

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

**XIAOBING WANG AND LIANGQING
LI,**

Plaintiffs,

v.

**INDIVIDUALS, PARTNERSHIPS, AND
UNINCORPORATED ASSOCIATIONS
ON SCHEDULE “A,”**

Defendants.

Case No.: 24-cv-12770

SEALED COMPLAINT FOR PATENT INFRINGEMENT

This is an action for patent infringement in which Xiaobing Wang and Liangqing Li (collectively, “Plaintiffs”) accuse the Individuals, Partnerships, and Unincorporated Associations on Schedule A (“Defendants”) of infringing U.S. Patent No. [REDACTED] (the “Patent-in-Suit” or the “[REDACTED]”) under 35 U.S.C. §271, alleging as follows:

PARTIES

1. Plaintiffs are the inventors and owners of the Patent-in-Suit who live in the People’s Republic of China.

2. Plaintiffs have expended substantial time, money, and other resources in advertising, promoting, and marketing the products protected by the Patent-in-Suit. As a result, the products protected by the Patent-in-Suit are widely known and exclusively recognized by consumers, the public, and the trade as being high quality products sourced from Plaintiffs.

3. Plaintiffs' products protected by the Patent-in-Suit have become widely known from its novel elements, and as such, Plaintiffs' products protected by the Patent-in-Suit have become recognized by consumers as high quality products sourced from Plaintiffs. Over time, Plaintiffs' products protected by the Patent-in-Suit have become popular, resulting in multiple seller aliases copying the Patent-in-Suit.

4. Plaintiffs have previously been successful against fighting anonymous Seller Aliases infringing the Patent-in-Suit (Case No. [REDACTED]), and Plaintiffs have identified additional anonymous Seller Aliases who began selling Infringing Products.

5. Defendants are anonymous partnerships and/or unincorporated entities who target sales to Illinois residents by setting up and operating various "storefronts" via online retail websites accepting U.S. Dollars that target Illinois consumers by selling, offering to sell, and/or shipping products that infringe the Patent-in-Suit ("Infringing Products") to the United States, including Illinois.

6. Based on the Seller Aliases themselves, Defendants reside and operate in the People's Republic of China or other foreign jurisdictions with lenient intellectual property enforcement systems or redistribute products from the same or similar sources in those locations. As a result, Defendants have the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b).

7. Based on the use of anonymous Seller Aliases and Defendants' active infringement in the same time period, Defendants either individually or jointly, operate one or more e-commerce stores under the Seller Aliases listed in Schedule A. Tactics used by Defendants to conceal their identity and the full scope of their operations make it virtually

impossible for Plaintiffs to learn Defendants' true identity and the scope of their infringing network operations.

8. At present, Defendants can only be identified through their storefronts and other limited publicly available information. No credible information regarding Defendants' physical addresses is provided. Plaintiffs will voluntarily amend the Complaint as needed if Defendants provide additional credible information regarding their identity and location.

DEFENDANTS' INFRINGING CONDUCT

9. According to FY 2021 Intellectual Property Right Seizure Statistics report by U.S. Customs and Border Protection ("CBP"), 51% of the total number of seizure lines originated from mainland China and Hong Kong. **Exhibit D**, FY 2021 Intellectual Property Right Seizure Statistics report.

10. Third party online platforms do not adequately subject sellers to verification and confirmation of their identities and products, allowing infringers to "routinely use false or inaccurate names and addresses when registering with these e-commerce platforms." **Exhibit E**, Daniel C.K. Chow, *Alibaba, Amazon, and Counterfeiting in the Age of the Internet*, 40 NW. J. INT'L L. & BUS. 157, 186 (2020). "At least some e-commerce platforms, little identifying information is necessary for [an infringer] to begin selling" and recommending that "[s]ignificantly enhanced vetting of third-party sellers" is necessary." **Exhibit F**, *Combating Trafficking in Counterfeit and Pirated Goods* prepared by the U.S. Department of Homeland Security's Office of Strategy, Policy, and Plans. Because these online platforms generally do not require a seller to identify the underlying business entity,

infringers can have many different profiles that can appear unrelated even though they are commonly owned and operated. *Id.* at 39.

11. E-commerce store operators like Defendants commonly engage in fraudulent conduct when registering the Seller Aliases by providing false, misleading and/or incomplete information to e-commerce platforms to prevent discovery of their true identities and the scope of their interconnected e-commerce operations.

12. The e-commerce stores operating under the Seller Aliases appear sophisticated and accepts payment in U.S. dollars via credit cards, Alipay, Amazon Pay, and/or PayPal. The e-commerce stores operating under the Seller Aliases include content and images that make it very difficult for consumers to distinguish such stores from an authorized retailer of Plaintiffs' Patent-in-Suit products.

13. E-commerce store operators like Defendants regularly register new seller aliases for the purpose of offering for sale and selling Infringing Products. Such seller alias registration patterns are one of many common tactics used by e-commerce store operators like Defendants to conceal their identities and the scope of their infringing operations. Such tactics help Defendants avoid being shut down. Even after being shut down through enforcement efforts, such e-commerce store operators may conveniently register another storefront under another seller alias and continue to sell the Infringing Products.

14. Defendants use different fake names and payment accounts to keep selling despite Plaintiffs' actions. They also have bank accounts outside this Court's reach and may move money there to avoid paying any monetary judgment to Plaintiff. In fact, financial records from similar cases show that off-shore sellers frequently transfer money

from U.S. accounts to foreign ones on a regular basis to avoid paying any judgment ordered by a court of law.

15. Based on the coordinated efforts to flood the marketplace with Infringing Products in the same time period through anonymous Seller Aliases, Defendants are in communication with one another via chat rooms such as WeChat and QQ.com and through websites such as sellerdefense.cn which provide litigation specific content to warn anonymous seller alias networks of upcoming lawsuits against their many respective product listings.

16. Even though Defendants operate under multiple fictitious Seller Aliases, the e-commerce stores operating under the Seller Aliases share unique identifiers establishing a logical relationship, such as use of “fake IDs” (i.e. Seller Aliases) to sell products anonymously online, active infringement in the same time period, templates with common design elements that intentionally omit any contact information, the same registration patterns, the same accepted payment methods, the same check-out methods, the same keywords and titles, the same or similar product descriptions, the same or similar advertising tactics, similarities in pricing and quantities, the same or similar incorrect grammar and misspellings, and the same or similar product and advertising images and videos.

17. Defendants are working in active concert and are interrelated based on Defendants’ sale of Infringing Products in the same time period, the use of “fake IDs” (i.e. Seller Aliases) to hide their identity, the similar flaws and irregularities found in the Infringing Products, which evidence the Infringing Products were all manufactured by and come from a common source.

18. Based Defendants' Infringing Products, Defendants receive or purchase the Infringing Products from one or more major manufacturers in China, evidencing a common connection and logical relationship. The identities of the major manufacturers remain unknown to Plaintiff.

19. Each Defendant, in a virtually identical manner, attempts to avoid liability by going to great lengths to conceal both their identities and the full scope and interworking of their operation, utilizing fictitious Seller Aliases and providing no further identifying information, further establishing a logical relationship amongst Defendants and their willful nature.

20. Defendants are making, using, offering for sale and/or selling of the same accused product – [REDACTED], further establishing a logical relationship amongst Defendants. *See Exhibit C.*

21. 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. Defendants are all participating in the same "swarm" of attacks (i.e. same occurrences or series of occurrences), in the same time period, against the Patent-in-Suit through anonymous Seller Aliases. The e-commerce stores operating under the Seller Aliases offer to sell, and stand ready, willing, and able to, and upon information and belief do, sell and ship Infringing Products to the United States, including Illinois.

22. Questions of fact common to all Defendants will arise inherently do to the identical anonymous nature and foreign status of Defendants – requiring the same methods to investigate, uncover, and collect evidence about infringing activity. Further, based upon

Defendants selling the same accused products during the same exact time period (as part of the same “swarm”), the same legal and factual infringement analysis will be required.

23. Plaintiffs have lost profit, market share, sales volume, marketplace rankings and visibility, control over the rights in the claimed invention, reputation, associated goodwill, and ability to exploit the protected invention.

24. Plaintiffs filed this action to combat these Seller Aliases’ “swarm of attacks” on Plaintiffs’ patent rights because “filing individual causes of action against each counterfeiter ignores the form of harm” Plaintiffs face. *Bose Corp. v. P’ships & Unincorporated Ass’ns Identified on Schedule “A”*, 334 F.R.D. 511, 517 (N.D. Ill. 2020).

JURISDICTION AND VENUE

25. This is an action for infringement of the Patents-in-Suit arising under 35 U.S.C. §§ 271(a), 281, and 284 - 85. This Court has subject matter jurisdiction over this action under 28 U.S.C. §1331 and §1338(a).

26. Personal jurisdiction is proper because Defendants directly target consumers in the United States, including in Illinois, through at least the fully interactive commercial Internet stores operating under the Seller Aliases, where Defendants offer to sell, and stand ready, willing, and able to, and upon information and belief do, sell and ship Infringing Products to residents within the Northern District of Illinois. *See Exhibit C*. Thus, each Defendant has purposefully availed themselves of the privilege of conducting business in the forum state or purposefully directed their patent infringement activities at the state; Plaintiffs’ injuries stems from the Defendants’ forum-related activities of offering to sell, selling, and shipping Infringing Products to the forum-state; and the exercise of

personal jurisdiction comports with traditional notions of fair play and substantial justice. Here, Defendants are committing tortious acts in Illinois, are engaging in interstate commerce, and have wrongfully caused Plaintiffs substantial injury in Illinois.

27. In addition, after service of summons, personal jurisdiction is proper pursuant to Federal Rule of Civil Procedure 4(k)(2), where “a claim that arises under federal law, serving a summons or filing a waiver of service 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 United States Constitution and laws.” Based on information found on Defendant’s Infringing Product listings and based on the Seller Aliases themselves, each of the Defendants is a foreign entity or individual not subject to any state’s courts general jurisdiction, and exercising jurisdiction is consistent with the United States Constitution and laws.

28. Venue in the Northern District of Illinois is proper pursuant to 28 U.S.C. § 1391 because a substantial part of the events that give rise to the claim occur within this District, Defendants have committed acts of infringement in and have significant contacts within this District, and Defendants as delineated in Schedule A are directly targeting their business activities of offering to sell, selling, and shipping the Infringing Products to this District.

29. In addition, based on information found on Defendant’s Infringing Product listings and based on the Seller Aliases themselves, each of the Defendants is a foreign entity or individual, and “a defendant not resident in the United States may be sued in any judicial district.” 28 U.S.C. § 1391(c)(3).

U.S. PATENT NO. [REDACTED]

30. On [REDACTED], United States Patent No. [REDACTED] (the “[REDACTED]”) was duly and legally issued by the United States Patent and Trademark Office for an invention entitled “[REDACTED].” A true and correct copy of the [REDACTED] is attached hereto as **Exhibit A**.

31. Xiaobing Wang and Liangqing Li are the inventors and owners of the [REDACTED].

32. Plaintiffs sell products protected by the Patent-in-Suit.

COUNT I
INFRINGEMENT OF U.S. PATENT NO. [REDACTED]

33. Plaintiffs hereby re-allege and incorporate by reference the allegations set forth in the preceding paragraphs.

34. Defendants, directly or through intermediaries, offer to sell and/or sell [REDACTED] which infringe the [REDACTED]. *See Exhibits B-C*.

35. Defendants have been and are now infringing Claims 1, 2, 3, and 8 of the [REDACTED] in the State of Illinois, in this judicial district, and other jurisdictions in the United States by selling or offering to sell the infringing [REDACTED]. The Defendants are directly infringing, literally infringing, and/or infringing the [REDACTED] under the doctrine of equivalents.

36. The infringing products directly infringe Claim 1 of the [REDACTED]. For example, they are [REDACTED]. *See Exhibits B-1 to B-3*.

37. The infringing products directly infringe Claim 2 of the [REDACTED]. For example, the [REDACTED]. *See Exhibits B-1 to B-3*.

38. The infringing products directly infringe Claim 3 of the [REDACTED]. For example, a [REDACTED]. *See Exhibits B-1 to B-3.*

39. The infringing products directly infringe Claim 8 of the [REDACTED]. For example, they are [REDACTED]. *See Exhibits B-1 to B-3.*

40. Defendants' offering for sale, sale, and shipments of Infringing Products have caused and continues to cause Plaintiffs to suffer irreparable harm through loss of Plaintiffs' exclusive patent rights, loss of reputation, loss of brand confidence, loss of market share, and inability to realize a return on investment.

41. Defendants' offering for sale, sales, and shipments of Infringing Products into the United States, including Illinois, was willful in nature based on Defendants' use of anonymous Seller Aliases hiding their identity, longevity of Plaintiffs' Patent-in-Suit, and virtually identical infringement of the Plaintiffs' Patent-in-Suit.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully requests that this Court enter:

1. a judgment in favor of Plaintiffs that Defendants have infringed the Patents-in-Suit;
2. a temporary, preliminary, and permanent injunction enjoining Defendants and their officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith from infringement, inducing the infringement of, or contributing to the infringement of the Patents-in-Suit, or such other equitable relief the Court determines is warranted;
3. a judgment and order requiring Defendants pay to Plaintiffs their damages, costs, expenses, lost profits, and prejudgment and post-judgment interest for Defendants'

infringement of the Patents-in-Suit as provided under 35 U.S.C. § 284, and an accounting of ongoing post-judgment infringement;

4. a judgment and order requiring Defendants pay to Plaintiffs a reasonable royalty for Defendants' infringement of the Patent-in-Suit, together with interest and costs, and that such amount found or assessed be increased three times as provided under 35 U.S.C. § 284;

5. a determination that this is an exceptional case within the meaning of 35 U.S.C. § 285 and an award to Plaintiffs the costs, expenses, and reasonable attorneys' fees incurred in this action; and

6. that, upon Plaintiffs' request, all in privity with Defendants and with notice of the injunction, including but not limited to any online marketplace platforms, such as Amazon.com, eBay.com, wish.com, and Walmart, and vendors of sponsored search terms or online ad-word providers, financial services providers, including but not limited to credit card providers, banks, merchant account providers, third party payment processors, web hosts, and Internet search engines, such as Google, Bing, and Yahoo shall:

a. cease providing services used by Defendants, currently or in the future, to sell or offer for sale goods under the [REDACTED];

b. cease displaying any advertisements in any form, connected or associated with Defendants in connection with the sale of infringing goods under the [REDACTED]; and

c. disable all links to the marketplace accounts identified on Schedule A from displaying in search results, including from any search index; and

7. any and all other relief that this Court deems just and proper.

DEMAND FOR JURY TRIAL

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

DATED December 12, 2024

Respectfully submitted,

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