SAFE&SAFETY INC. and SHENZHEN ZHENGMI TECHNOLOGY CO., LTD	)
Plaintiffs,	) Cas
V.	) ) JU
THE INDIVIDUALS AND ENTITIES IDENTIFIED ON SCHEDULE A TO	) )
THE COMPLAINT	) ) Pu
Defendants.	)

Case Number: 24-cv-3459

JURY TRIAL DEMANDED

**Public Version** 

### **COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiffs Safe&Safety Inc. ("Safe&Safety") and Shenzhen ZhengMi Technology Co., LTD ("ZhengMi") (collectively, "Plaintiffs"), by and through their undersigned counsel, hereby file this Complaint for patent infringement against the individuals and entities identified on <u>Schedule A</u> attached hereto (each a "Defendant" and collectively "Defendants"). In support hereof, Plaintiffs state as follows:

### **BACKGROUND AND THE PARTIES**

- 1. Safe&Safety is a corporation formed under the laws of the State of Colorado, with a registered address of 1312 17th Street #692, Denver, Colorado 80202 USA.
- Safe&Safety is the assignee and record owner of U.S. Patent No. [REDACTED] (the "[REDACTED] Patent" or "Patent-in-Suit") and has spent substantial time, money, and resources in the procurement and maintenance of the Patent-in-Suit.
- 3. The Patent-in-Suit teaches and protects certain innovative designs of secure storage systems in various embodiments, one of the anticipated use cases is for such secure storage systems to

#### Case: 1:24-cv-03459 Document #: 1 Filed: 04/29/24 Page 2 of 16 PageID #:2

function as storage for [REDACTED]. A true and correct copy of the Patent-in-Suit is attached as **Exhibit 1**.

- ZhengMi is a company formed under the laws of the People's Republic of China with a business address of Matian Jiedao Xinzhuang Shequ Nanzhuang Zhengming Road Lujingyuexuan Building A 604, Guangming District, Shenzhen, Guangdong, China 518107.
- 5. ZhengMi is the exclusive licensee of the Patent-in-Suit with the right to sue for and collect damages for infringement thereof.
- 6. ZhengMi has invested substantial time, money, and resources in acquiring the exclusive license to the Patent-in-Suit and in making, distributing, marketing and selling, in this judicial district and throughout the United States including via its online stores, various products embodying the inventions protected by the Patent-in-Suit ("Patented Products").
- 7. The Patent-in-Suit, entitled "[REDACTED]," was duly and legally issued by the United States Patent and Trademark Office on [REDACTED].
- The Patent-in-Suit is issued from U.S. Application No. [REDACTED] filed on [REDACTED], which claims priority to and is a continuation-in-part of U.S. Application No. [REDACTED] filed on [REDACTED].
- 9. Upon information and belief, Defendants are individuals and business entities residing in the People's Republic of China 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 <u>Schedule A</u> (collectively, the "Defendant Internet Stores").
- 10. Defendants have the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b).

- 11. Upon information and belief, the addresses listed by Defendants on their respective Amazon.com stores are either false or not accurate.
- 12. Each of Defendants makes, sells, offers to sell, imports and has imported and sold in the United States unauthorized and unlicensed products shown in <u>Exhibit 2</u> that infringe at least one claim of the Patent-in-Suit (the "Infringing Products").
- 13. Defendants' Infringing Products directly compete with ZhengMi's Patented Products.

### **DEFENDANTS' INFRINGING ACTIVITIES**

- 14. Plaintiffs have filed this lawsuit against Defendants to enjoin online patent infringers who trade upon Plaintiffs' valuable patent rights by making, using, distributing, offering to sell, selling and importing unauthorized goods that incorporate and infringe the Patent-in-Suit.
- 15. Upon information and belief, Defendants also receive or purchase the Infringing Products from one or more manufacturers in China. The identities of such manufacturers remain unknown to Plaintiffs.
- 16. Upon information and belief, Defendants produce and/or distribute their Infringing Products from foreign jurisdictions including China and ship the Infringing Products from such foreign jurisdictions 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.
- 17. 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.
- 18. 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

#### Case: 1:24-cv-03459 Document #: 1 Filed: 04/29/24 Page 4 of 16 PageID #:4

the United States, including the State of Illinois and this judicial district, products that infringe directly and indirectly the Patent-in-Suit in the same transaction, occurrence, or series of transactions or occurrences.

- 19. 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.
- 20. 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, the full scope and interworking of their operation, and to avoid being shut down.
- 21. Upon information and belief, Defendants use a variety of tactics to evade enforcement efforts of intellectual property owners. For example, infringers like Defendants often register new online marketplace accounts under new aliases once they receive notice of a lawsuit.
- 22. Upon information and belief, Defendants are likely to transfer or conceal their assets to avoid payment of any monetary judgment awarded to Plaintiffs in order to preserve their illegal financial gains and continue their infringement.
- 23. Upon information and belief, Defendants' payment and financial accounts are being used by Defendants to accept, receive, and deposit profits from Defendants' infringing activities connected to Defendant Internet Stores and other sales channels controlled by them for distributing Infringing Products.
- 24. 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. Upon information and belief, Defendants regularly move funds from their U.S.-based accounts connected to the Defendant Internet Stores to their China- or Hong Kong-based bank accounts.

25. Plaintiffs have not granted a license or any other form of permission to Defendants with respect to the Patent-in-Suit.

### JURISDICTION AND VENUE

- 26. 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., and in particular under 35 U.S.C. § 271, 281, 284-85. This Court has subject matter jurisdiction of the action under 28 U.S.C. § 1331 and § 1338(a).
- 27. 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 making, using, offering to sell, and/or selling accused products in Illinois, and/or importing accused products into the State of Illinois, such as 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

#### Case: 1:24-cv-03459 Document #: 1 Filed: 04/29/24 Page 6 of 16 PageID #:6

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 upon information and belief, have sold and shipped Infringing Products to the residents of Illinois and this judicial district.

- 28. 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.
- 29. Venue is proper in this judicial district over Defendants under 28 U.S.C. §§ 1391 and 1400(b) because they are organized under the laws of a foreign jurisdiction thus may be sued in any judicial district in the United States.
- 30. 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: INFRINGEMENT OF THE '212 PATENT**

31. Plaintiffs incorporate by reference each of the paragraphs above as if fully stated herein.32. The Patent-in-Suit is valid, enforceable, unrevoked and uncanceled.

- 33. Defendants have and continue to directly infringe one or more claims, including at least claim 1, of the Patent-in-Suit, within the meaning of 35 U.S.C. § 271(a) either literally or under the doctrine of equivalents, by making, 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 Plaintiffs, including via sales made through the Defendant Internet Stores.
- 34. As a non-limiting example, Defendants have infringed claim 1 of the Patent-in-Suit by making, using, selling, offering for sale, and/or importing into the United States and Illinois Infringing Products identified in <u>Exhibit 2</u>.
- 35. For the preliminary reasons below, Defendants' Infringing Products satisfy each and every limitation of claim 1, which claims "[REDACTED]:"

### [REDACTED].

- 36. As shown in **Exhibit 2**, each of the Infringing Products constitutes a [REDACTED] as recited in claim 1 of the Patent-in-Suit.
- 37. As shown in **Exhibit 2**, each of the Infringing Products comprises [REDACTED].
- 38. As shown in **Exhibit 2**, each of the Infringing Products further comprises [REDACTED].
- 39. As shown in **Exhibit 2**, each of the Infringing Products further comprises [REDACTED].
- 40. As shown in **Exhibit 2**, each of the Infringing Products further comprises [REDACTED].
- 41. As shown in **Exhibit 2**, each of the Infringing Products further comprises [REDACTED].
- 42. As shown in **Exhibit 2**, each of the Infringing Products further comprises [REDACTED].
- 43. As shown in **Exhibit 2**, each of the Infringing Products further comprises [REDACTED].
- 44. As shown in **Exhibit 2**, the [REDACTED] of each of the Infringing Products further comprises [REDACTED].

#### Case: 1:24-cv-03459 Document #: 1 Filed: 04/29/24 Page 8 of 16 PageID #:8

- 45. 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. 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 at least one claim of 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 accused 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.
- 46. 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.
- 47. Moreover, Defendants have and continue to contributorily infringe the Patent-in-Suit. Defendants have contributed to the direct infringement of the Patent-in-Suit by their customers of the Infringing Products. The Infringing Products have special features that are specifically designed to be used in an infringing manner and that have no substantial uses other than ones that infringe at least one claim of the Patent-in-Suit. The special features

#### Case: 1:24-cv-03459 Document #: 1 Filed: 04/29/24 Page 9 of 16 PageID #:9

constitute a material part of the invention of one or more of the claims of the Patent-in-Suit and are not staple articles of commerce suitable for substantial non-infringing use.

- 48. Plaintiffs have satisfied the notice and/or marking provisions of 35 U.S.C. § 287.
- 49. At all times relevant hereto, Defendants knew or should have known of Plaintiffs' exclusive rights in the Patent-in-Suit.
- 50. Defendants have knowledge of the Patent-in-Suit at least as of the date when they are notified of the filing of this action.
- 51. 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 online listings of ZhengMi's products embodying the inventions of the Patent-in-Suit.
- 52. Upon information and belief, Defendants have reviewed and analyzed the Patent-in-Suit in connection with their Infringing Products.
- 53. Upon information and belief, Defendants have extensive knowledge of ZhengMi's products embodying the inventions protected by the Patent-in-Suit because Defendants' Infringing Products are directly competing with ZhengMi's products in the same market.
- 54. Upon information and belief, Defendants' direct and indirect infringement of one or more claims of the Patent-in-Suit is, has been, and/or continues to be willful, intentional, deliberate, and/or in conscious disregard of Plaintiffs' rights under the Patent-in-Suit, entitling Plaintiffs 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.
- 55. As a direct and proximate result of Defendants' infringement, Plaintiffs have suffered irreparable harm and monetary and other damages in an amount to be determined at trial.Plaintiffs have suffered irreparable harm resulting from the loss of their 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 and loss of repeat sales stemming from the Defendants' infringing acts. For example, the Infringing Products at issue are extremely durable in nature and are designed to stay in service for years 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 Plaintiffs.

56. Plaintiffs have 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, Plaintiffs will continue to suffer additional irreparable harm, including loss of market share, price erosion and erosion of patent rights.

#### JURY DEMAND

Plaintiffs hereby request a trial by jury on all issues so triable by right.

#### PRAYER FOR RELIEF

Plaintiffs request that the Court find in their favor and against Defendants, and that the Court grant Plaintiffs the following relief:

- Entry of judgment that one or more claims of the Patent-in-Suit have 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;
- Award Plaintiffs damages in an amount adequate to compensate Plaintiffs 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. § 289;

- Declare that Defendants' infringement has been willful and award Plaintiffs treble damages pursuant to 35 U.S.C. § 284;
- Declare this case to be "exceptional" under 35 U.S.C. § 285 and award Plaintiffs their attorneys' fees, expenses, and costs incurred in this action;
- 5) 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, using, offering for sale, selling and/or importing into the United States any products that infringe upon the Patent-in-Suit; and
  - aiding, abetting, contributing to, inducing or otherwise assisting anyone in infringing upon the Patent-in-Suit;
  - 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.
- 6) Entry of an order that, upon Plaintiffs' request, those in privity with Defendants and those with notice of the injunction, including, without limitation, any online marketplace platforms such as Amazon.com, 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 goods that infringe the Patent-in-Suit;
- b. disable and cease displaying any advertisements used by or associated with
  Defendants in connection with the sale of any goods that infringe the Patent-in-Suit; and
- c. take all steps necessary to prevent links to the Defendant Internet Stores identified on Schedule A from displaying in search results, including, but not limited to, removing links to the Defendant Internet Stores from any search index.
- 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
- Such other and further relief as the Court may deem just and proper under the circumstances.

Dated: April 29, 2024

Respectfully submitted, <u>/s/ Zheng Gong</u> Zheng Gong Illinois Bar No. 6323959 ShinyRise PLLC <u>zheng.gong@shinyrise.com</u> 1 East Erie St Suite 525-5203 Chicago, IL 60611 (202) 818-8086

Case: 1:24-cv-03459 Document #: 1 Filed: 04/29/24 Page 13 of 16 PageID #:13

# ATTACHMENT LIST

- Schedule A List of Defendants
- Exhibit 1 U.S. Patent No. [REDACTED]
- Exhibit 2 List of Infringing Products

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### <u>SCHEDULE A – SEALED DOCUMENT</u>

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

Dated: April 29, 2024

Respectfully submitted, <u>/s/ Zheng Gong</u> Zheng Gong Illinois Bar No. 6323959 ShinyRise PLLC <u>zheng.gong@shinyrise.com</u> 1 East Erie St Suite 525-5203 Chicago, IL 60611 (202) 818-8086

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### **EXHIBIT 1 – SEALED DOCUMENT**

This document is being filed under seal with a motion for leave to file documents under seal. A full version of Exhibit 1 will be filed separately under seal and will remain under seal until further order of this Court.

Dated: April 29, 2024

Respectfully submitted, <u>/s/ Zheng Gong</u> Zheng Gong Illinois Bar No. 6323959 ShinyRise PLLC <u>zheng.gong@shinyrise.com</u> 1 East Erie St Suite 525-5203 Chicago, IL 60611 (202) 818-8086

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### EXHIBIT 2 – SEALED DOCUMENT

This document is being filed under seal with a motion for leave to file documents under seal. A full version of Exhibit 2 will be filed separately under seal and will remain under seal until further order of this Court.

Dated: April 29, 2024

Respectfully submitted, /<u>s/Zheng Gong</u> Zheng Gong Illinois Bar No. 6323959 ShinyRise PLLC <u>zheng.gong@shinyrise.com</u> 1 East Erie St Suite 525-5203 Chicago, IL 60611 (202) 818-8086