

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

Guangzhou Linyu Trading Co., Ltd.

Plaintiff,

v.

Shengzhou Yuneng Trade Department

Defendant.

CASE NO.

Judge:

Magistrate Judge:

COMPLAINT

This is an action brought under the Declaratory Judgment Act by Plaintiff Guangzhou Linyu Trading Co., Ltd. (“Plaintiff”), against Defendant Shengzhou Yuneng Trade Department (“Defendant”), claiming for invalidity of a design Patent “Rolling Storage Cart” (Patent No. D1,002,985S) (“ ’985 Patent”). Upon actual knowledge with respect to itself and its acts, and upon information and belief as to all other matters, Plaintiff alleges as follows:

INTRODUCTION

1. The Defendant registered a design patent in the United States for furniture that a Chinese manufacturer had already designed, produced, and sold as early as 2022. By expediting the application process through additional fees, the Defendant obtained the patent approval within three months. Subsequently, the Defendant began leveraging this design patent to file complaints against various furniture sellers, including the Plaintiff. As a result, the Plaintiff’s storefronts, LINYU-US (Seller ID: A3M7194FNGLTW), had its listing for ASIN B0BGXCPXYQ removed following the Defendant’s infringement complaint to Amazon.

2. The Plaintiff now seeks to file this action against the Defendant, requesting the

invalidation of the fraudulently obtained design patent and the cessation of the Defendant's improper actions.

NATURE OF THE ACTION

3. This court has original jurisdiction over the subject matter of this action pursuant to the Patent Act, 35 U.S.C. §§ 101, 102, 103 et seq., pursuant to 28 U.S.C. §§ 1331, 1332(a) and (c), 1338(a), and pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

4. This is an action under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, seeking a declaratory judgment that Plaintiff has not infringed any alleged Patent of Defendant (including any of Defendants' predecessors and/or successors in interest), directly, contributorily, or vicariously.

5. This is an action under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, seeking a declaratory judgment that Defendant's Patent U.S. Patent No. D1,002,985S is invalid under at least 35 U.S.C. §§ 101, and 102.

6. This action arises from Defendant's filing of fraudulent Patent infringement complaint to Amazon, causing Amazon to de-list Plaintiff's top selling product from the market, which could lead to the total annihilation of Plaintiff's business.

JURISDICTION AND VENUE

7. This Court has subject matter jurisdiction under 28 U.S.C. § § 2201, 2202, 1331, 1338(a), because this action arises under the laws of the United States, in particular the Patent Act of the United States, 35 U.S.C. § 100 et seq.

8. An actual case or controversy exists between the parties to this action. Defendant filed the patent infringement complaint to Amazon which resulted in the removal of Plaintiff's Amazon product listings. Product delisting from Amazon has stopped Plaintiff's product sales on

Amazon and caused significant financial loss in the United States, including Chicago, Illinois. Defendant's actions thereby give rise to an actual controversy under 28 U.S.C. § 2201 et. seq.

9. Venue is proper in this Court pursuant to 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over the Defendant since the Defendant has directly availed herself of the United States, including Illinois, by filing a fraudulent patent infringement complaint against Plaintiff with Amazon, causing Plaintiff's ASIN to be taken down by Amazon, which has affected sales and activities in the state of Illinois. Specifically, this Court has personal jurisdiction under FRCP 4(k)(2) over the Defendant because the claims arise under federal law, the Defendant is not subject to jurisdiction in any state, as Defendant is hiding in China, and the assertion of personal jurisdiction is reasonable and fair.

PARTIES

10. Plaintiff Guangzhou Linyu Trading Co., Ltd. is a limited liability company organized and existing under the laws of the People's Republic of China, with its principal place of business located at Guangzhou Yuexiu District, 75 Xianlie Middle Road, Building A217, No. 1, 77 Xianlie Middle Road, Guangzhou, China.

11. Defendant is also a limited liability company organized and existing under the laws of the People's Republic of China, with its principal place of business located at No. 287 Dayuan Road East, Dawu Village, Pukou Street, Shengzhou, Shaoxing, Zhejiang, China.

FACTUAL BACKGROUND

12. Plaintiff owns and operates one Amazon store LINYU-US (Seller ID: A3M7194FNGLTW). Plaintiff sells furniture in that Amazon store.

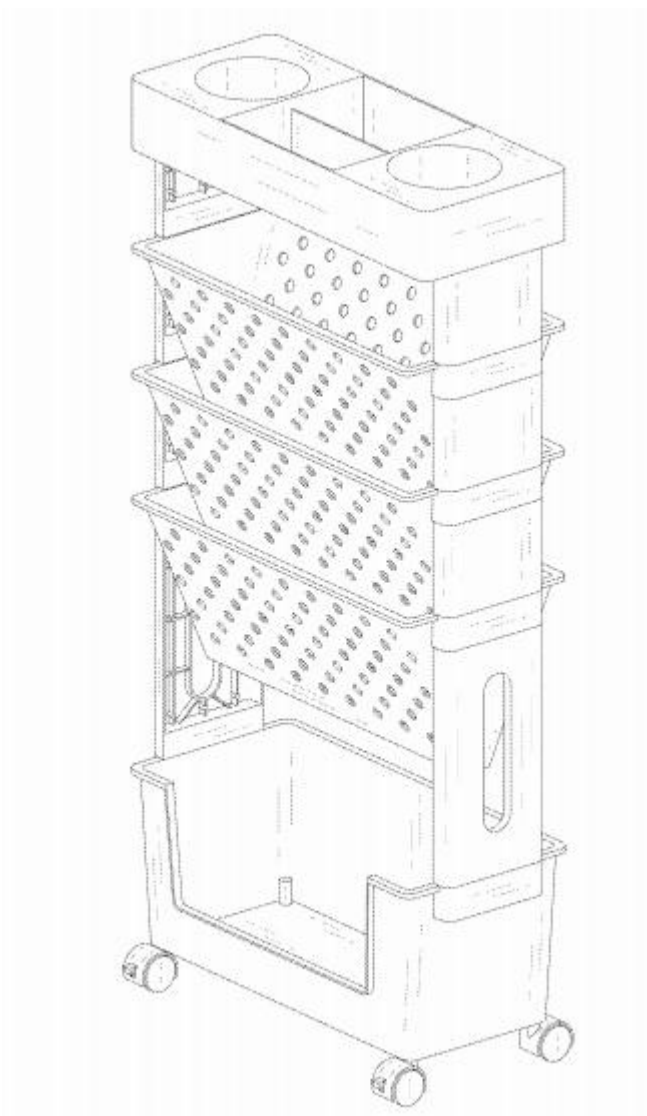
13. On November 3, 2023, Plaintiff's store received a Notice from Amazon. See **Exhibit 1**. This Notice informed the Plaintiff that Amazon had received a report from the

Defendant, alleging that Plaintiff infringed on Defendant's U.S. Patent No. D1,002,985 ("985 Patent"), which is attached hereto as **Exhibit 2**. In the Notice, Amazon provided Plaintiff with the Rights Owner's contact details: yunengtrade@163.com

14. In the complaint, Defendant alleged that: "My name is Yu Nengdi, and I am the legal representative of Shengzhou Yuneng Trade Department. I own the YEMUNY brand and hold the product patent D1002985, for which I am the inventor. Shengzhou Yuneng Trade Department is both the applicant and assignee of this patent. The seller, LINYU-US, is using our patent without authorization and selling product on Amazon that infringe on our design patent. This seller is seriously violating Amazon's platform rules and infringing upon the legitimate rights and interests of our brand. We request Amazon to address this issue promptly to protect our rights and interests."

15. As a result of the infringement complaint sent by Defendant to Amazon, Plaintiff's ASIN B0BGXCPXYQ was de-listed.

16. The '985 Patent's filing date is July 10, 2023. The Date of Patent is October 24, 2023. The perspective view of the '985 Patent is shown as below:



17. However, the '985 Patent was already patented, in public use, on sale, or otherwise made available to the public before its filing date.

18. The exact same design was being sold on the Chinese e-commerce platform PDD (“Temu”) as early as 2022.

19. For example, the following screenshot shows the design being sold on December 1, 2022, at 14:55.

| Product Name | Price | Inventory | Total Sales | 30 Day sales | Quality Point | Creating Time |
|---|----------|-----------|-------------|--------------|----------------|-------------------------|
| 商品名称 | 价格 | 库存 | 累计销量 | 30日销量 | 质量分 | 创建时间 |
|  书桌置物架桌下落地小推车移动儿童书架带轮书本多层收纳架子宿舍 ID:694177654036 编码:MO632204-63220404 Under-Desk Storage Shelf with Wheels, Movable Multi-Layer Bookshelf for Kids, Rolling Book Organizer, Dormitory Shelf Rack | ¥ 86.30 | 0 | 351 | 0 | 100分 获得流量加持 | 2022-12-01 14:55 仓库中 |
|  可移动书本收纳箱课桌架书神器教室书架学生带轮盒书籍书桌置物架 ID:673909510967 编码:MO632204-63220404 | ¥ 111.25 | 0 | 981 | 0 | 100分 获得流量加持 | 2022-04-28 14:21 仓库中 |

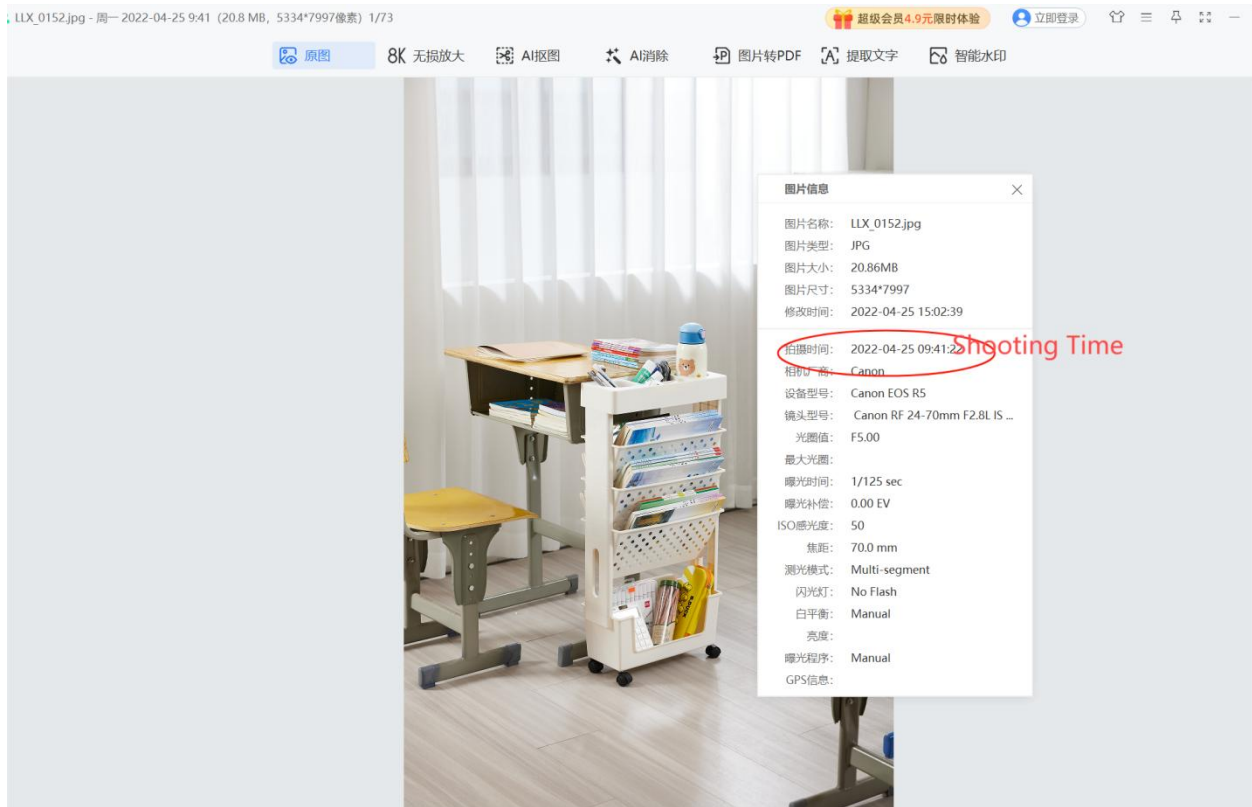
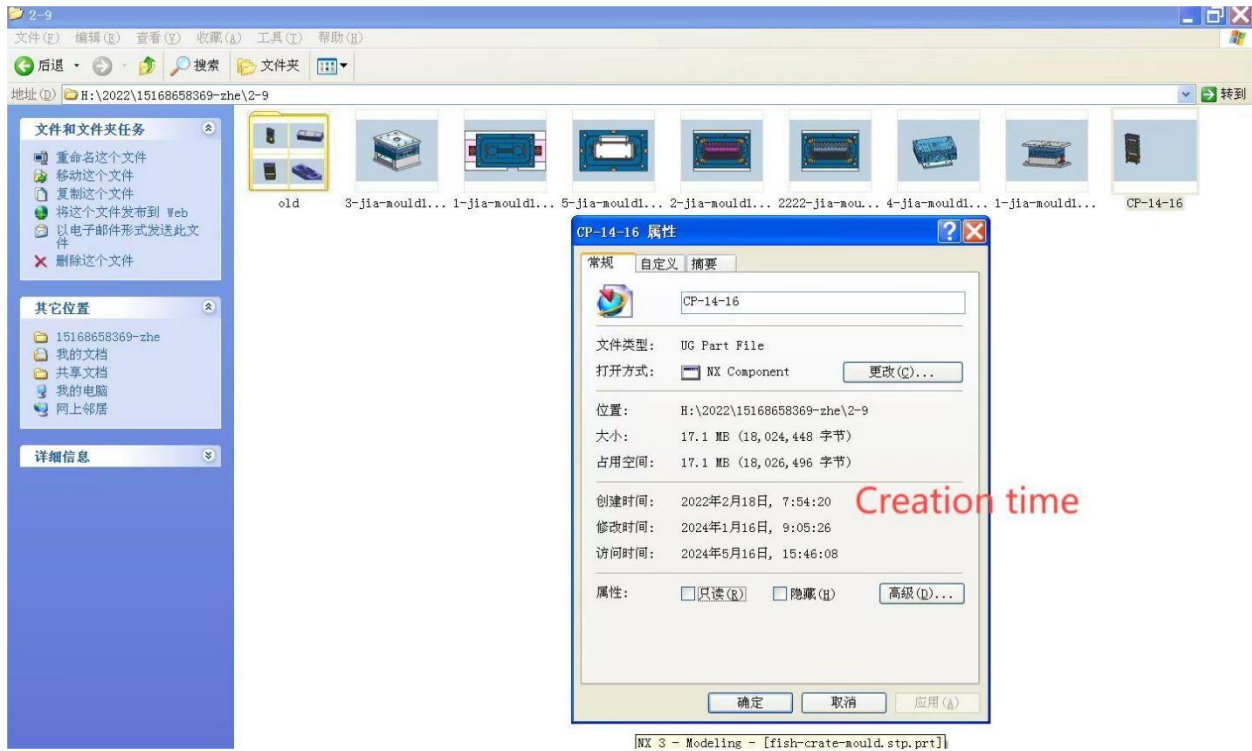
20. Another screenshot shows the design being sold on June 11, 2022, at 10:27.

| 商品信息 | price | inventory | total sales | 30 day sales | Creation Time | 操作 | | |
|--|---------------------|--------------|-------------|--------------------------|---|-------|-------------------------|------------------------------------|
| 商品名称 | 价格(元) | 总库存 | 收藏 | 累计销量 | 30日销量 | 商品体检分 | 创建时间 | |
|  可移动万能书架带轮课桌收纳整理学生宿舍落地置物架教室书立推车 ID: 373900966370 商品编码: 8322 | 13.9 ~ 45.9 修改价格 | 6609 修改库存 | 125775 | 206651 评价分:一分 查看评价 | 339 设置优惠券 营销玩法 商品已标价 ¥13.23-44.99上新 重获自然流量 | 未体检 | 2022-06-11 10:27 销售中 | 编辑 下架 预览 二维码 链接 发布相似品 |

21. Additionally, the factory that manufactured this shelf is able to provide design documents and product photos dating back to 2022.

22. For example, a promotional photo clearly displaying the claimed design was taken on April 25, 2022, at 9:41:22.

23. Furthermore, the factory has provided images of the product's design, showing that the design was created on February 18, 2022, at 7:54:20.



24. Based on the foregoing prior art, Plaintiff's product cannot infringe the '985

Patent because the '985 Patent is invalid.

COUNT I
(Declaration Judgment of Invalidity of U.S. Patent, No. D1,002,985)

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

26. This claim arises under the patent laws of the United States, Title 35 United States Code, and the Federal Declaratory Judgment Act, 28 U.S.C. § 2201, et seq.

27. There exists an actual and justiciable controversy between Plaintiff and Defendant with respect to the alleged validity of the '985 Patent due to the assertion of the '985 Patent against the Plaintiff's product.

28. As shown above, the claimed design of '985 Patent was available to the public and on sale before the filing date of the '985 Patent. Therefore, the '985 Patent is invalid.

29. Additionally, Defendant made fraudulent representations to the USPTO when applying for the '985 Patent by falsely naming the inventor and intentionally concealing the sales records from 2022.

30. In the view of the foregoing, Plaintiff is entitled to a judgment declaring that the '985 Patent is invalid under at least.

COUNT II
(Tortious Interference with Contractual Relations)

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

32. The elements of a claim for tortious interference with contract are: (1) the existence of a valid contract between the plaintiff and a third party; (2) the defendant's knowledge of the contract; (3) the defendant's intentional procurement of the third-party's breach

of the contract without justification; (4) the defendant's wrongful conduct caused the third party to breach of the contract; and (5) damages resulting therefrom.

33. Plaintiff has a valid and existing contract with Amazon in order to sell their product through Amazon.com

34. Plaintiff is informed and believes, and on that basis alleges, that Defendant knew of Plaintiff's contractual relationships with the Amazon.

35. Plaintiff is informed and believes, and on that basis alleges, that Defendant intentionally interfered with those contractual relationships and furthermore knowingly and intentionally, by ways of asserting materially false allegations of patent infringement against Plaintiff in order to have Plaintiff's listing removed and eliminate Plaintiff's lawful competition.

36. As a result of Defendant's improper acts, Plaintiff's listings were removed from Amazon.

37. Plaintiff has suffered direct, proximate and foreseeable damages and continues to suffer direct, proximate and foreseeable damages.

38. Defendant's efforts to have Plaintiff's product delisted through improper means was and is unlawful, fraudulent.

39. By reason of Defendant's acts, Plaintiff is entitled to equitable remedies and damages in an amount to be proven at trial.

COUNT III
(Tortious Interference with Prospective Economic Advantage)

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

41. The elements of a claim for tortious interference with prospective economic advantage are: (1) the plaintiff had a reasonable expectation of entering into or continuing a valid

business relationship with a third party; (2) the defendant knew of that expectation; (3) the defendants intentionally and without justification interfered with that expectation; (4) the defendant's interference prevented the plaintiff's legitimate expectancy from ripening into a valid business relationship and (5) the plaintiff suffered damages as a result of the interference.

42. Plaintiff's ongoing business relationship with Amazon included the selling of Desk Organizer now delisted as a result of Defendant's malicious and spurious infringement complaint.

43. Plaintiff's ongoing business relationship with Amazon includes the current sale of product which Defendant claims are infringing.

44. Defendants had and continues to have full knowledge of the ongoing relationships and prospective future business arrangements between Plaintiff and Amazon regarding Plaintiff's sale of Desk Organizer product.

45. Defendant intentionally and knowingly made fraudulent assertions of patent infringement, which ultimately caused Amazon to remove Plaintiff's listing, thus denying the future and ongoing business relationship between Plaintiff with Amazon.

46. Defendant knew that the removal of Plaintiff's product listings would harm Plaintiff's business and would benefit Defendant due to it having less competition. Defendant intended to harm Plaintiff by fraudulently convincing Amazon to remove Plaintiff's product listing.

47. Defendant has no privilege or justification in interfering with Plaintiff's relationship with Amazon.

48. As a result of Defendant's interference with Plaintiff's ongoing and future relationship with Amazon, Plaintiff has incurred damages and will continue to incur damages

49. The damages to Plaintiff should their product be delisted as a result of Defendant's malicious complaint against Plaintiff will result in the incurring removal fees, transport fees, and fees associated with transportation of the delisted product

50. The delisting of Plaintiff's ASIN would result in an immediate and ongoing detrimental impact on Plaintiff's ability to conduct business, remain profitable, and damage Plaintiff's product's rankings and reviews, loss of Plaintiff's goodwill and reputation on the Amazon marketplace. The damage to Plaintiff should its product continue to be delisted as a result of Defendant's frivolous action against Plaintiff is incalculable and irreparable.

51. By reason of the foregoing, Plaintiff has suffered direct, proximate and foreseeable damages in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendant as follows:

- A. For judgment in favor of Plaintiff against Defendant on all claims.
- B. Declaring that Defendant's D1,002,985 Patent registration is invalid.
- C. Declaring that Plaintiff's Desk Organizer product does not infringe Defendant's D989,985 Patent.
- D. Judgment that this case is exceptional and that the Defendant be ordered to pay all Plaintiff's costs and attorneys' fees associated with this action pursuant to 35 U.S.C. § 285.
- E. Order by this Court that Defendant must immediately revoke any complaints of infringement of the D1,002,985 Patent made to Amazon with respect to Plaintiff's Desk Organizer product.
- F. Enjoining Defendant temporarily, preliminarily, and permanently from making any future complaint regarding the D1,002,985 Patent against Plaintiff's Desk Organizer product.

G. Ordering Defendant to return to the Court with proof of compliance of this Order within seven (7) days of entry thereof, with a copy served on Plaintiff's attorney.

H. Awarding Plaintiff damages due to Defendant's improper acts, doubled and/or trebled due to the willful and exceptional nature of the case.

I. Awarding Plaintiff compensatory, general and special, consequential and incidental damages in an amount to be determined at trial.

J. Awarding Plaintiff exemplary, punitive, statutory, and enhanced damages.

K. Awarding pre- and post- judgment interest.

L. Awarding Plaintiff such other and further relief as this Court deems is just and proper.

Jury Trial Demand

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

Date: December 31, 2024

/s/ Ruoting Men

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