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

Honeyera, LLC)	
)	Case No. 24-cv-12867
V.)	
)	Judge: Hon.
THE PARTNERSHIPS and)	C
UNINCORPORATED ASSOCIATIONS)	Magistrate: Hon.
IDENTIFIED ON SCHEDULE "A")	C C
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COMPLAINT

Honeyera, LLC, ("Plaintiff" or "Honeyera"), by undersigned counsel, hereby complains of the Partnerships and Unincorporated Associations identified on Schedule A attached hereto (collectively, "Defendants"), and for Honeyera, LLC's Complaint hereby alleges as follows:

JURISDICTION AND VENUE

1. This Court has original subject matter jurisdiction over the claims in this action pursuant to the provisions of the United States Patent Act, 35 U.S.C. § 1, et seq., 28 U.S.C. § 1338(a)-(b) and 28 U.S.C. § 1331.

2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over Defendants since each of the Defendants directly targets consumers in the United States, including Illinois, through at least the fully interactive commercial internet stores operating under the Defendant aliases and/or the online marketplace accounts identified in Schedule A attached hereto (collectively, the "Defendant Internet Stores"). Specifically, Defendants are reaching out to do business with Illinois residents by operating one or more commercial, interactive Internet Stores through which Illinois residents can purchase products bearing infringing versions of Honeyera, LLC's patented works. Each of

Case: 1:24-cv-12867 Document #: 1 Filed: 12/16/24 Page 2 of 11 PageID #:2

the Defendants has targeted Illinois residents by operating online stores that offer shipping to the United States, including Illinois, accept payment in U.S. dollars via credit cards and/or PayPal and, on information and belief, has sold products bearing infringing versions of Honeyera, LLC's federally registered patented works to residents of Illinois. Each of the Defendants is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Plaintiff substantial injury in the State of Illinois.

3. This Court has personal jurisdiction over each Defendant, in that each Defendant conducts significant business in Illinois and in this judicial district, and the acts and events giving rise to this lawsuit of which each Defendant stands accused were undertaken in Illinois and in this judicial district.

JOINDER

4. Joinder is proper under FRCP 20(a)(2), as, on information and belief, the Defendants are engaged in a coordinated scheme, and the rights asserted against them arise out of the same series of transactions and occurrences. On information and belief, common questions of fact pertaining to the Defendants will arise in this action.

INTRODUCTION

5. Honeyera, LLC is the assignee of the U.S. Design Patent No. D1,023,613S (the "'613 Patent").

6. This action has been filed by Honeyera, LLC to combat online patent infringers who trade upon Honeyera, LLC's reputation, goodwill, and valuable patents by selling and/or offering for sale products in connection with Honeyera, LLC's patent. In addition, the Defendants are selling unauthorized products that infringe upon the patented design in the '613 Patent.

Case: 1:24-cv-12867 Document #: 1 Filed: 12/16/24 Page 3 of 11 PageID #:3

7. Honeyera, LLC is the assignee of United States Patent No(s). D1,023,613S, attached hereto as <u>Exhibit 1</u>. Upon information and belief, the patents have effective dates that predate the Defendants' acts of patent infringement.

8. In an effort to illegally profit from the creative content of Honeyera, Defendants have created numerous Defendant Internet Stores and designed them to appear to be selling authorized Honeyera products.

9. The Defendant Internet Stores share unique identifiers, such as design elements and similarities of the unauthorized products offered for sale, establishing a logical relationship between them and suggesting that Defendants' illegal operations arise out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid liability by going to great lengths to conceal both their identities and the full scope and interworking of their illegal operation. Honeyera, LLC is forced to file this action to combat Defendants' infringement of the '613 Patent. Plaintiff has been and continues to be irreparably damaged through loss of ability to license, loss of future sales, and loss of control over the creative content of the valuable patents, the quality of products sold in connection with Honeyera, LLC's patented material, ability to license these products, and damage to Plaintiff's reputation and good will as a result of Defendants' actions and seeks injunctive and monetary relief.

10. The rise of online retailing, coupled with the ability of e-commerce sites to hide their identities, has made it nearly impossible for policing actions to be undertaken since availing itself of takedown procedures to remove infringing products would be an ineffective and endless game of whack-a-mole against the mass piracy that is occurring over the internet. The aggregated effect of the mass infringement that is taking place has overwhelmed Honeyera and Plaintiff's

Case: 1:24-cv-12867 Document #: 1 Filed: 12/16/24 Page 4 of 11 PageID #:4

ability to police its rights against the hundreds of anonymous defendants which are selling illegal infringing products at prices below an original.

11. The Defendant Internet Stores share unique identifiers, such as design elements and similarities of the unauthorized products offered for sale, establishing a logical relationship between them and suggesting that Defendants' illegal operations arise out of the same transaction, occurrence, or series of transactions or occurrences. Defendants use aliases to avoid liability by going to great lengths to conceal both their identities as well as the full scope and interworking of their illegal network.

12. Plaintiff has been and continues to be irreparably harmed through the loss of control over Plaintiff's reputation, good will, ability to license, and the quality of goods under the '613 Patent. The rise of e-Commerce as a method of supplying goods to the public exposes brand holders and content creators that make significant investments in their products to significant harm from counterfeiters and infringers.

13. Plaintiff's investigation shows that the telltale signs of an illegal infringement ring are present in the instant action. For example, Schedule A shows the use of store names by the Defendant Internet Stores that employ no normal business nomenclature and, instead, have the appearance of being made up, or if a company that appears to be legitimate is used, online research shows that there is no known address for the company, or addresses provided are merely shipping centers or warehouses used by multiple businesses, or often addresses which simply do not exist. Thus, the Defendant Internet Stores are using fake online storefronts designed to appear to be selling genuine Honeyera products, while selling inferior imitations of Honeyera products.

THE PLAINTIFF

Case: 1:24-cv-12867 Document #: 1 Filed: 12/16/24 Page 5 of 11 PageID #:5

14. Honeyera, LLC is the assignee and owner of the '613 Patent. The registration is valid, subsisting and in full force and effect. True and correct copies of the registrations are attached hereto as **Exhibit 1**.

15. Honeyera has expended substantial time, money, and other resources in developing, advertising, and otherwise promoting the '613 Patent. As a result, products associated with the '613 Patent are recognized and exclusively associated by consumers, the public, and the trade as products associated with and authorized by Honeyera, LLC (the "Honeyera Products").

16. In an effort to illegally profit from the creative content of '613 Patent, Defendants have created numerous Defendant Internet Stores and they have designed them to appear to be selling authorized Honeyera Products.

17. No one other than Honeyera, LLC and Plaintiff's licensees are authorized to manufacture, import, export, advertise, create derivative works, offer for sale, or sell any goods utilizing the '613 Patent without the express written permission of Honeyera, LLC.

THE DEFENDANTS

18. Defendants are individuals and business entities who, upon information and belief, reside in the People's Republic of China or other foreign jurisdictions. Defendants conduct business throughout the United States, including within Illinois and in this judicial district, through the operation of the fully interactive commercial websites and online marketplaces operating under the Defendant Internet Stores. Defendants facilitate sales by designing the Defendant Internet Stores so that they appear to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers selling genuine Honeyera Products. Each Defendant

Case: 1:24-cv-12867 Document #: 1 Filed: 12/16/24 Page 6 of 11 PageID #:6

targets the United States, including Illinois, and has offered to sell and, on information and belief, has sold and continues to sell illegal Honeyera Products to consumers within the United States, including Illinois and in this judicial district.

THE DEFENDANTS' UNLAWFUL CONDUCT

19. The success of the '613 Patent has resulted in significant copying of the creative content protected by Honeyera, LLC's patent registrations. Plaintiff has identified numerous fully interactive websites hosted on various e-commerce sites. Each Defendant targets consumers in the United States, including the State of Illinois, and has offered to sell and, on information and belief, has sold and continues to sell infringing products that violate Plaintiff's intellectual property rights in the '613 Patent ("Infringing Products") to consumers within the United States, including the State of Illinois.

20. The Defendant Internet Stores intentionally conceal their identities and the full scope of their infringement operations to deter Honeyera from learning Defendants' true identities and the exact interworking of Defendants' illegal operations. Through their operation of the infringing Defendant Internet Stores, Defendants are directly and personally contributing to, inducing and engaging in the sale of Infringing Products as alleged, often as partners, co-conspirators and/or suppliers. Upon information and belief, Defendants are an interrelated group of infringers working in active concert to knowingly and willfully manufacture, import, distribute, offer for sale, and sell Infringing Products.

21. Upon information and belief, at all times relevant hereto, the Defendants in this action have had full knowledge of Honeyera ownership of the '613 Patent, including Plaintiff's exclusive right to use and license such intellectual property and the goodwill associated

therewith.

22. Defendants often go to great lengths to conceal their identities by often using multiple fictitious names and addresses to register and operate their massive network of Defendant Internet Stores. Upon information and belief, Defendants regularly create new websites and online marketplace accounts on various platforms using the identities listed in Schedule A to the Complaint, as well as other unknown fictitious names and addresses. Such Defendant Internet Store registration patterns are one of many common tactics used by the Defendants to conceal their identities, the full scope and interworking of their massive pirating operation, and to avoid being shut down.

23. The Infringing Products for sale in the Defendant Internet Stores bear similarities and indicia of being related to one another, suggesting that the Infringing Products were manufactured by and come from a common source and that, upon information and belief, Defendants are interrelated. The Defendant Internet Stores also include other notable common features, including use of the same Defendant Internet Store registration patterns, unique shopping cart platforms, accepted payment methods, check-out methods, meta data, illegitimate SEO tactics, HTML user-defined variables, lack of contact information, identically or similarly priced items and volume sales discounts, similar hosting services, similar name servers, and the use of the same text and images.

24. In addition to operating under multiple fictitious names, Defendants in this case and defendants in other similar cases against online infringers use a variety of other common tactics to evade enforcement efforts. For example, infringers like Defendants will often register new online marketplace accounts under new aliases once they receive notice of a lawsuit. Infringers also often move website hosting to rogue servers located outside the United States once

Case: 1:24-cv-12867 Document #: 1 Filed: 12/16/24 Page 8 of 11 PageID #:8

notice of a lawsuit is received. Rogue servers are notorious for ignoring takedown demands sent by brand owners. Infringers also typically ship products in small quantities via international mail to minimize detection by U.S. Customs and Border Protection.

25. Further, infringers such as Defendants, typically operate multiple credit card merchant accounts and third-party accounts, such as PayPal, Inc. ("PayPal") accounts, behind layers of payment gateways so that they can continue operation despite Plaintiff's enforcement efforts. Upon information and belief, Defendants maintain off-shore bank accounts and regularly move funds from their accounts to off-shore bank accounts outside the jurisdiction of this Court. Indeed, analysis of PayPal transaction logs from previous similar cases indicates that offshore infringers regularly move funds from U.S.-based PayPal accounts to China-based bank accounts outside the jurisdiction of this Court.

26. Defendants, without any authorization or license from Honeyera, LLC, have knowingly and willfully pirated Honeyera's Works in connection with the advertisement, distribution, offering for sale, and sale of illegal products into the United States and Illinois over the internet. Each Defendant Internet Store offers shipping to the United States, including Illinois, and, on information and belief, each Defendant has offered to sell Infringing Products into the United States, including Illinois.

COUNT I PATENT INFRINGEMENT (35 U.S.C. § 271)

27. Plaintiff repeats and incorporates by reference herein the allegations contained in the above paragraphs of this Complaint.

28. The '613 Patent have significant value and have been produced and created at considerable expense.

Case: 1:24-cv-12867 Document #: 1 Filed: 12/16/24 Page 9 of 11 PageID #:9

29. At all relevant times, Honeyera has been the holder of the pertinent exclusive rights infringed by Defendants, as alleged hereunder, including but not limited to the '613 Patent. The '613 Patent are the subject of valid Patent Registrations issued by the United States Patent and Trademark Office. (Exhibit 1).

30. Each Defendant, without the permission or consent of Honeyera, has, and continues to sell online products that infringe directly and/or indirectly the ornamental design claimed in the '613 Patent. Each Defendant has violated Plaintiff's exclusive rights and each Defendant's actions constitute infringement of Plaintiff's exclusive rights protected under the Patent Act (35 U.S.C. § 271 et seq.).

31. The foregoing acts of infringement constitute a collective enterprise of shared, overlapping facts and have been willful, intentional, and in disregard of and with indifference to the rights of the Plaintiff.

32. Plaintiff are entitled to recover damages adequate to compensate for the infringement, including Defendants' profits pursuant to 35 U.S.C. § 289. Plaintiff are entitled to recover any other damages as appropriate pursuant to 35 U.S.C. § 284.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff pray for a judgment against Defendants as follows:

- 33. 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:
 - a. offering for sale, selling, and importing any products not authorized by Plaintiff and that include any reproduction, copy or colorable imitation of the design claimed in the Patented Design;

- b. aiding, abetting, contributing to, or otherwise assisting anyone in infringing upon the Patented Design; and,
- c. effecting assignments or transfers, 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).

34. Entry of an Order that, upon Plaintiff's request, those in privity with Defendants and those with notice of the injunction, including, without limitation, any online marketplace platforms such as eBay, AliExpress, Alibaba, Amazon, Wish.com, Walmart.com, and Temu, 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 Patented Design,
- b. disable and cease displaying any advertisements used by or associated with Defendants in connection with the sale of infringing goods using the Patented Design; 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;

35. That Plaintiff be awarded such damages as it shall prove at trial against Defendants that are adequate to compensate Plaintiff for infringement of the Patented Design, and all of the profits realized by Defendants, or others acting in concert or participation with

Case: 1:24-cv-12867 Document #: 1 Filed: 12/16/24 Page 11 of 11 PageID #:11

Defendants, from Defendants' unauthorized use and infringement of the Patented Design;

36. That Plaintiff be awarded from Defendants, as a result of Defendants' use and infringement of the Patented Design, three times Plaintiff's therefrom and three times Defendants' profits therefrom, after an accounting, pursuant to 35 USC § 284;

37. That Plaintiff be awarded its reasonable attorneys' fees and costs; and

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

Respectfully submitted,

By: <u>s/David Gulbransen/</u> David Gulbransen Attorney of Record

> David Gulbransen (#6296646) Law Office of David Gulbransen 805 Lake Street, Suite 172 Oak Park, IL 60302 (312) 361-0825 p. (312) 873-4377 f. david@gulbransenlaw.com