

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division**

QUEST PACKAGING LLC,

Plaintiff,

v.

LIN CHENG and
SHENZHEN HENG XIN WAN TONG
MAO YI YOU XIAN GONG SI,

Defendants.

Civil Action No. 3:21-cv-00372-MHL

AMENDED COMPLAINT

Plaintiff Quest Packaging LLC (“Plaintiff”), by its undersigned attorneys, for its first Amended Complaint against Lin Cheng (“Cheng”) and Shenzhen Heng Xin Wan Tong Mao Yi You Xian Gong Si (“Shenzhen”) (collectively, “Defendants”), states as follows:

NATURE OF THE ACTION

1. Through inequitable conduct, Cheng improperly obtained a United States design patent, D911,835 (“the ’835 Patent”) that claims the ornamental design of a foldable gift box that was on sale for years before the application for the ’835 Patent was filed and which was disclosed in a Korean patent publication a decade prior to its filing. (A copy of the ’835 Patent is attached hereto as Exhibit 1.)

2. Even though Cheng, upon information and belief, knew that foldable gift boxes bearing the design claimed in the ’835 Patent were on sale for years prior to the ’835 Patent’s priority date, Cheng illegally and improperly failed to disclose this information to the United States Patent and Trademark Office (“USPTO”) during the prosecution of the ’835 Patent.

3. After obtaining the '835 Patent, Cheng, upon information and belief, knowing that the '835 Patent was invalid and unenforceable, began asserting the patent against Plaintiff by submitting notices of infringement to Amazon.com ("Amazon"), which caused Plaintiff's Amazon listings for foldable gift boxes to be taken down, causing a resultant loss of business to Plaintiff.

4. Plaintiff, an online retailer of foldable gift boxes, among other things, brings this action for a judgment declaring that the '835 Patent is invalid.

JURISDICTION AND VENUE

5. The Court has subject matter jurisdiction over this action pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202, and 28 U.S.C. §§ 1331 and 1338.

6. The Court has personal jurisdiction over Defendants pursuant to 35 U.S.C. § 293, which provides that, in cases involving a "patentee not residing in the United States," this Court "shall have the same jurisdiction to take any action respecting the patent or rights thereunder that it would have if the patentee were personally within the jurisdiction of the court." Under 35 U.S.C. § 100(d), "[t]he word 'patentee' includes not only the patentee to whom the patent was issued but also the successors in title to the patentee."

7. Upon information and belief, both Defendants have an ownership interest in the '835 Patent and, as Chinese residents and citizens, are "patentee[s] not residing in the United States" under 35 U.S.C. § 293. Upon information and belief, Defendants have not provided "a written designation stating the name and address of a person residing within the United States on whom may be served process or notice of proceedings affecting the patent or rights thereunder." 35 U.S.C. § 293. Thus, **both** Defendants are subject to this Court's personal jurisdiction under § 293.

8. Venue is proper in this judicial district under 28 U.S.C. § 1391(b)(3) because Defendants are subject to this Court's personal jurisdiction under 35 U.S.C. § 293. Venue is also proper under 28 U.S.C. § 1391(c)(3) because a defendant that does not reside in the United States may be sued in any judicial district.

THE PARTIES

9. Plaintiff is a corporation formed under the laws of the state of New Jersey with a place of business at 65 Shady Lane Drive Lakewood, New Jersey 08701.

10. Upon information and belief, Defendant Cheng is an individual who is a Chinese citizen and resident of Shenzhen, China with an address at No. 3039, Bao'an RD (North), Luohu DIST, GD Shenzhen China 518000.

11. Upon information and belief, Defendant Shenzhen is a Chinese company with an address of Fu Tian Qu Hua Qiang Bei Jie Dao Shen Nan Zhong Lu, Jia He Hua Qiang Da Sha B Zuo 1803E, Shenzhen, Guangdong, China 51800.

12. Upon information and belief, Defendant Cheng is an owner of Defendant Shenzhen. (*See* ECF No. 17-1, Declaration of Lin Cheng ¶ 2.)

PLAINTIFF AND ITS BUSINESSES

13. Plaintiff is an online retailer of a wide variety of products. Among the online platforms that Plaintiff uses to offer and sell its products is the Amazon Marketplace.

14. The Amazon Marketplace is an online e-commerce platform that allows for third parties like Plaintiff to sell products on that platform.

15. Plaintiff offers a variety of craft, stationery, and paper products on Amazon's Marketplace, including foldable gift boxes.

16. Upon information and belief, Amazon is the world's largest online retailer.

17. The privilege of selling on Amazon is highly advantageous, as Amazon provides third parties like Plaintiff with exposure to the world marketplace on a scale that no other online retailer can currently provide.

18. At all relevant times, Plaintiff has had a contractual and business relationship with Amazon, such that Plaintiff is permitted to sell its products on Amazon's e-commerce platform.

19. A significant portion of Plaintiff's business is derived from the sale of products on the Amazon platform.

20. Any harm that comes to the relationship between Plaintiff and Amazon creates a potential for serious and irreparable injury to Plaintiff.

THE '835 PATENT

21. On January 18, 2019, Cheng filed the application for the '835 Patent with the USPTO (the "Application").

22. The Application identified Cheng as the inventor of the design claimed in the application for the '835 Patent.

23. The Application Data Sheet ("ADS") listed the following email address under the "Correspondence Information" for Cheng: emest_tmchan@yahoo.com.

24. In connection with the Application, Cheng signed a declaration pursuant to 37 C.F.R. § 1.63 stating, in part, "I believe that I am the original inventor or an original joint inventor of a claimed invention in the application."

25. Upon information and belief, at all relevant times, Cheng knew that she was not the original inventor or an original joint inventor of a claimed invention in the Application.

26. Upon information and belief, prior to filing the Application, Cheng knew that third parties were selling foldable gift boxes comprising the design claimed in the Application.

27. Upon information and belief, during the prosecution of the Application, Cheng knew that, prior to January 18, 2019, third parties such as Plaintiff were selling foldable gift boxes comprising the design claimed in the Application.

28. During the prosecution of the '835 Patent, Cheng did not disclose to the USPTO that third parties were selling foldable gift boxes comprising the design claimed in the Application prior to January 18, 2019.

29. The '835 Patent, entitled "FOLDING GIFT BOX," issued on March 2, 2021. The '835 Patent claims the ornamental design of a folding gift box that is identical in all respects to the design of a foldable gift box set forth in Korean Utility Model Application No. 20-2008-0000066, which was published as Korean Utility Model Publication No. 20-2009-0006890 ("the Korean Publication") on or about July 8, 2009, almost a decade prior to the filing of the '835 Patent. (A copy of the Korean Publication is attached hereto as Exhibit 2. A machine translation of the Korean Publication is attached hereto as Exhibit 3.)

30. The United States Patent and Trademark Office ("USPTO") maintains a register of interests in patents and applications for patents and records any document related thereto upon request.

31. Upon information and belief, at the time this Action was filed, no assignment had been filed with the USPTO regarding the '835 Patent. Thus, according to the USPTO's publicly available records, Cheng was the sole owner of the '835 Patent at the time this Action was filed.

32. After this Action was filed, counsel for Plaintiff sent an email to email-addresses known to be associated with Cheng (i.e., emest_tmchan@yahoo.com and jinmingbm@163.com) to inform Defendant that this action had been filed. Plaintiff's counsel received a response to this email on June 18, 2021, stating, *inter alia*, that the '835 Patent "is owned by several

stakeholders which include Aukey.” (*See* ECF No. 11-1.) Upon information and belief, the “Aukey” referenced in this June 18, 2021 email is Aukey Technology Co. Ltd., a Chinese company with an address of Room 102, Building P09, South China City Electronic Trading Center, Longgang District Shenzhen China.¹ Plaintiff will seek leave to amend this Amended Complaint to add Aukey or any other such “stakeholders” to the extent that Plaintiff receives plausible substantiation of such ownership claims.

33. On or about July 2, 2021, a document entitled “United States of America Assignment,” dated July 2, 2021, which states that, “[i]n consideration of the payment of [Cheng] to [Shenzhen] of the sum of One Dollar (\$1.00), the receipt of which is hereby acknowledged, and for other good and valuable consideration [Cheng] . . . hereby sells, assigns and transfers to [Shenzhen] . . . and the successors, assigns and legal representatives of [Shenzhen] its entire right, title and interest for the United States and its territorial possessions in and to” the ’835 Patent, was filed with the USPTO at Reel/frame 056743/0501. Upon information and belief, this document was not notarized or otherwise certified under the hand and official seal of a person authorized to administer oaths within the United States.

34. On or about July 6, 2021, the same July 2, 2021 “United States of America Assignment,” was refiled with the USPTO at Reel/frame 056769/0250, stating that it was correcting an administrative error with the July 2, 2021 filing.

35. On or about August 29, 2021, a “NUNC PRO TUNC ASSIGNMENT” was purportedly recorded with the USPTO in connection with the ’853 Patent under Reel

¹ Aukey has been in the news this year as being suspected of faking positive reviews on Amazon. *See* <https://www.cnet.com/tech/mobile/aukey-and-mpow-accessories-disappear-from-amazon/> (last accessed September 17, 2021).

057320/0649, naming Cheng as the Assignor and Shenzhen as the Assignee. However, no document associated was attached to such filing with the USPTO.

DEFENDANTS' ILLEGAL CONDUCT

36. As demonstrated below, Defendants have engaged in a course of conduct designed to preclude Plaintiff from selling its foldable gift box by making false and defamatory allegations of intellectual property infringement.

37. Upon information and belief, Defendants either sells foldable gift boxes on e-commerce platforms such as Amazon, or sells foldable gift boxes to third parties who resell them on the Amazon platform.

38. Upon information and belief, Defendants compete with Plaintiff with respect to sales of foldable gift boxes.

39. Upon information and belief, the purpose of the false complaint that Defendants made to Amazon regarding Plaintiff's foldable gift boxes was, and is, to injure competitors such as Plaintiff by causing Amazon to take down Plaintiff's listings for its foldable gift boxes, and to otherwise damage Plaintiff's sales, reputation and goodwill.

40. Because the '835 Patent is unenforceable as it was obtained through inequitable conduct and is otherwise invalid, Defendants have no legitimate intellectual property claim against Plaintiff.

41. It is well-known among intellectual property owners that Amazon has a policy of acting on virtually any notice of intellectual property infringement, whether legitimate or not.

42. As one Amazon expert has previously explained:

In order to meet a minimum liability standard, Amazon will act upon properly submitted and completed notice claims of infringement. They will notify specified marketplace sellers which party reported them, on what listing, and how to reach that would-be rights owner via email. The rest though, is up to you. And, unless you (and

possibly your legal team) can prove that the Notice claim is false, Amazon considers it valid and actionable.

Unfortunately, word is out among potential Notice claim abusers that anyone can submit a form. Amazon [is] not worried about additional vetting or verification processes. Investigators merely check the form for completed content in all the right spaces, kill the listings and send off the notifications.

They don't independently verify that any of the information is actually correct, or valid. The rights owner makes a legally-binding declaration in the form, and signs it.

See Chris McCabe, *False Infringement Claims are Rife on Amazon*, WebRetailer (Apr. 11, 2018), <https://www.webretailer.com/lean-commerce/false-infringement-claims-amazon/> (emphasis added).

43. It is well known that once Amazon takes down an Amazon Marketplace seller's listing for alleged infringement, it is often very difficult, if not impossible, to have the listing reinstated, even if the seller demonstrates to Amazon that the accused product is not infringing, or that the intellectual property owner lacks valid rights.

44. On the occasions that Amazon does reinstate a product listing, it can take Amazon weeks to do so.

45. Upon information and belief, Defendants were, at all relevant times, aware of the foregoing Amazon policy with respect to reports of intellectual property infringement.

46. Upon information and belief, Defendants were, at all relevant times, aware that Amazon will act on reports that a product infringes a design patent, regardless of the truth of the report.

47. Upon information and belief, Defendants were, at all relevant times, aware that once Amazon takes down an Amazon Marketplace seller's listing for alleged infringement, it is often very difficult, if not impossible, to have the listing reinstated, even if the seller

demonstrates to Amazon that the accused product is not infringing, or that the intellectual property owner lacks valid rights.

48. Upon information and belief, on or about April 15, 2021 and April 18, 2021, Defendants filed or caused to be filed complaints with Amazon which alleged that Plaintiff's foldable gift boxes infringed the '835 Patent (the "Reports").

49. Specifically, the Reports alleged that Plaintiff's foldable gift boxes sold under the following listings on the Amazon Marketplace (identified by their Amazon Standard Identification Numbers ("ASINs")) infringed the '835 Patent: B08ML51R86; B081NWM1NB, B081P21Y5N, B081QL55ZN, B08MLNXXKQ8, B081NWJTB2, B08MKT7S6W, B08MKJY2GR, and B081P8W8RG.

50. The Reports—which were identified by "Complaint ID: 8226717331" and "Complaint ID: 8226687771"—both provided Defendant Cheng's name and the email address jinmingbm@163.com as the "rights owner's contact details."

51. Upon information and belief, at all relevant times, Defendants knew that such allegations of patent infringement in the Reports were false.

52. The Reports submitted to Amazon were signed by under penalty of perjury by Defendants or an employee or agent of Defendants.

53. When submitting an infringement report to Amazon, an intellectual property rights owner must read and accept the following statements:

I have a good faith belief that the content(s) described above violate(s) my rights described above or those held by the rights owner, and that the use of such content(s) is contrary to law.

I declare, under penalty of perjury, that the information contained in this notification is correct and accurate and that I am the owner or agent of the owner of the rights described above.

Report Infringement, <https://www.amazon.com/report/infringement> (last visited April 16, 2021).

54. The Reports caused Amazon to take down Plaintiff's listings for its foldable gift boxes.

55. Upon information and belief, at all relevant times, Defendants have known that the '835 Patent is invalid and unenforceable.

56. Upon information and belief, Defendants' defamatory allegations that Plaintiff's foldable gift boxes infringed the '835 Patent were knowingly false and made in bad faith, and with the intent to damage Plaintiff.

57. As a result of the above false Reports, Plaintiff's Amazon listings for Plaintiff's foldable gift boxes were taken down, resulting in an immediate loss of revenue and profits for Plaintiff.

58. At no time has Plaintiff infringed the '835 Patent.

59. Upon information and belief, Defendants knowingly made false intellectual property rights complaints against Plaintiff.

60. Upon information and belief, the true purpose of the Reports were to ensure the removal of Plaintiff's listing for Plaintiff's foldable gift boxes, and to control pricing and eliminate fair competition in the foldable gift box market.

FIRST CAUSE OF ACTION
(Declaratory Judgment of Non-Infringement and Patent Invalidity)

61. Plaintiff repeats and realleges the allegations of Paragraphs 1–60 as if fully set forth herein.

62. 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.*

63. There exists an actual and justiciable controversy between Plaintiff and Defendants with respect to the alleged validity of the '835 Patent due to the assertion of the '835 Patent against Plaintiff.

64. The '835 Patent is invalid for failure to comply with at least 35 U.S.C. § 102(a) in view of, among other things, the Korean Publication which was published almost a decade prior to the filing of the application for the '835 Patent on January 18, 2019.

65. In view of the foregoing, Plaintiff is entitled to a judgment declaring that the '835 Patent is invalid under at 35 U.S.C. § 102, and that Plaintiff's foldable gift boxes do not infringe the '835 Patent.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment as follows:

- A. Declaring that (1) the '835 Patent is invalid and (2) that Plaintiff has not infringed the '835 Patent;
- B. Declaring this action an exceptional case under 35 U.S.C. § 285;
- C. Awarding Plaintiff its attorney's fees and costs incurred in this Action; and
- D. Granting such other and further relief as this Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby requests a jury trial for all issues triable by jury.

Dated: September 17, 2021

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Respectfully submitted,

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