

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

SPECTRUM BRANDS, INC. and PET
TECHNOLOGY WORLDWIDE LLC

Plaintiffs,

v.

THE INDIVIDUALS, CORPORATIONS,
LIMITED LIABILITY COMPANIES,
PARTNERSHIPS, and
UNINCORPORATED ASSOCIATES
IDENTIFIED IN SCHEDULE "A,"

Defendants.

JURY TRIAL DEMAND

VERIFIED COMPLAINT

Plaintiffs Spectrum Brands, Inc. ("Spectrum Brands") and Pet Technology Worldwide LLC ("Pet Technology") (collectively, "Plaintiffs"), through their undersigned counsel, for their Complaint against all Individuals, Corporations, Limited Liability Companies, Partnerships, and Unincorporated Associates Identified in Schedule A (collectively, "Defendants") alleges as follows:

THE PARTIES

1. Plaintiff Spectrum Brands is a corporation organized and existing under the laws of Delaware and having a principal place of business at 3001 Deming Way, Middleton, WI 53562.
2. Plaintiff Pet Technology is a corporation organized and existing under the laws of Delaware and having a principal place of business at 8 The Green, Suite B Dover, Delaware 19901.
3. Defendants are individuals, corporations, limited liability companies, partnerships, and unincorporated associates organized and existing outside of the United States. Where

available, the addresses provided by Defendants as their principal places of business are specified in Schedule A, however many are believed to be fictitious.

NATURE OF ACTION AND JURISDICTION

4. This is an action for patent infringement arising under the Acts of Congress relating to patents, 35 U.S.C. §§ 271, *et seq.* and unjust enrichment under Illinois state common law.

5. This Court has jurisdiction over this action under Title 28 of the United States Code, §§ 1331 and 1338. This Court also has supplemental jurisdiction over Plaintiffs claim under Illinois state common law because the claim is so related to the other claims brought under 28 U.S.C. §§ 1331 and 1338 that they form part of the same case or controversy.

6. This court has personal jurisdiction over Defendants because Defendants have had sufficient contact with the state of Illinois through their offering for sale and sale of products into Illinois, and because this action arises out of those contacts.

7. Venue is proper in this district under 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to the claim occurred in this District.

8. Each of the marketplaces through which Defendants offer for sale and/or have sold the Infringing Products (defined herein), allow sales of products into the State of Illinois. Amazon, Walmart, Alibaba, AliExpress, and Temu each permit the sale and shipment of products to Illinois. Each of the Defendants directly target consumers in the United States, including Illinois, through at least the fully interactive, e-commerce stores operating under the Defendant/Business Names identified in Schedule A attached hereto (the “Seller Aliases”). Specifically, Defendants have targeted sales to Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more Seller Aliases, offer shipping to the United States, including Illinois, accept payment in U.S. dollars and/or funds from U.S. bank accounts, and, on information and belief, have sold products featuring Spectrum Brands’ patented design to residents of Illinois.

Each of the Defendants is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Spectrum Brands substantial injury in the State of Illinois.

BACKGROUND

A. Spectrum Brands' Portfolio of Intellectual Property

9. Spectrum Brands is a home essentials company trusted by millions of consumers all over the world.

10. Spectrum Brands, through its subsidiary Spectrum Brands Pet Group Inc., is engaged in the business of developing, manufacturing, and selling a wide variety of branded pet products. Spectrum Brands' diverse portfolio of branded pet products includes the FURMINATOR® brand of innovative, proprietary deshedding solutions.

11. In 2011, Spectrum Brands acquired FURminator, Inc., a leading worldwide provider of deshedding products to the pet industry. The transaction included FURminator's portfolio of intellectual property, including trademarks and patents. The acquisition complemented Spectrum Brands' existing portfolio of pet products and expanded its growing pet grooming category.

12. Spectrum Brands values its ever-growing intellectual property portfolio. Spectrum Brands prides itself on being able to innovate quickly, and regularly innovates new grooming tools and protects those inventions with its intellectual property.

13. Since the FURminator, Inc. acquisition, Spectrum Brands has developed a line of pet grooming tools that embody Spectrum Brands' patents, and it sells these products under the FURminator® brand (collectively, "Spectrum Brands Products").

14. Spectrum Brands is recognized and established around the world as a global leader in the pet grooming industry, driven by its arduous quality standards and innovative designs.

15. Spectrum Brands has expended substantial time, money, and other resources in developing, advertising, and otherwise promoting and protecting Spectrum Brands Products.

16. Spectrum Brands Products are promoted and sold exclusively through its website (www.furminator.com) and authorized retail partners.

17. Spectrum Brands' portfolio of intellectual property includes various utility patents covering its pet grooming products, including the Spectrum Brands Products.

18. On February 24, 2015, the United States Patent and Trademark Office ("PTO") duly and legally issued U.S. Patent No. 8,960,129 ("the '129 Patent"), titled Toothed Pet Grooming Tool with Fur Ejecting Mechanism. The '129 Patent generally claims a pet grooming tool with a fur ejector portion. The '129 Patent is entitled to a presumption of validity under 35. U.S.C. § 282. Spectrum Brands is the owner of all rights and interest in and to the '129 Patent. A true and correct copy of the '129 Patent is attached hereto as **Exhibit 1**.

19. The Spectrum Brands Deshedding Tools are covered by the '129 Patent.

B. Spectrum Brands' Licensees

20. Spectrum Brands selectively licenses its intellectual property to its licensees. Prior to receiving a license to use any of Spectrum Brands' intellectual property, Spectrum Brands requires that its licensees agree to certain terms to protect its intellectual property.

21. Plaintiff Pet Technology is a licensee of the '129 Patent.

22. As a licensee of the '129 Patent, Pet Technology is permitted to make, have made, use, sell, have sold, offer for sale, have offered for sale, export and import licensed products, including pet grooming vacuums, vacuum kits, and corresponding accessories that include deshedding components covered by the '129 Patent.

23. Pet Technology imports, offers for sale, and sells pet vacuums that include technology covered by the '129 Patent. In particular, the Pet Technology's pet vacuums include a deshedding brush that is connected to the vacuum. The deshedding brush includes a fur ejection mechanism covered by the '129 Patent.

24. Pet Technology offers its pet vacuums with deshedding technology covered by the '129 Patent for sale via its website at shopfurbot.com as well as on marketplaces such as Amazon.com.

C. Spectrum Brands' Efforts to Protect the '129 Patent

25. Spectrum Brands, together with Pet Technology, is committed to protecting its intellectual property, including the '129 Patent.

26. Spectrum Brands proactively protects Spectrum Brands Products against counterfeit and infringing products. Spectrum Brands undertakes to protect the Spectrum Brands Products through enforcement of Spectrum Brands' intellectual property, including trademarks, copyrights, and patents.

27. Spectrum Brands employs a brand protection specialist who monitors and removes counterfeit and unauthorized products. Spectrum Brands also subscribes to monitoring and investigative services that identify and take action against infringing products.

28. Spectrum Brands routinely and regularly investigates suspicious online marketplace listings and has procedures in place to encourage all Spectrum Brands employees to report unusual, unauthorized, counterfeit, or otherwise suspicious listings to the Spectrum Brands brand protection team.

29. In recent years, Spectrum Brands has identified, investigated, and removed dozens of infringing and counterfeit listings on third party marketplaces such as Amazon, Walmart, Alibaba, AliExpress, and Temu.

D. The Epidemic of Consumer Product Counterfeiting

30. The growing popularity of online marketplaces for purchasing consumer goods has simultaneously led to a growing number of infringing and counterfeit products being sold on online marketplaces.

31. Spectrum Brands, like many other consumer products companies, has experienced this rise in infringement and counterfeiting firsthand.

32. Sellers of infringing and counterfeit products (“Unauthorized Sellers”) are often located outside of the United States and engage in deceptive conduct, including:

- “[R]outinely use[ing] false or inaccurate names and addresses when registering with these e-commerce platforms;”¹
- Providing false, misleading and/or incomplete information to e-commerce platforms to prevent discovery of their true identities and the scope of their e-commerce operation;
- Establishing multiple storefronts on a single platform;²

¹ Daniel C.K. Chow, *Alibaba, Amazon, and Counterfeiting in the Age of the Internet*, 40 NW. J. INT’L L. & BUS. 157, 186 (2020) (**Exhibit 2**). See also Report on “*Combating Trafficking in Counterfeit and Pirated Goods*” prepared by the U.S. Department of Homeland Security’s Office of Strategy, Policy, and Plans (Jan. 24, 2020) (**Exhibit 3**) (finding that on “at least some e-commerce platforms, little identifying information is necessary for a counterfeiter to begin selling” and that “[t]he ability to rapidly proliferate third-party online marketplaces greatly complicates enforcement efforts, especially for intellectual property rights holders.”).

² *Combating Trafficking in Counterfeit and Pirated Goods* (**Exhibit 3**).

- Registering or acquiring new seller aliases for the purpose of offering for sale and selling Unauthorized Products;
- Designing the listings or e-commerce storefronts to appear to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers;
- Accepting payment in U.S. dollars in multiple ways, including via credit cards, Alipay, Amazon Pay, and/or PayPal;
- Maintaining offshore bank accounts and regularly move funds from their financial accounts to offshore accounts outside the jurisdiction of this Court to avoid payment of any monetary judgment awarded to plaintiffs; and
- Including content and images on storefronts and listings that make it very difficult for consumers to distinguish their stores from an authorized retailer.

(collectively, the “Deceptive Tactics”).

33. Unauthorized Sellers use the Deceptive Tactics to conceal their identities and the full scope and inner workings of their infringement operations, and to avoid being shut down.

34. To further avoid being caught, Unauthorized Sellers communicate with each other through QQ.com chat rooms and utilize websites, like sellerdefense.cn. Websites like sellerdefense.cn also tip off Unauthorized Sellers to inform them of new intellectual property enforcement or infringement lawsuits filed by intellectual property owners. Subsequently, and to avoid being caught and subject to liability, Unauthorized Sellers cease their infringing activity (often only temporarily), liquidate their associated financial accounts, and change the payment processors that they currently use to accept payments in their online stores.

35. The Unauthorized Sellers' conduct directly harms legitimate companies who have established brands and intellectual property.

36. The Unauthorized Sellers' conduct directly harms consumers who receive inferior quality products.

37. Unauthorized Sellers target consumers in this Judicial District and throughout the United States. According to a report prepared for The Buy Safe America Coalition, most counterfeit products now come through international mail and express courier services (as opposed to containers) due to increased sales from offshore online infringers.³

38. The Unauthorized Sellers' conduct directly impacts and harms the United States economy, and the economy in the State of Illinois.

39. Counterfeit products sold by offshore online counterfeiters do not enter normal retail distribution channels, which has caused the U.S. economy to lose an estimated 300,000 or more full-time jobs in the wholesale and retail sectors alone in 2020.⁴ When accounting for lost jobs from suppliers that would serve these retail and wholesale establishments, and the lost jobs that would have been induced by employees re-spending their wages in the economy, the total economic impact resulting from the sale of counterfeit products was estimated to cost the United States economy over 650,000 full-time jobs that would have paid over \$33.6 billion in wages and benefits.⁵

³ *The Counterfeit Silk Road: Impact of Counterfeit Consumer Products Smuggled Into the United States*, prepared by John Dunham & Associates (<https://rilastagemedia.blob.core.windows.net/rila-web/rila.web/media/media/campaigns/buy%20safe%20america/fact%20sheets/buy-safe-america-the-counterfeit-silk-road-report.pdf>) (**Exhibit 4**).

⁴ *The Counterfeit Silk Road* (**Exhibit 4**).

⁵ *The Counterfeit Silk Road* (**Exhibit 4**).

40. In 2020, the importation of counterfeit goods costs the United States government nearly \$7.2 billion in personal and business tax revenues in the same period.⁶

E. Defendants' Infringing Conduct

41. Recently, Plaintiffs have identified many active e-commerce stores and listings offering products covered by the '129 Patent ("Infringing Products"). These storefronts and listings are on the online marketplace Amazon.com, Inc. ("Amazon") ("Infringing Listings").

42. Defendants are responsible for the Infringing Listings and are Unauthorized Sellers.

43. Defendants target consumers in this Judicial District by operating e-commerce storefronts and listings on platforms designed for customers across the United States, including consumers in Illinois, by shipping products to consumers in the United States, including consumers in Illinois, and by accepting payment in U.S. dollars.

44. The marketplaces Defendants have use to create the Infringing listings each allow for the sale of products into Illinois.

45. For example, Illinois ranked among the top ten states "most obsessed" with Amazon.⁷

46. Upon information and belief each Defendant has offered for sale and/or sold Infringing Products to residents of Illinois.

47. In connection with the offering for sale and sales of Infringing Products and the Infringing Listings, Defendants have engaged in one or more of the Deceptive Tactics.

⁶ The Counterfeit Silk Road (**Exhibit 4**).

⁷ Brian Straight, *Amazon Love Affair: Residents in these States Love Their Prime Membership*, Dec. 28, 2021 (available at: <https://www.freightwaves.com/news/amazon-love-affair-residents-in-these-states-love-their-prime-memberships#:~:text=Rounding%20out%20the%20top%2010,lives%20without%20ordering%20from%20Amazon>) (**Exhibit 5**).

48. Defendants are not authorized to use any of Spectrum Brands intellectual property, including the '129 Patent.

49. Defendants are not licensees or authorized resellers of Spectrum Brands or any licensee.

50. Defendants have made, had made, imported, offered for sale, and/or sold the Infringing Products being sold through the Infringing Listings.

51. Upon information and belief, one or more of the Defendants are related.

52. The Infringing Products being sold generally:

- share common design elements;
- Share unique identifiers;
- Omit the same seller information;
- Use the same payment methods and check-out methods;
- Use the same keywords, product description, text, or images;
- Use the same advertising tactics; and/or
- Have the same incorrect grammar and misspellings;

(collectively, the “Shared Characteristics”).

53. The Shared Characteristics between the Infringing Product and Infringing Listings for the Defendants suggests that the Defendants are either related, affiliates, working together, and/or obtaining the Infringing Products from a common source.

54. Upon information and belief and based on the Shared Characteristics between Defendants’ Infringing Products and Infringing Listings, Defendants are working in active concert to knowingly and willfully manufacture, import, distribute, offer for sale, and sell Infringing Products in the same transaction, occurrence, or series of transactions or occurrences.

55. Defendants, without any authorization or license from Spectrum have, jointly and severally, knowingly, and willfully infringed the '129 Patent in connection with the use and/or manufacturing of Infringing Products and distribution, offering for sale, and sale of Infringing Products into the United States and Illinois over the United States.

56. Defendants take advantage of a set of circumstances, including the anonymity and mass reach afforded by the Internet and the cover afforded by international borders, to violate Spectrum's intellectual property rights with impunity.

57. Defendants' attempt to avoid liability by using one or more of the the Deceptive Tactics.

58. Upon information and belief, Defendants' use of the Deceptive Tactics is intended to prevent Spectrum Brands from enforcing its rights and recovering its damages.

59. Spectrum Brands has been, and continues to be, irreparably damaged through loss of market share and erosion of Spectrum Brands' patent rights because of Defendants' actions and therefore seeks injunctive and monetary relief.

60. Defendants' unauthorized manufacturing, importation, offering for sale, and sale of Infringing Products, including in Illinois, is likely to cause, and has caused Plaintiffs to lose sales and has caused loss of market share and erosion. Plaintiffs have been irreparably harmed.

COUNT I

Infringement of U.S. Patent No. 8,960,129

61. Spectrum Brands restates and re-alleges the allegations set forth in the preceding paragraphs and hereby incorporates them by reference.

62. Spectrum Brands owns all rights in and to the '129 Patent.

63. Pet Technology is a licensee of the '129 Patent.

64. The claims of the '129 Patent are directed to pet grooming tools. As an example of the claims of the '129 Patent, independent claim 1, is reproduced below:

1. A pet grooming tool comprising:
 - a toothed portion, the toothed portion comprising a plurality of teeth arranged in a row and a plurality of edge segments, there being a gap between each adjacent pair of the teeth, the edge segments alternating with the teeth and bridging the gaps between the teeth, the edge segments being configured and adapted to engage loose fur in a pet's coat as such loose fur extends through the gaps in a manner removing the loose fur from the pet's coat; and
 - a fur ejector portion, the fur ejector portion comprising an edge, the edge of the fur ejector portion being movable between a first position and a second position relative to the toothed portion, the edge segments of the toothed portion being generally between the edge of the fur ejector portion and tips of the teeth when the fur ejector portion is in the first position;
- at least one biasing portion biasing the edge of the fur ejector portion away from the second position and toward the first position;
- the fur ejector portion being configured and adapted to permit fur to pass through the gaps of the toothed portion when the edge of the fur ejector portion is in the first position, the edge of the fur ejector portion being adapted to slidably contact the teeth of the toothed portion and to contact fur passing through the gaps of the toothed portion in a manner forcing the fur out from the gaps of the toothed portion as the fur ejector portion moves away from the first position toward the second position.

65. Defendants' Infringing Products meet every limitation of exemplary claim 1 of the '129 Patent.

66. Defendants' making, selling, offering for sale, using, and/or importing in the United States its Infringing Products directly infringes the '129 Patent.

67. Upon information and belief, Defendants are aware of the '129 Patent through at least Plaintiffs enforcement through marketplaces and through seller chat sessions.

68. Despite knowledge of the '129 Patent, Defendants have continued to offer for sale deshedding tools that infringe the '129 Patent, including at least the Infringing Products.

69. Defendants' infringement of the '129 Patent has been willful and deliberate.

70. Plaintiffs have been damaged by Defendants' infringement of the '129 Patent and will continue to be damaged in the future unless Defendants are permanently enjoined from directly and indirectly infringing the '129 Patent.

71. The intentional nature of Defendants unlawful acts renders this an "exceptional case," entitling Plaintiffs to an award of attorneys' fees under 35 U.S.C. § 285.

COUNT II

Unjust Enrichment

72. Spectrum Brands restates and re-alleges the allegations set forth in the preceding paragraphs and hereby incorporates them by reference.

73. Spectrum Brands has spent substantial time, money, and resources developing the inventions embodied in the '129 Patent.

74. The technology covered by the '129 Patent consists of a unique, toothed pet grooming tool which greatly improves upon existing pet grooming and fur removal technology.

75. Spectrum Brands has also spent substantial time, money, and resources developing the Spectrum Brands Products, including the Spectrum Brands Products sold directly to consumers and through authorized sellers.

76. Spectrum Brands' licensee Pet Technology has spent substantial time, money, and resources developing its products covered by the '129 Patent, including the products sold directly to consumers.

77. Defendants traded upon Spectrum Brands' and Pet Technology's good will, reputation, research, and development by selling products which infringed the '129 Patent.

78. Defendants, by selling the Infringing Products, eroded Spectrum Brands' and Pet Technology's market share in the pet grooming market.

79. The Infringing Products include the unique components disclosed in the '129 Patent.

80. Defendants knew or should have known that the Infringing Products they were selling infringed upon the '129 Patent and by selling those products they were eroding Spectrum's and Pet Technology's market share and trading upon its good will, reputation, research, and development.

81. Defendants, by offering for sale and selling Unauthorized Products, improved their own good will and market share by trading upon the good will, reputation, research, and development of Spectrum Brands and Pet Technology.

82. On information and belief, Defendants have sold the Infringing Products, further eroding Spectrum Brands' and Pet Technology's market share and trading upon its good will, reputation, research, and development of Spectrum Brands and Pet Technology.

83. Spectrum Brands and Pet Technology have never received any relief for the erosion to their market share or any compensation from Defendants for their use of Spectrum Brands' and Pet Technology's good will, reputation, research, and development.

84. Defendants have been unjustly enriched because they have denied Spectrum Brands and Pet Technology access to customers it would have otherwise had by participating in what should have been Spectrum Brands and Pet Technology's exclusive market by selling products directly to consumers, products which infringe the '129 Patent, and competing against Spectrum Brands and Pet Technology in the pet grooming market.

PRAYER FOR RELIEF

WHEREFORE, Spectrum Brands and Pet Technology pray that:

A. A judgment that Defendants have infringed United States Patent No. 8,960,129, causing irreparable harm to Spectrum Brands and its licensees.

B. A judgment that Defendants' infringement was willful.

C. A judgment finding that Defendants were unjustly enriched.

D. An Order that Defendants, their affiliates, officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, under, or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:

- i. Making, using, offering for sale, selling and/or importing into the United States for subsequent sale or use any products that infringe the '129 Patent; and
- ii. Aiding, abetting, contributing to, or otherwise assisting anyone in infringement of the Patents in Suit.

E. An Order that, upon Spectrum's request, those with notice of the injunction, including without limitation, any websites and/or online marketplace platforms, such as Amazon, Walmart, Alibaba, AliExpress, and Temu shall disable any seller accounts owned, operated, or affiliated with Defendants, and cease displaying any advertisements used by or associated with Defendants in connection with the sale of goods that infringe the '129 Patent.

F. A judgment and order requiring Defendants to pay damages for patent infringement under 35 U.S.C. § 284, including treble damages for willful infringement as provided by 35 U.S.C. § 284, with interest and costs;

G. A judgment and order finding this an "exceptional" case and directing Defendants to pay the costs of this action (including all disbursements) and attorney fees as provided by 35 U.S.C. § 285, with interest and costs;

H. A judgment awarding Plaintiffs their reasonable attorneys' fees and costs.

I. Such other and further relief as this Court may deem just and equitable.

JURY DEMAND

Under Fed. R. Civ. P. 38(b), Plaintiffs hereby demand a trial by jury on all issues triable as of right by a jury.

Respectfully submitted,

Dated: June 10, 2024

/s/ Mike R. Turner

Mike R. Turner (ISBN 6297803)
Charles Shih (ISBN 6328873)

NEAL GERBER & EISENBERG LLP

2 North LaSalle Street, Suite 1700
Chicago, IL 60602
Tel: (312) 827-1092
mturner@nge.com
cshih@nge.com

ROBINS KAPLAN LLP

David Martinez (*Pro Hac Vice Pending*)
2121 Avenue of the Stars, Suite 2800
Los Angeles, CA 90067
Tel: (310) 552-0130
Fax: (310) 229-5800
dmartinez@robinskaplan.com

William E. Manske (*Pro Hac Vice Pending*)
800 LaSalle Avenue, Suite 2800
Minneapolis, MN 55402
Tel: (612) 349-8500
Fax: (612) 339-4181
wmanske@robinskaplan.com

Attorneys for Plaintiffs
Spectrum Brands Inc.
Pet Technology Worldwide LLC