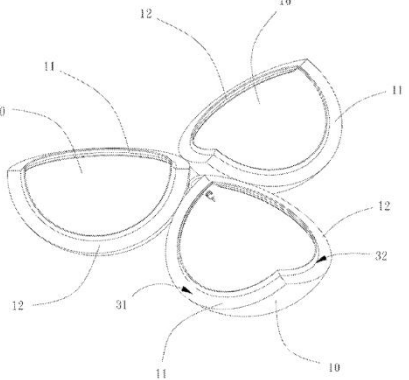
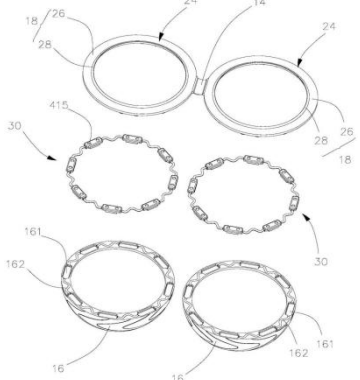
**C. Plaintiff's Patent Applications**

15. Since 2020, the Plaintiff has applied for a total of 9 related patents in the United States, China, and Europe.

Patent No.	Title	Application Date Publication Date	Pictures
CN112619180A	Toy Water Balloon	2020-12-25 2021-04-09	
CN306687878S	Toy Water Balloon	2020-12-25 2021-07-16	
CN214319126U	Toy Water Balloon	2020-12-25 2021-10-01	



<p>CN306687901S</p>	<p>Toy Water Balloon</p>	<p>2021-02-07 2021-07-16</p>	
<p>CN306876417S</p>	<p>Toy Water Balloon</p>	<p>2021-02-07 2021-10-12</p>	
<p>EU0084582100003 S</p>	<p>Toy Water Balloon and its Manufacturing Method</p>	<p>2021-03-11 2021-03-16</p>	
<p>CN307408475S</p>	<p>Toy Water Balloon</p>	<p>2021-11-16 2022-06-07</p>	

US20220203256A1	Toy Water Ball	2021-12-14 2022-06-30	
CN117504321A	Toy Water Balloon and its Manufacturing Method	2023-12-22 2024-02-06	

16. None of the above patents were disclosed to the USPTO by Bin Xiong.

#### **D. Defendant's Fraudulent Actions**

17. The current owner of the '835 patent is the Defendant. Prior to the Defendant, the patent was owned by Dongguan Yueying Rubber Co., Ltd("Yueying"). The original inventor, Bin Xiong, assigned the '835 Patent to Yueying on May 15, 2023. Subsequently, the '835 patent was assigned to the Defendant on August 25, 2023.

18. On May 24, 2023, which was 9 days after the execution of the assignment from Bin Xiong to Yueying, Bin Xiong filed a 37 CFR § 1.63 Declaration. In that declaration, Mr. Xiong declared under oath that **"I believe that I am the original inventor or an original joint/inventor of a claimed invention in the application."** Additionally, he stated, "I hereby acknowledge that any willful statement made in this declaration is punishable under 18 U.S.C.

1001 by fine or imprisonment of not more than five (5) years, or both. Bin Xiong then signed his name and dated this declaration on May 18, 2023.”

19. Upon information and belief, Bin Xiong, Yueying, and the Defendant are related parties(“Defendant group”).

20. Upon information and belief, Bin Xiong is not the actual inventor, Plaintiff is the actual inventor.

21. Upon information and belief, the Defendant’s owner is a classmate of the Plaintiff’s owner.

22. Defendant was primarily engaged in manufacturing rubber products, mainly for electronic product accessories. For example: Apple watch straps, Samsung earphone protective cases, Apple earphone protective cases. *See* Exhibit C.

23. Among the 110 products sold by the Defendant in its online 1688 store<sup>34</sup>, only two category of toy can be found, one is the water balloon.

24. Upon information and belief, prior to applying for ‘835 patent for the water balloon, the Defendant has no record of manufacturing or selling this kind of product.

25. Upon information and belief, the Defendant became aware of the Plaintiff’s water balloon product’s excellent market performance. Subsequently, the Defendant deceptively rushed to file patents for the Plaintiff invented product, reusable water balloon.

26. Defendant initially applied for a utility patent with the Chinese Patent Office on April 7, 2023. *See* Exhibit B.

27. Subsequently, the Defendant promptly arranged for Bin Xiong to file a patent application with the United States Patent and Trademark Office (USPTO) on May 24, 2023

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<sup>3</sup> <https://szshuaminjun.1688.com/page/offerlist.htm?spm=a2615.2177701.autotrace-newestOfferBig.1.56b414528JgYGa>

<sup>4</sup> 1688 is China’s largest online wholesale marketplace and e-commerce company for domestic buyers.

28. Bin Xiong utilized the USPTO's prioritized Patent Examination Program TRACKOne to expedite his patent application. On October 17, 2023, the Defendant's US patent application was granted.

**COUNT I**  
**(Declaration of Patent Unenforceable Due to Inequitable Conduct )**

29. Plaintiff incorporates by reference the allegations set forth above in this Complaint as if fully set forth herein.

30. To prove inequitable conduct, the challenger must show by clear and convincing evidence that the patent applicant (1) misrepresented or omitted information material to patentability, and (2) did so with specific intent to mislead or deceive the PTO." In re Rosuvastatin Calcium Pat. Litig., 703 F.3d 511, 519 (Fed. Cir. 2012).

31. There is overwhelming evidence indicating that the Defendant Group used and/or stole the prior art while working on the patent application, and the operational details of the prior art were material to patentability.

32. There is also overwhelming evidence indicating that Bin Xiong is not the real inventor, thus Bin Xiong lied under oath in his 37 CFR § 1.63 Declaration.

33. The Defendant Group is aware of the Plaintiff's owner because they are classmates. The Defendant Group is also aware of the products sold by the Plaintiff.

34. The Defendant Group applied for Chinese and US patents when the identical products of the Plaintiff had already been publicly available on the market for at least nine months.

35. The Defendant Group understands the Chinese language, and have access to Chinese Patent Agency's website. The Defendant Group has total access to Chinese Patent Agency's public records of Plaintiff's above Patents application.

36. The Plaintiff's products are sold through platforms such as 1688, YouTube, and Amazon. Similarly, the Defendant also sells products through these platforms. The Defendant can easily access the Plaintiff's product catalog and conduct research for imitation.

37. The Defendant Group intentionally concealed all of the above-mentioned Prior Arts from the USPTO when submitting its patent application.

38. The Plaintiff's latest product, R15 Version, which is also the "invention" patented by the Defendant in its '835 Patent, is the result of at least three years of improvement through at least 15 versions.

39. The Defendant had no sales of similar products before selling patented products. The Defendant's store did not even sell toys but primarily sold rubber electronic product accessories.

40. Bin Xiong is definitely not the real inventor of the '835 Patent.

41. Defendant's patent application is filled with facts that constitute inequitable conduct.

42. To resolve the legal and factual questions raised by Defendant and to afford relief from the uncertainty and controversy that Defendant's allegations have created, Plaintiff is entitled to a declaratory judgment that the '835 Patent is unenforceable.

**COUNT II**  
**(Declaration of Patent Invalidity Due to 35 U.S.C. 102)**

43. Plaintiff incorporates by reference the allegations set forth above in this Complaint as if fully set forth herein.

44. The '835 Patent is invalid for failing to meet one or more of the requisite statutory and decisional requirements and/or conditions for patentability under Title 35 of the United States Cod, including without limitation, §§ 101, 102, 103, 112 and 117.

45. For example, the ‘835 Patent is invalid as anticipated under 35 U.S.C. § 102 because the prior arts discussed above, disclose the limitations of the claims of the ‘835 patent as asserted by Defendant.

46. As another example, the ‘835 patent is invalid as obvious under 35 U.S.C. § 103 because the claims of the ‘835 patent as asserted by Defendant would have been obvious to one of ordinary skill in the art in view of the above discussed prior art, either alone or in combination with other prior art.

47. To resolve the legal and factual questions raised by Defendant and to afford relief from the uncertainty and controversy that Defendant’s allegations have created, Plaintiff is entitled to a declaratory judgment that the ‘835 Patent is invalid.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for judgment against Defendant as follows:

1. For judgment in favor of Plaintiff against Defendant.
2. Entry of judgment declaring that the ‘835 Patent is unenforceable;
3. Entry of judgment declaring that the ‘835 Patent is invalid;
4. Entry of judgment declaring that Plaintiff has not infringed the ‘835 Patent;
5. A declaration that this action is an exceptional case under 35 U.S.C. § 285 and an award to Plaintiff of its attorneys’ fees incurred in filing this action; and
6. Such other and further relief as this Court may deem just and proper under the circumstances.

#### **Jury Trial Demand**

Plaintiff hereby demands a jury trial on all issues so triable.

Date: April 11, 2024

/s/ Ruoting Men

Ruoting Men, Esq.  
GLACIER LAW LLP  
200 E. Randolph Dr., Ste. 5100  
Chicago, IL 60601  
[Ruoting.men@glacier.law](mailto:Ruoting.men@glacier.law)  
332-261-8227  
*Attorney for Plaintiff*