

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

Taiyuan Feishang Trading Co., Ltd.,

Plaintiff,

v.

Shenzhen Huamingjun Rubber Co. Ltd.

Defendant.

CASE NO.

Judge:

Magistrate Judge:

COMPLAINT FOR DECLARATORY JUDGMENT

Plaintiff Taiyuan Feishang Trading Co., Ltd (“FT” or “Plaintiff”), for its Complaint against Shenzhen Huamingjun Rubber Co., Ltd, (“Defendant”) hereby alleges as follows:

NATURE OF THE ACTION

1. This is an action for declaratory judgment that one United States patent is not enforceable and invalid pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201-02, and the Patent Laws of the United States, 35 U.S.C. § 100 *et seq.*, and for such other relief as the Court deems just and proper.
2. This action arises from Defendant’s filing of fraudulent patent infringement complaint to Amazon, potentially causing Amazon to de-list Plaintiff’s good selling products from the market.
3. This Court also has supplemental jurisdiction over the asserted common law claims pursuant to 28 U.S.C. §1367(a), because such claims are so related to those claims under which the Court has jurisdiction that they form part of the same case and controversy under Article III of the United States Constitution.

THE PARTIES

4. Plaintiff Taiyuan Feishang Trading Co., Ltd. is a limited liability company established and operating under the laws of the People's Republic of China, with its main office located at Room 1513, Building 3, 9 Keji Street, Xuefu Industrial Park, Shanxi Transformation and Comprehensive Reform Demonstration Zone, China. The Plaintiff conducts business activities within this District primarily through the online marketplace Amazon, utilizing Store FeiChang (Store ID: APJ6JRA9NG5V4).

5. Defendant is a limited liability company organized and existing under the laws of People's Republic of China, having its principal place of business at 301, No. 1, Lianyu Lane, Xiuxin Community, Kengzi Street, Pingshan District, Shenzhen City, Guangdong Province, China. Defendant also does business in this District through on-line marketplace such as Amazon.

JURISDICTION AND VENUE

6. This Court has exclusive subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338(a), 2201, and 2202, and the Patent Laws of the United States, 35 U.S.C. § 1 *et. seq.*

7. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391. This Court has personal jurisdiction over Defendant since the Defendant directly targets business activities toward consumers in the United States, including Illinois, through at least the fully interactive, e-commerce Amazon. Specifically, Defendant has targeted sales to Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more Seller Aliases, offers shipping to the United States, including Illinois, accepts payment in U.S. dollar and, on information and belief, has sold products to residents of Illinois. Defendant is engaging in interstate commerce and have wrongfully accused Plaintiff of infringement in the United States, including Illinois.

8. An actual case or controversy exists between the parties to this action. Defendant filed the patent infringement complaint to Amazon which will result in the removal of multiple Plaintiff's Amazon product listing. Defendant's actions thereby give rise to an actual controversy under 28 U.S.C. §§ 2201 et. seq

FACTS

9. Plaintiff owns and operates an Amazon store FeiChang., selling all kinds of kid toys. On June 19, 2024, Plaintiff's store received an email from Amazon. *See* Exhibit A. This email informed Plaintiff that four of its products (ASINs: B0CSD97JXW; B0CSD8P4W8; 0CSDCHKCV; B0CSD8YPSX) infringed someone's Patent. In that email, Amazon provided Plaintiff with the Rights Owner's contact details: DS Trading, 3571984434@qq.com.

10. The complainant used US Design Patent No. 11786835 ("835 Patent"), which pertains to a invention of a re-usable water ball. *See* Exhibit B.

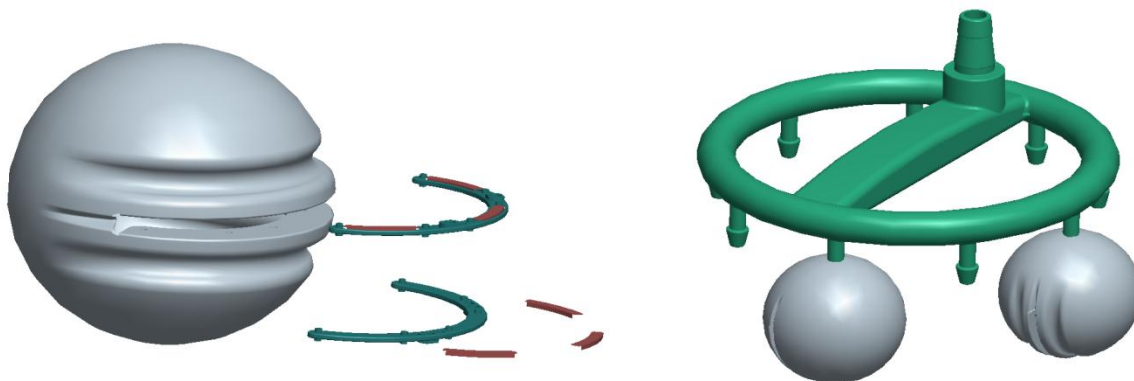
11. Upon information and belief, Defendant is the complainant or at least controls the complainant.

12. Defendant purports to be the owner of a patent '835 Patent allegedly "A toy water ball includes at least two shells that are enclosable to form a water storage cavity, each of the shells including: a mounting frame, a magnetic member and a water pocket mounted on the mounting frame, a magnetic member and a water pocket mounted on the mounting frame."

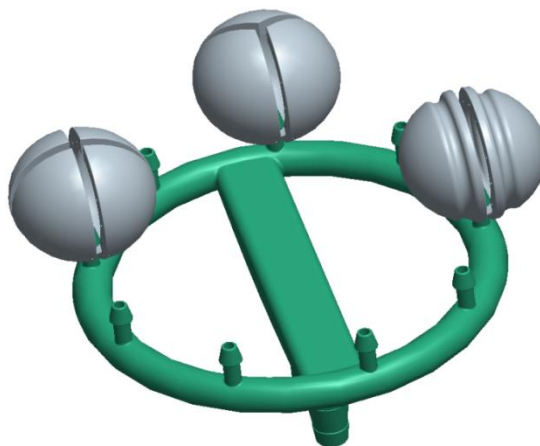
13. But Defendant is not the real inventor of the '835 Patent. Defendant steals this invention from Plaintiff's supplier Dongguan Saien Chuangke Technology Co., Ltd ("Saien" or "Plaintiff's Supplier").

14. Plaintiff's Supplier has been in the business of selling kid toys since its inception. Since 2020, the Plaintiff's Supplier has been developing and producing water balloons connected by magnets. The Plaintiff's Supplier has developed at least 15 different versions.

- a. R0 Version (2020.8.29): Fixed magnets onto PC plastic components. Embedded PC plastic¹ components into molds to form the silicone water balloon body. The formed silicone water balloon is then mounted onto ABS plastic² water filling base. Water is injected through a hose connected to the faucet.



- b. R1 Version (2020.9.15): Added shapes of 3- and 4-lobed water balloons.



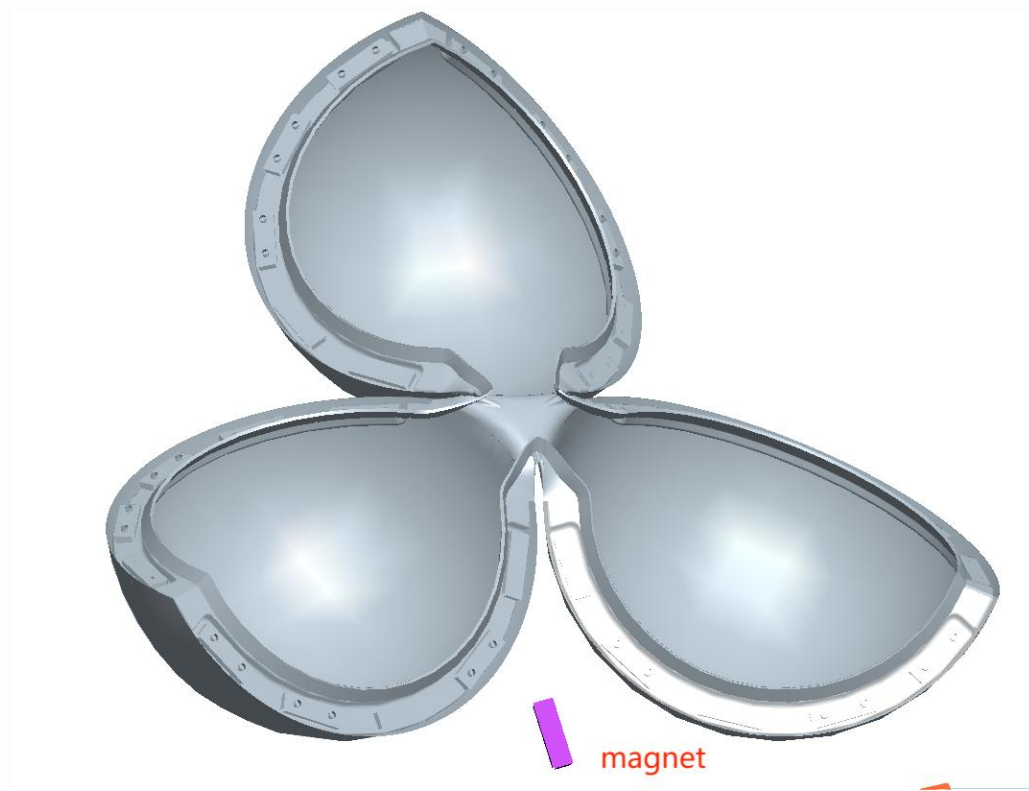
- c. R2 Version (2020.11.3): Changed the method and shape of the water sealing valve.

¹ Polycarbonate (PC) is a transparent, tough, and thermally stable thermoplastic polymer.

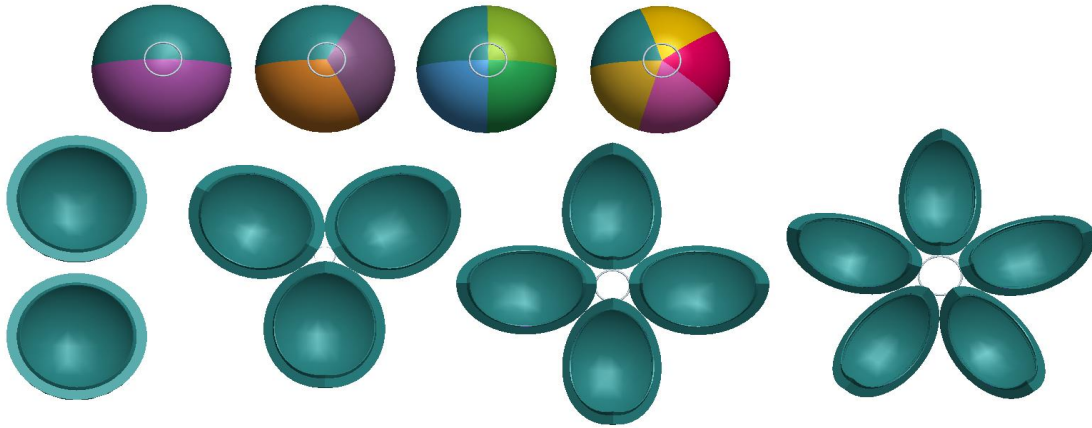
² Acrylonitrile butadiene styrene (ABS) is a common thermoplastic polymer typically used for injection molding applications



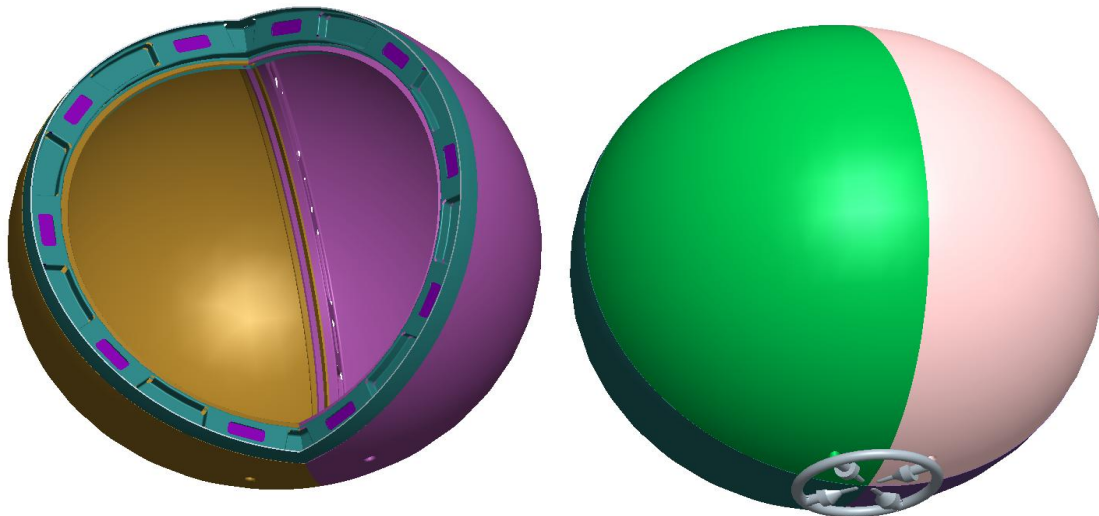
- d. R3 Version (2020.11.26): Modified the mold shape of the water balloon body. Added sealing lips. The method of magnet fixation on PC plastic components was eliminated, and magnets were manually assembled onto the water balloon body.



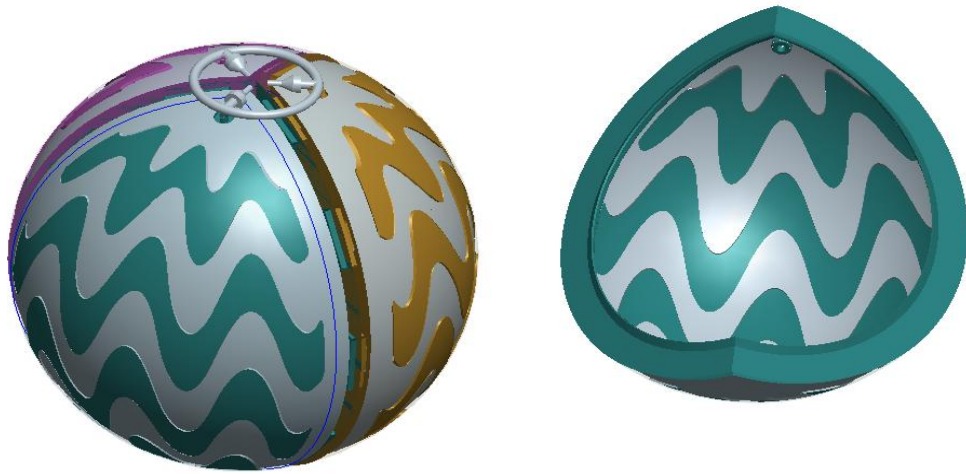
- e. R4 Version (2020.12.10): Split the lobes of the water balloon into independent lobes. Connected by a central circle to form a complete water balloon. Added 2-lobed, 3-lobed, and 4-lobed water balloons. Simultaneously began applying for patent.



f. R5 Version (2020.12.22): Modified the structure of magnet assembly.



g. R6 Version (2021.1.13): Added wave patterns on the inner surface of the sphere.



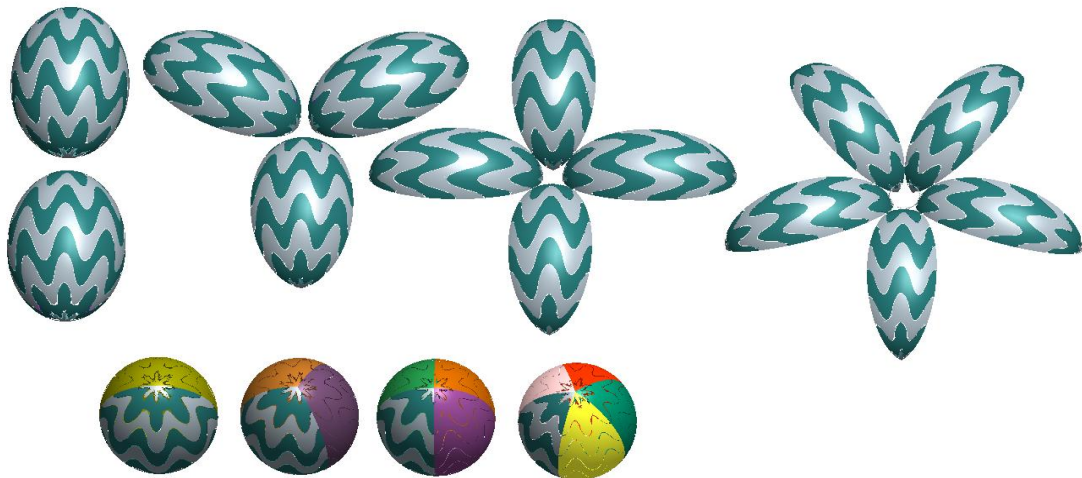
- h. R7 Version (2021.1.22): Changed the wave pattern to the surface of the sphere.



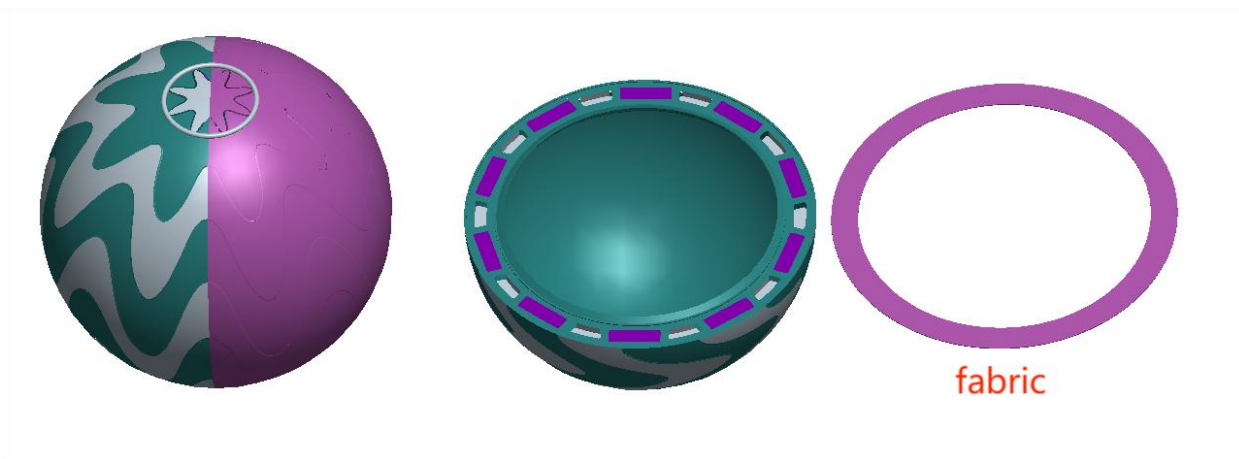
- i. R8 Version (2021.1.25): Added wave pattern for 2-lobed, 3-lobed, 4-lobed, and 5-lobed water balloons.



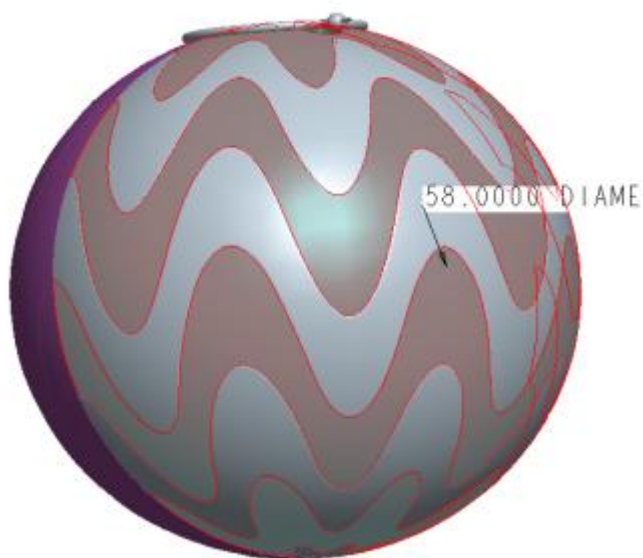
- j. R9 Version (2021.5.12): Prepared to apply for patent for 2-lobed, 3-lobed, 4-lobed, and 5-lobed **elliptical** water balloons.



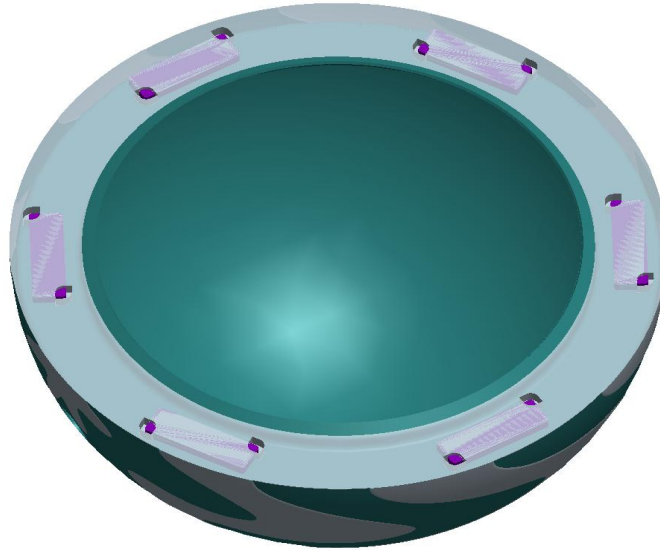
- k. R10 Version (2021.6.2): Changed the method of magnet fixation to adhesive using fabric and glue.



1. R11 Version (2021.6.23): Changed the outer diameter of the water balloon from 68mm to 58mm.

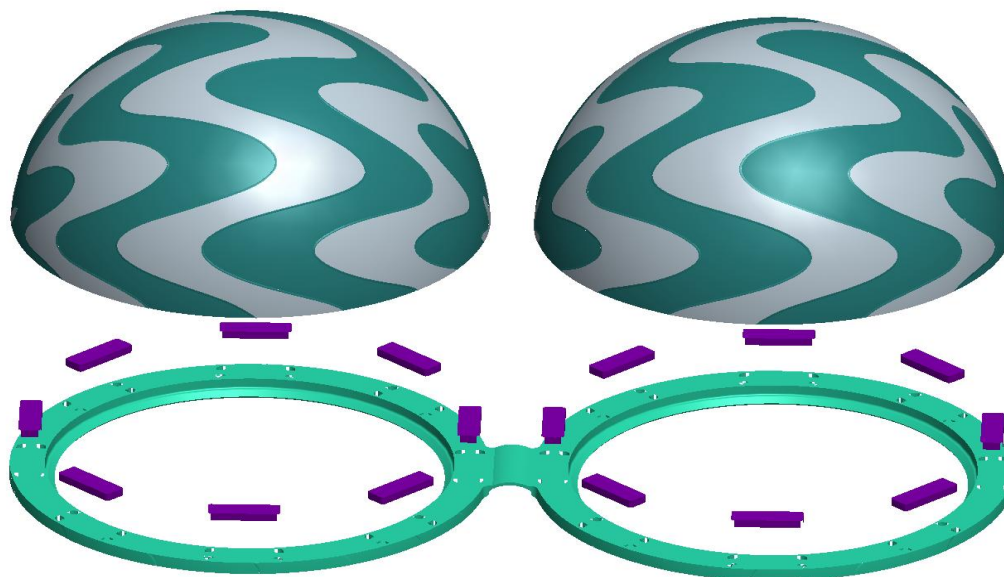


- m. R12 Version (2021.7.17): Modified the method of magnet fixation. The magnet is embedded and molded as a single unit in the mold, with the magnet mold positioning hole on the surface of the sphere.

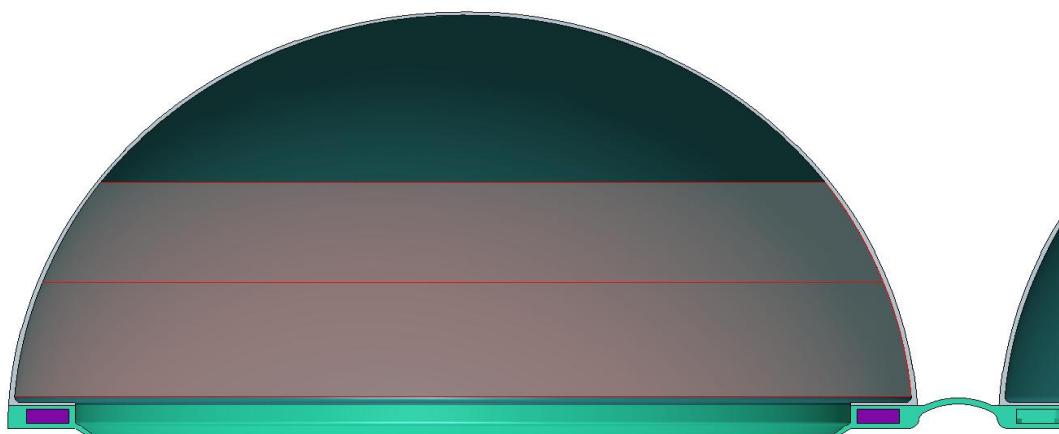


- n. R13 Version (2021.9.27): Changed the water balloon structure. Split into First-color and Second-color segments connected by connecting straps to form a complete water balloon. The molding sequence is to embed the magnet into the First-color water balloon mold for molding. Then embed the formed First-color water balloon into the Second-color water balloon mold for molding.

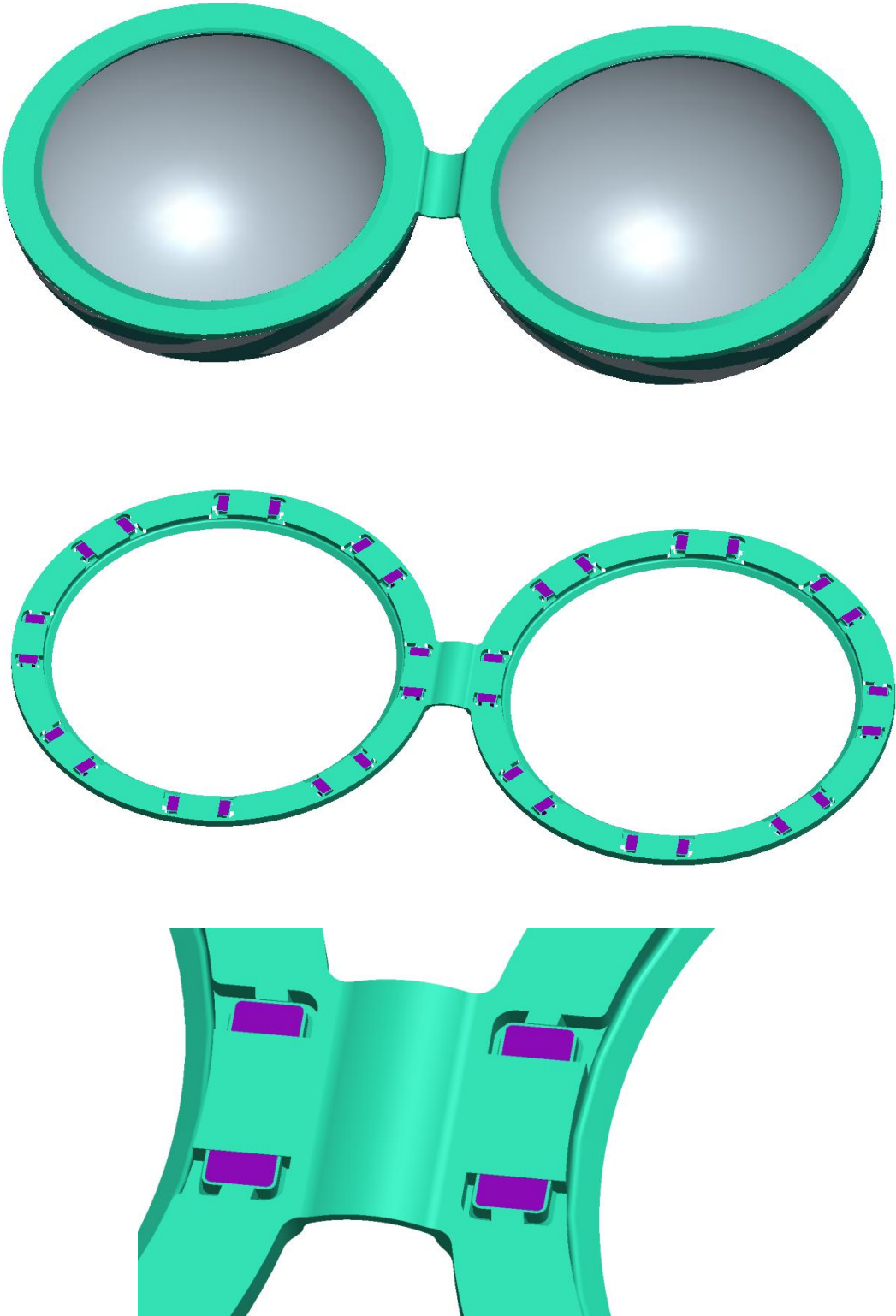




- o. R14 Version (2021.11.20): After drop testing, it was found that the edges of the sphere were prone to breakage. Therefore, glue was added to the red area on the inner surface of the sphere.



- p. R15 Version (2022.4.20): To address issues such as magnet floating during mass production, the structure for fixing the magnets was modified.



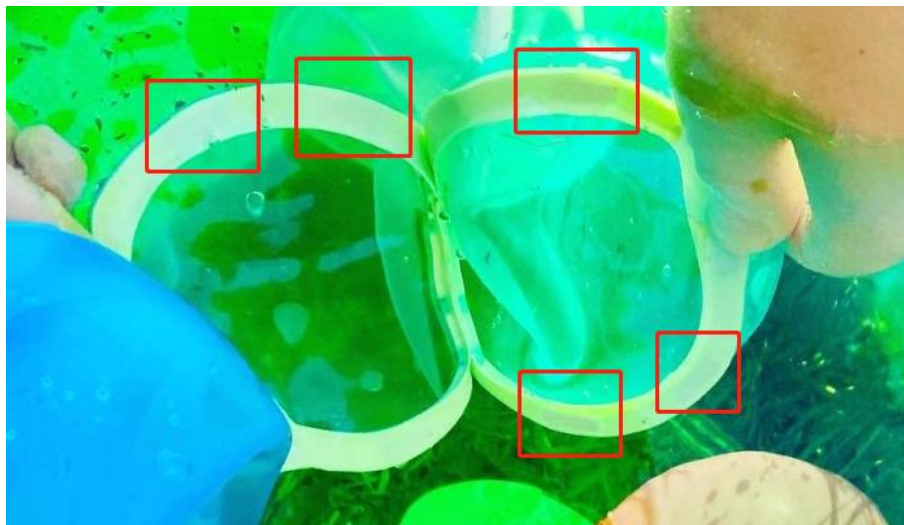
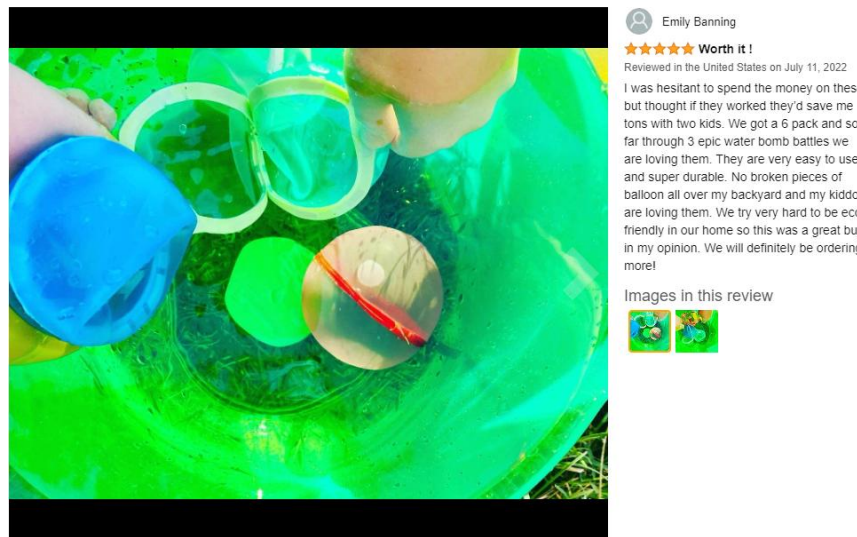
15. Defendant’s ‘835 Patent mirrors the design of the R15 Version (2022.4.20), indicating that the Defendant’s patent misappropriates the design of the R15 Version.

A. Saien's Sale of the product

16. Saien's R15 Version product began sales as early as 2022. Some sales links are provided below:

- a. https://www.amazon.com/gp/customer-reviews/R20IXSZGP11QH1?ref=pf_vv_at_pdctrvw_srp

An Amazon customer review dated on July 11, 2022, showed the sale of the R15 Version product.



b. <https://www.youtube.com/watch?v=T3094uvJWH0>

A YouTube video introducing Saien's R15 version was provided below, with a screenshot taken at 0'57". An Amazon link was attached to this video. This Amazon store is operated by a seller called 98k, who is also a customer Saien. <https://amzn.to/3z6zVpG>

Description



Reusable Water Balloons reviewed and tested
[433]

162

Likes

15,117

Views

2022

Jul 24

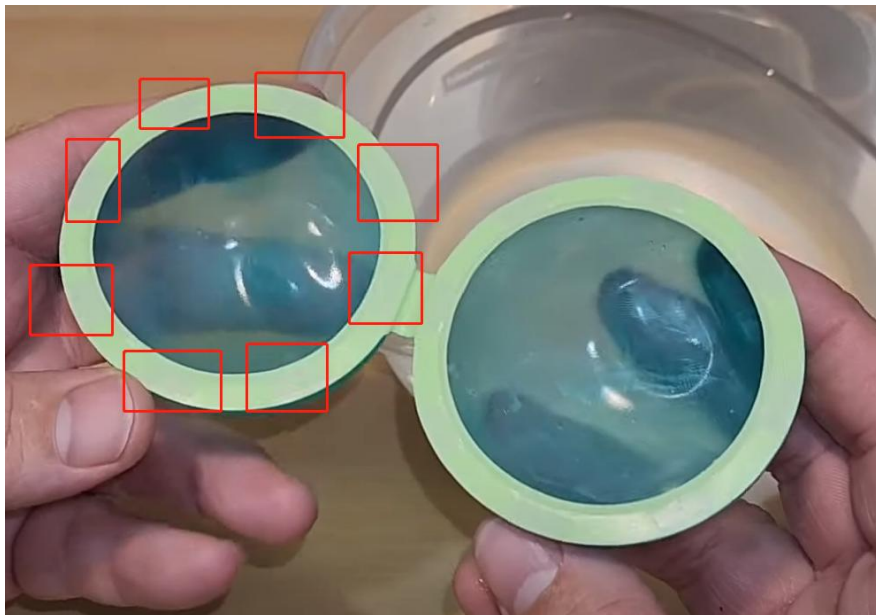
To purchase this on Amazon click:

<https://amzn.to/3z6zVpG>

Check out my website: <http://www.jeffreviews4u.com>

Jeff Reviews4u, LLC is a participant in the Amazon Services LLC Associates Program, an affiliate advertising program designed to provide a means for us to earn fees

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c. <https://emmareed.net/soppycid-reusable-water-balloons-review/>

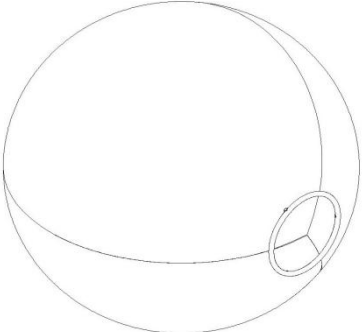
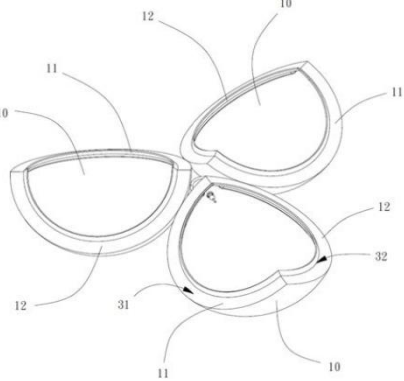
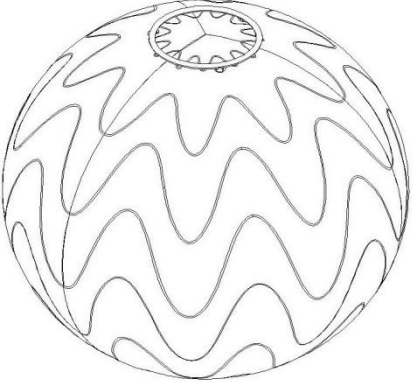
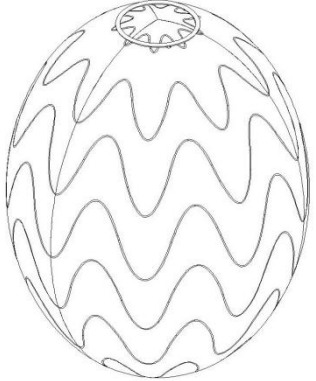
An article introducing Saien’s R15 Version Reusable Water Balloons was published on September 2, 2022.

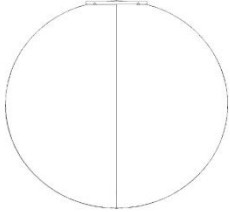
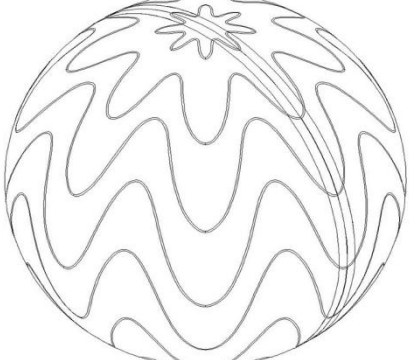
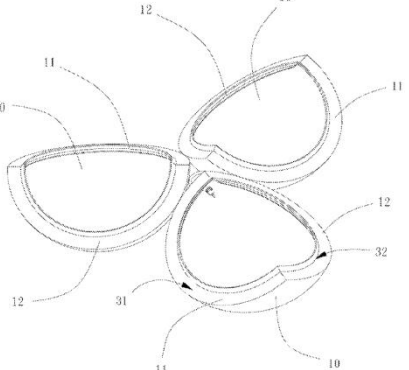
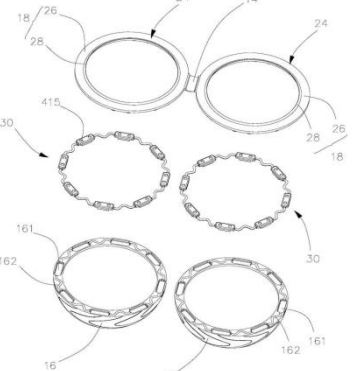


B. Saien’s Patent Applications

17. Since 2020, the Saien has applied for a total of 9 related patents in the United States, China, and Europe.

| Patent No. | Title | Application Date Publication Date | Pictures |
|--------------|-------------------|--------------------------------------|----------|
| CN112619180A | Toy Water Balloon | 2020-12-25 2021-04-09 | |

| | | | |
|---------------------|--------------------------|----------------------------------|---|
| <p>CN306687878S</p> | <p>Toy Water Balloon</p> | <p>2020-12-25 2021-07-16</p> |  |
| <p>CN214319126U</p> | <p>Toy Water Balloon</p> | <p>2020-12-25 2021-10-01</p> |  |
| <p>CN306687901S</p> | <p>Toy Water Balloon</p> | <p>2021-02-07 2021-07-16</p> |  |
| <p>CN306876417S</p> | <p>Toy Water Balloon</p> | <p>2021-02-07 2021-10-12</p> |  |

| | | | |
|------------------------------|---|----------------------------------|--|
| <p>EU0084582100003 S</p> | <p>Toy Water Balloon and its Manufacturing Method</p> | <p>2021-03-11 2021-03-16</p> |  |
| <p>CN307408475S</p> | <p>Toy Water Balloon</p> | <p>2021-11-16 2022-06-07</p> |  |
| <p>US20220203256A1</p> | <p>Toy Water Ball</p> | <p>2021-12-14 2022-06-30</p> |  |
| <p>CN117504321A</p> | <p>Toy Water Balloon and its Manufacturing Method</p> | <p>2023-12-22 2024-02-06</p> |  |

18. None of the above patents were disclosed to the USPTO by Defendant.

C. Defendant's Fraudulent Actions

19. The current owner of the '835 patent is the Defendant. Prior to the Defendant, the patent was owned by Dongguan Yueying Rubber Co., Ltd("Yueying"). The original inventor, Bin Xiong, assigned the '835 Patent to Yueying on May 15, 2023. Subsequently, the '835 patent was assigned to the Defendant on August 25, 2023.

20. On May 24, 2023, which was 9 days after the execution of the assignment from Bin Xiong to Yueying, Bin Xiong filed a 37 CFR § 1.63 Declaration. In that declaration, Mr. Xiong declared under oath that **"I believe that I am the original inventor or an original joint/inventor of a claimed invention in the application."** Additionally, he stated, "I hereby acknowledge that any willful statement made in this declaration is punishable under 18 U.S.C. 1001 by fine or imprisonment of not more than five (5) years, or both. Bin Xiong then signed his name and dated this declaration on May 18, 2023."

21. Upon information and belief, Bin Xiong, Yueying, and the Defendant are related parties ("Defendant group").

22. Upon information and belief, Bin Xiong is not the actual inventor, Plaintiff's supplier is the actual inventor.

23. Upon information and belief, the Defendant's owner is a classmate of the Plaintiff's owner.

24. Defendant was primarily engaged in manufacturing rubber products, mainly for electronic product accessories. For example: Apple watch straps, Samsung earphone protective cases, Apple earphone protective cases. *See Exhibit C.*

25. Among the 110 products sold by the Defendant in its online 1688 store³⁴, only two categories of toy can be found, one is the water balloon.

26. Upon information and belief, prior to applying for '835 patent for the water balloon, the Defendant has no record of manufacturing or selling this kind of product.

27. Upon information and belief, the Defendant became aware of the Saien's water balloon product's excellent market performance. Subsequently, the Defendant deceptively rushed to file patents for the Saien invented product, reusable water balloon.

28. Bin Xiong utilized the USPTO's prioritized Patent Examination Program TRACKOne to expedite his patent application. On October 17, 2023, the Defendant's US patent application was granted.

COUNT I
(Declaration of Patent Unenforceable Due to Inequitable Conduct)

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

30. To prove inequitable conduct, the challenger must show by clear and convincing evidence that the patent applicant (1) misrepresented or omitted information material to patentability, and (2) did so with specific intent to mislead or deceive the PTO." In re Rosuvastatin Calcium Pat. Litig., 703 F.3d 511, 519 (Fed. Cir. 2012).

31. There is overwhelming evidence indicating that the Defendant Group used and/or stole the prior art while working on the patent application, and the operational details of the prior art were material to patentability.

³ <https://szshuaminjun.1688.com/page/offerlist.htm?spm=a2615.2177701.autotrace-newestOfferBig.1.56b414528JgYGa>

⁴ 1688 is China's largest online wholesale marketplace and e-commerce company for domestic buyers.

32. There is also overwhelming evidence indicating that Bin Xiong is not the real inventor, thus Bin Xiong lied under oath in his 37 CFR § 1.63 Declaration.

33. The Defendant Group is aware of the Plaintiff's supplier because they were classmates. The Defendant Group is also aware of the products sold by the Plaintiff's supplier Saien.

34. The Defendant Group applied for Chinese and US patents when the identical products of the Plaintiff's supplier had already been publicly available on the market for at least nine months.

35. The Defendant Group understands the Chinese language and have access to Chinese Patent Agency's website. The Defendant Group has total access to Chinese Patent Agency's public records of Saien's above Patents application.

36. The Saien's products are sold through platforms such as 1688, YouTube, and Amazon. Similarly, the Defendant also sells products through these platforms. The Defendant can easily access the Saien's product catalog and conduct research for imitation.

37. The Defendant Group intentionally concealed all the above-mentioned Prior Arts from the USPTO when submitting its patent application.

38. The Saien's latest product, R15 Version, which is also the "invention" patented by the Defendant in its '835 Patent, is the result of at least three years of improvement through at least 15 versions.

39. The Defendant had no sales of similar products before selling patented products. The Defendant's store did not even sell toys but primarily sold rubber electronic product accessories.

40. Bin Xiong is not the real inventor of the '835 Patent.

41. Defendant's patent application is filled with facts that constitute inequitable conduct.

42. To resolve the legal and factual questions raised by Defendant and to afford relief from the uncertainty and controversy that Defendant's allegations have created, Saien is entitled to a declaratory judgment that the '835 Patent is unenforceable.

COUNT II
(Declaration of Patent Invalidity Due to 35 U.S.C. 102)

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

44. The '835 Patent is invalid for failing to meet one or more of the requisite statutory and decisional requirements and/or conditions for patentability under Title 35 of the United States Cod, including without limitation, §§ 101, 102, 103, 112 and 117.

45. For example, the '835 Patent is invalid as anticipated under 35 U.S.C. § 102 because the prior arts discussed above, disclose the limitations of the claims of the '835 patent as asserted by Defendant.

46. As another example, the '835 patent is invalid as obvious under 35 U.S.C. § 103 because the claims of the '835 patent as asserted by Defendant would have been obvious to one of ordinary skill in the art in view of the above discussed prior art, either alone or in combination with other prior art.

47. To resolve the legal and factual questions raised by Defendant and to afford relief from the uncertainty and controversy that Defendant's allegations have created, Plaintiff is entitled to a declaratory judgment that the '835 Patent is invalid.

Count III
(Tortious Interference with a Contract)

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

49. Plaintiff has a valid and existing contract with Amazon to sell its products through Amazon.com.

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

51. Plaintiff is informed and believes, and on that basis alleges, that Defendant intentionally interfered with those contractual relationships and furthermore knowingly and intentionally asserted materially false allegations of Patent infringement against Plaintiff in order to have Plaintiff's listings removed and eliminate Plaintiff's lawful competition.

52. As a result of Defendant's improper acts, Plaintiff's listings might be removed from Amazon and Plaintiff's Amazon Seller Score will be damaged.

53. Plaintiff has suffered direct, proximate and foreseeable damages and continue to suffer direct, proximate and foreseeable damages.

54. Defendant's efforts to have Plaintiff's products delisted through improper means was and is unlawful and fraudulent.

55. As a direct result of Defendant's above-described actions, Plaintiff has suffered and will continue to suffer damages in an amount to be determined at trial.

Count IV
(Tortious Interference with Business Relationships)

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

57. Plaintiff's ongoing business relationship with Amazon included the selling of products may be delisted because of Defendant's frivolous and spurious infringement complaint.

58. Plaintiff's ongoing business relationship with Amazon includes the current sale of products that Defendant's claim is infringing.

59. Defendant has and continues to have full knowledge of the ongoing relationships and prospective future business arrangements between Plaintiff and Amazon regarding Plaintiffs allegedly infringing products.

60. Defendant intentionally and knowingly made fraudulent assertions of Patent infringement, which will ultimately cause Amazon to remove Plaintiff's listings, thus denying the future and ongoing business relationship between Plaintiff with Amazon. 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 trying to convince Amazon to remove Plaintiff's product listing(s).

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

62. 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.

63. The damages to Plaintiff should its product be delisted because of Defendant's frivolous complaint against Plaintiff will cause Plaintiff to incur removal fees, transport fees, and fees associated with transportation of the delisted products.

64. The delisting of Plaintiff's ASIN(s) 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 be delisted because of Defendant's frivolous complaints against Plaintiff is incalculable and irreparable.

65. As a direct result of Defendant's above-described actions, Plaintiff has suffered and will continue to suffer damages in an amount to be determined at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendant as follows:

1. For judgment in favor of Plaintiff against Defendant.
2. Entry of judgment declaring that the '835 Patent is unenforceable;
3. Entry of judgment declaring that the '835 Patent is invalid;
4. Entry of judgment declaring that Plaintiff has not infringed the '835 Patent;
5. Awarding to Plaintiff compensatory, general and special, consequential and incidental damages in an amount to be determined at trial;
6. Awarding pre-and post-judgment interest;
7. A declaration that this action is an exceptional case under 35 U.S.C. § 285 and an award to Plaintiff of its attorneys' fees incurred in filing this action; and
8. Such other and further relief as this Court may deem just and proper under the circumstances.

Jury Trial Demand

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

Date: June 24, 2024

/s/ Ruoting Men

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