

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

BROADWAY PINE BRANDS LLC,

Plaintiff,

v.

SHIRO HOUSE, *et al.*,

Defendants.

Civil Action No.

21-cv-406

(Judge Ranjan)

NOTICE OF SUPPLEMENTAL AUTHORITY

On June 25, 2021, Judge Gettleman of the Northern District of Illinois issued a Memorandum Opinion & Order in *Ouyeinc, Ltd. v. Alucy*, a copy of which is attached as Exhibit A. On July 9, 2021, Judge Kness of the Northern District of Illinois issued a Memorandum Opinion and Order in *Oakley, Inc. v. The Partnerships and Unincorporated Associations Identified in Schedule "A,"* a copy of which is attached as Exhibit B. The Plaintiff submits these cases for the Court's consideration because they present facts virtually identical to those in this case: defendants offering allegedly infringing products on third-party platforms (eBay and AliExpress) that facilitate transactions throughout the entire United States.

In both of these cases, the court readily recognized that transactions on these platforms with consumers in the forum State support personal jurisdiction in that State, just as the Defendants' Pennsylvania offerings and sales on Amazon subject them to personal jurisdiction in Pennsylvania in this case. Both courts based their conclusions on evidence that the defendant had made one sale into the state to the plaintiff's investigator—the same evidence that Broadway Pine Brands has submitted in this case. *Ouyeinc* at 8; *Oakley* at 4. Both courts also rejected the storefront defendants' argument that service by email under Fed. R. Civ. P. 4(f) was improper because the Hague Convention prohibits service by email. *Ouyeinc* at 6; *Oakley* at 11.

Dated: July 15, 2021

FERENCE & ASSOCIATES LLC
409 Broad Street
Pittsburgh, Pennsylvania 15143
(412) 741-8400 – Telephone
(412) 741-9292 – Facsimile

Respectfully submitted,

/s/ Stanley D. Ference III
Stanley D. Ference III
Pa. ID No. 59899
courts@ferencelaw.com

Brian Samuel Malkin
Pa. ID No. 70448
bmalkin@ferencelaw.com

CERTIFICATE OF SERVICE

I hereby certify that on July 15, 2021, foregoing document is being electronically filed with the Clerk of Court using CM/ECF, which will serve copies on all counsel of record. I also certify that a true copy of the foregoing is being served via email to the e-mail addresses at which Defendants were served or via publication by posting a true and correct copy on the publication website in accordance with the Order Authorizing Alternate Service, as amended.

I also certify that a true and correct copy of the foregoing document is being served upon the following by email:

Defendant	Amazon Reported email	Defendant Reported email
fthome	lihongtmwl@sina.com	2162928642@qq.com
AseibuieI	zhang889huan@outlook.com	lihanaokey@foxmail.com
Marridon	XLiKejiaddJJJ@aliyun.com	chenhuac@yeah.net
HGS76DH	hgs76dh@163.com	chenshuima@163.com
TINI-STORE	mjingyuandnfb@126.com	minghao199506@126.com

and a courtesy copy is being served on counsel for these defendants (Jesun) by email at iplawyer01@foxmail.com.

Dated: July 15, 2021

/s/ Stanley D. Ference III
Stanley D. Ference III

EXHIBIT A

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

OUYEINC LTD.)	
)	
Plaintiff,)	
)	Case No. 20 C 3490
v.)	
)	Judge Robert W. Gettleman
)	
ALUCY et al.,)	
)	
Defendants.)	

MEMORANDUM OPINION & ORDER

Plaintiff Ouyeinc, Ltd. filed a complaint for trademark infringement against a large number of defendants on June 15, 2020. On June 17, 2020, the court granted plaintiff's motion for a temporary restraining order and for alternative service. Plaintiff served many defendants by email, using the email addresses registered with defendants' eBay accounts. On November 18, 2020, plaintiff filed a motion for default judgment against several defendants, which the court granted on November 24, 2020. Following a hearing on damages, the court entered a final judgment order on January 14, 2021. On April 9, 2021, defendants Hailitech and Hxl_tech moved to set aside the default judgement under Fed. R. Civ. P. 55(c), arguing that they received insufficient service, and that the court lacks personal jurisdiction over the two defendants. Based on the materials submitted by the parties, the court agreed and dismissed the two defendants from the suit on May 14, 2021. (Doc. 134). Plaintiff has filed a motion to reconsider the May 14, 2021, order. (Doc. 135). Nine additional defendants also have moved to set aside the default judgment. (Doc. 144). For the reasons set forth below, plaintiff's motion is granted, and defendants' motions are denied.

DISCUSSION

I. Plaintiff's Motion to Reconsider

To prevail on a Rule 59(e) motion, a party must “clearly establish” that: (1) the court committed a manifest error of law or fact; or (2) newly discovered evidence precluded entry of judgment. Harrington v. City of Chi., 433 F.3d 542, 546 (7th Cir. 2006). A manifest error “is not demonstrated by the disappointment of the losing party.” Oto v. Metropolitan Life Ins., 224 F.3d 601, 606 (7th Cir. 2000). Indeed, a motion to reconsider under Rule 59(e) should be granted only in rare circumstances. Scott v. Bender, 948 F.Supp.2d 859, 865 (N.D. Ill. 2013). A Rule 59(e) motion for reconsideration is not an appropriate vehicle for re-litigating arguments that the district court previously rejected, or for arguing issues or presenting evidence that could have been raised during the pendency of the motion presently under reconsideration. Caisse Nationale de Credit Agricole v. CBI Indus., 90 F.3d 1264, 1270 (7th Cir. 1996).

Almost all of plaintiff's arguments are an attempt to relitigate the personal jurisdiction issue that the court ruled on in its May 14, 2021, order. Plaintiff disagrees with the court's interpretation of Illinois v Hemi Group LLC, 622 F.3d 754 (7th Cir. 2010), and the court's reliance on cases such as Sun Chenyan v. The Partnerships and Unincorporated Assoc's Identified on Schedule "A", 2021 WL 1812888, (N.D. Ill. May 6, 2021). Plaintiff had an opportunity to raise many of these arguments in the earlier round of briefing; indeed, plaintiff half-heartedly raised many arguments regarding personal jurisdiction, and the court rejected them.¹ Ordinarily,

¹ Plaintiff is advised that filing an underdeveloped brief, and then providing the court with robust arguments and caselaw after the court rules against it, results in a waste of judicial resources. Plaintiff was well aware of defendants' personal jurisdiction arguments during the original round of briefing, and plaintiff had the opportunity to research the issue and respond.

the court would decline to consider arguments that could have been brought in the earlier motion. However, the court is persuaded that plaintiff's current arguments are indeed correct.

Plaintiff has provided Seventh Circuit authority, as well as additional district court cases, indicating that personal jurisdiction over these two defendants is proper because they directed their activities to Illinois. In Curry v. Revolution Labs., LLC, 949 F.3d 385, 392-93 (7th Cir. 2020), the Seventh Circuit determined that personal jurisdiction was proper over a non-resident defendant operating through e-commerce store operators, including eBay:

We are satisfied that Revolution has formed sufficient minimum contacts with Illinois...Revolution sells its products only online through its website and third-party websites. Revolution's interactive website for the sale of its product requires the customer to select a shipping address. Illinois is among the "ship-to" options from which the customer must choose. Illinois residents purchasing Revolution's products also receive an email from Revolution thanking them for their business, confirming the order, and listing the Illinois shipping address.

Revolution's own actions in establishing these commercial contacts with Illinois fairly can be described as purposeful. Preparing to engage in commercial activity, Revolution created an interactive website and explicitly provided that Illinois residents could purchase its products through that website. It further arranged for the sale of its products through third-party websites. After the sales...Revolution shipped [the product] to its customers who were in Illinois.

949 F.3d at 399.

Courts within this district routinely follow Curry and exercise personal jurisdiction over international e-commerce store operators, specifically eBay storefronts. See, for example, Tommy Hilfiger Licensing, LLC, et al. v. The P'ships, et al., No. 20 C 7477 (N.D. Ill. March 24, 2021) (Dkt. 46) ("Hilfiger has offered evidence tending to show that [defendant], though not physically located in Illinois or even in the United States, operated an interactive website through which it purposefully offered products for sale to consumers, including consumers located in Illinois, who would then select an address where the products would be shipped, including

Illinois as one of the options. This is enough to amount to [defendant] having purposefully availed itself of doing business in Illinois.”); Mori Lee v. P’ships, No. 19 C 7555 (N.D. Ill. May 14, 2020) (Dkt. 60) (same); Volkswagen AG v. iman365-usa, No. 18 C 6611, 2020 WL 977969, at *4 (N.D. Ill. Feb. 28, 2020) (same).

Plaintiff further notes that when users create an eBay storefront, the user must select specific shipping locations where the seller wishes to ship their products. According to eBay’s international selling policy, sellers are required to select the location of where they wish to sell their products, which includes providing specific shipping options for the locations. Thus, the sellers here set up an online storefront that specifically targets Illinois residents.

In addition, plaintiff has provided newly discovered evidence² that defendants sold and shipped five products to addresses in Illinois. In ruling on the original motion, the court was persuaded, in part, by the fact that defendants Hlx_tech and Hailitech had effectively made no sales to Illinois, making this case indistinguishable from Chenyan, 2021 WL 1812888, at *5.³ Importantly, the newly discovered evidence indicates that five products were shipped to actual paying customers in Illinois, not merely to plaintiff’s investigator.⁴ These sales further confirm that defendant affirmatively selected Illinois as a shipping target.

² Plaintiff states that prior to the court’s May 14, 2021, ruling, plaintiff’s counsel had communicated with eBay’s counsel to acquire sales records for the defendants. Plaintiff should have informed the court of these communications and plaintiff’s attempt to secure the records. The court would have delayed ruling on the personal jurisdiction issue until plaintiff could present more information.

³ When the court ruled on the original motion, plaintiff stated that the only sale to Illinois was made to plaintiff’s investigator. Such a sale on its own is insufficient for purposes of personal jurisdiction. See Walden v. Fiore, 571 U.S. 277, 285 (2014) (for personal jurisdiction, “the plaintiff cannot be the only link between the defendant and the forum”); Haggerty Enterprises, Inc. v. Lipan Indus. Co., Ltd., 2001 WL 968592, at *4 (N.D. Ill. 2001) (“Jurisdiction cannot be manufactured by the conduct of others.”).

⁴ In defendants’ original motion to vacate the default judgment, they argued that they had not made a single sale to Illinois, providing an affidavit to that effect. In response, plaintiff identified the one product sent to plaintiff’s investigator. Defendants acknowledged that they had made an error, but blamed it on their record keeping and provided an additional affidavit that they sold only that one product to plaintiff’s investigator, and that there were no other sales to Illinois. Now, plaintiff has identified five other sales. This evidence causes the court to doubt the veracity of defendants’ affidavits, and to conclude that plaintiff has met its burden of proving multiple sales to Illinois residents.

In response, defendants argue that these five sales all occurred in 2017, before plaintiff registered its trademark. However, while the early date of the sales may affect plaintiff's trademark infringement claim, it does not affect the court's inquiry into personal jurisdiction. Defendant presents no authority that earlier sales of an item are insufficient for personal jurisdiction purposes, and the court is aware of none.

The court's earlier ruling relied on the fact that defendants made no sales to Illinois and that eBay storefronts are not sufficiently interactive under Seventh Circuit precedent. Plaintiff has presented new evidence and new caselaw indicating that this is not so. The court finds that defendants have purposefully availed themselves of doing business in Illinois. Consequently, Plaintiff's motion to reconsider is granted, and the court reinstates the judgement against defendants Hailitech and Hlx_tech.

II. Storefront Defendants' Motion to Vacate

Defendants Tomorrowhome, Outletstore, Seacoolr, Anderlink, Bestgeeker, Fansfunny, Nativish, Rowaction, and Usbkits (the "storefront defendants") have moved to vacate the default judgement under Federal Rule of Civil Procedure 60(b). (Doc. 144). The storefront defendants make two main arguments: (1) service was improper; and (2) the court lacks personal jurisdiction.

a. Service

Five of the storefront defendants (Tomorrowhome, Outletstore, Seacoolr, Anderlink, and Bestgeeker) argue that service was improper because plaintiff bypassed the procedures required by the Hague Convention, and that the Hague Convention prohibits service by email. Not so. The single case cited by the storefront defendants for that proposition held that service by email was improper because plaintiff failed to exercise reasonable diligence to determine the

defendants' mailing addresses. Luxottiva Group S.P.A. v. Partnerships and Unincorporated Assoc's Identified on Schedule "A", 391 F.Supp.3d 816 (N.D. Ill 2019). Nowhere does Luxottiva Group suggest that service by email is prohibited, by the Hague Convention or otherwise. In fact, courts have routinely upheld service by email in situations similar to the instant case. See, e.g., Strabala v. Zhang, 318 F.R.D. 81, 115-16 (N.D. Ill. 2016) (Rule 4(f)(3) permits the court to order service by any means not prohibited by international agreement, so long as the method of service comports with constitutional notions of due process); Rio Props., Inc. v. Rio Int'l Interlink, 284 F.3d 1007, 1018 (9th Cir. 2002) ("When faced with an international e-business scofflaw, playing hide-and-seek with the federal court, e-mail may be the only means of effecting service of process."); MacLean-Fogg Co. v. Ningbo Fastlink Equip. Co., 2008 WL 5100414, at *2 (N.D. Ill. Dec. 1, 2008) (granting leave to serve a defendant located in China by email and facsimile, and noting that because the "Hague Convention does not prohibit service by e-mail or facsimile, such means may be authorized under Rule 4(f)(3)"); Tommy Hilfiger Licensing LLC, No. 20 C 7477 (N.D. Ill. March 24, 2021) (Dkt. 46) (authorizing service of process by email in trademark action where online stores did not pose any physical address and defendant's business appear[ed] to be conducted entirely through electronic communications, including eBay storefronts).

Consequently, service by email was proper. However, defendants Tommorowhome and Outletstore claim that their respective email addresses were full, and an email sent to those addresses would have ultimately "bounced back."⁵ In its response, plaintiff confirms that it received the bounce back notification, and did not take any steps to remedy the situation. But

⁵ These two storefront defendants do not explain why the email address that they use to sell the infringing items was "full."

plaintiff notes that those two defendants had actual notice of the judgment against them after receiving an email from Paypal and eBay indicating that their accounts would be frozen pursuant to an infringement action and judgment against them.

Despite plaintiff's inability to effectively manage and monitor a case of this magnitude, plaintiff provided notice reasonably calculated under all the circumstances. Service complied with Rule 4(f)(3) and international law, and plaintiff used the best email address it could find. Consequently, service was proper, and the court will not set aside the default judgment on this basis.

Finally, the same five defendants challenging personal jurisdiction complain that plaintiff withdrew money from defendants' PayPal accounts upon receiving the default judgment. The storefront defendants do not make any requests regarding the money, and they merely claim that plaintiff is withholding the money to force a higher settlement. Plaintiff responds that it agrees to hold the funds in abeyance in their attorney-client trust account, apparently while the parties are engaged in settlement negotiations. Neither party provides legal authority for the court. At this time, the court sees no need to interfere in this matter. Indeed, as the court has decided to uphold the default judgment against the storefront defendants, plaintiff is entitled to these funds.

b. Personal Jurisdiction

The storefront defendants argue that the default judgment should be vacated because the court lacks personal jurisdiction over them. "When a district court enters default judgment without personal jurisdiction over the defendant, the judgment is void, and it is a per se abuse of discretion to deny a motion to vacate that default judgment." Be2 LLC v. Ivanov, 642 F.3d 555, 557 (7th Cir. 2011). The storefront defendants have the burden of demonstrating the absence of personal jurisdiction. Id.

The storefront defendants argue that they have not directed any of their activities toward Illinois and note that they are based in China. Plaintiff responds that the storefront defendants have directed activities toward Illinois because Illinois residents were able to purchase items through defendants' eBay stores and have the items shipped to Illinois. For all storefront defendants, the only contact with Illinois was the sale and shipment of a single product to an Illinois address—a product bought by plaintiff's investigator. The court is unpersuaded by plaintiff's arguments that a single sale to plaintiff's investigator is sufficient for minimum contacts purposes. Courts have repeatedly affirmed that a plaintiff cannot manufacture personal jurisdiction through their own conduct. See Walden v. Fiore, 571 U.S. 277, 285 (2014) (for personal jurisdiction, “the plaintiff cannot be the only link between the defendant and the forum”); Haggerty Enterprises, Inc. v. Lipan Indus. Co., Ltd., 2001 WL 968592, at *4 (N.D. Ill. 2001) (“Jurisdiction cannot be manufactured by the conduct of others.”).

That being said, the sales to the investigator confirm that the storefront defendants' ecommerce storefronts specifically and affirmatively targeted Illinois as a shipping location. Under the Seventh Circuit precedent discussed above, and based on the interactive nature of the ecommerce storefronts, the storefront defendants have purposefully availed themselves of doing business in Illinois. Consequently, personal jurisdiction is proper over these defendants.

C. Timing of Infringing Sales

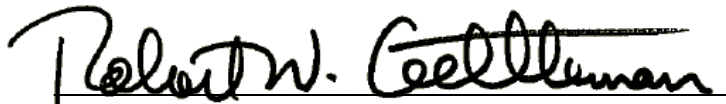
The storefront defendants make one final argument in passing. In their reply brief, the storefront defendants argue that the infringing sales were from June and July of 2019, before plaintiff's trademark was registered in November 2019, and consequently the court should not have assessed statutory damages. See, e.g., New Name, Inc. v. The Walt Disney Co., 2008 WL 5587487, at *6 (C.D. Ca. July 23, 2008) (“[M]any other courts have held that statutory damages

are not retroactively available for infringement occurring between application and registration.”); GTFM, Inc. v. Solid Clothing, Inc., 215 F.Supp.2d 273, 300 (S.D.N.Y. 2002) (“[F]or much of the period in which [defendant] engaged in infringing conduct, the mark was unregistered and thus not protectable under the anti-counterfeiting provisions of the Lanham Act.”). This argument fails. Plaintiff’s evidence establishes that the storefront defendants continued to offer the infringing products for sale through their interactive eBay storefronts after registration, which is sufficient to establish a trademark violation, even if there were no actual sales of the infringing product. See Christian Dior Couture, S.A., v. Liu, 2015 U.S. Dist. LEXIS 158225, at *6-7 (N.D. Ill. Nov. 17, 2015) (“[W]hether the jewelry in question was actually sold is not pertinent to [defendant’s] liability since a mere offer to sell infringed merchandise is sufficient to establish liability under the Lanham Act.”) (citing 15 U.S.C. § 1114).

CONCLUSION

For the reasons stated above, plaintiff’s motion to reconsider (Doc. 135) is granted and the default judgment against defendants Hailitech and Hxl_tech is reinstated. The storefront defendants’ motions to vacate the default judgment (Doc. 144) is denied.⁶

ENTER:


Robert W. Gettleman
United States District Judge

DATE: June 25, 2021

⁶ The motion to file an amicus brief (Doc. 140) is denied as moot.

EXHIBIT B

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

OAKLEY, INC.,

Plaintiff,

v.

THE PARTNERSHIPS AND
UNINCORPORATED ASSOCIATIONS
IDENTIFIED IN SCHEDULE "A"

Defendants,

No. 20-cv-05049

Judge John F. Kness

MEMORANDUM OPINION AND ORDER

Plaintiff Oakley, Inc. filed this so-called "Schedule A" case against various overseas online merchants including Defendant SPLOV Official Store. (Dkt. 2.) Plaintiff assembled its list of overseas Defendants by identifying online retailers marketing Plaintiff's patented products and then ordering infringing products for delivery into this District. (Dkt. 1 at 1-2.) Defendant now moves to dismiss the complaint against it and asserts two bases for dismissal: (1) the Court lacks personal jurisdiction over Defendant; and (2) service of process by email was improper. (Dkt. 39.) For the following reasons, Defendant's motion is denied.

I. BACKGROUND

Oakley is a manufacturer, distributor, and retailer of eyewear, apparel, footwear, outerwear, jackets, accessories, and other merchandise. (Dkt. 1 ¶ 6.) Defendant is an online retailer that uses the AliExpress sales platform. (Dkt. 40 at 7.) On August 27, 2020, Oakey brought this patent-infringement action against a

large group of online retailers, including Defendant, alleging they sold counterfeit Oakley products. (Dkt. 1 ¶ 6.) Specifically, Plaintiff alleges Defendants infringed Plaintiff's patented design, U.S. Patent No. D847,897. (*Id.* ¶ 8.) Along with the complaint, Plaintiff filed Schedule A, a sealed exhibit listing the Defendants, including Defendant SPLOV, by seller alias and online marketplace domain name. (Dkt. 2.) Plaintiff identified Defendant SPLOV as a defendant because its PayPal records show it has made at least 15 sales to Illinois residents (including the allegedly infringing products, which Plaintiff purchased from Defendant). (Dkt. 48 ¶ 8.) In addition, Illinois is included in Defendant's "ship-to" options from which its customers are required to choose, and Defendant sends Illinois residents follow up emails confirming their Illinois addresses. (*Id.* ¶¶ 3-4.)

On August 28, 2020, Plaintiff sought a TRO against all defendants and requested leave under Rule 4(f)(3) of the Federal Rules of Civil Procedure to serve Defendant (and the other defendants) via email. (Dkt. 13; Dkt. 17; Dkt. 18.) The Court granted both requests on September 1, 2020. (Dkt. 24.) On September 24, 2020, Plaintiff filed a motion for a preliminary injunction. (Dkt. 36.) The next day, Defendant filed a motion to dismiss for lack of jurisdiction and improper service. (Dkt. 39.) That motion is now fully briefed. (Dkt. 40; Dkt. 47; Dkt. 51.)

II. LEGAL STANDARD

A federal court must dismiss any action against a party over whom the court lacks personal jurisdiction. *See* Fed. R. Civ. P. 12(b)(2). Plaintiffs bear the burden to make a *prima facie* case for personal jurisdiction. *uBID, Inc. v. GoDaddy Group, Inc.*,

623 F.3d 421, 423 (7th Cir. 2010). When determining whether a plaintiff has met its burden, a court must accept as true jurisdictional allegations pleaded in the complaint, unless those allegations are disproved by defendants' affidavits or exhibits. *Purdue Research Foundation v. Sanofi-Synthelabo, S.A.*, 338 F.3d 773, 782 (7th Cir. 2003).

Under Rule 12(b)(5) of the Federal Rules of Civil Procedure, defendants may challenge the manner of service of process through a motion to dismiss. *See* Fed. R. Civ. P. 12(b)(5). A plaintiff bears the "burden to demonstrate that the district court has jurisdiction over each defendant through effective service." *Cardenas v. City of Chicago*, 646 F.3d 1001, 1005 (7th Cir. 2011). If, on its own or on the defendant's motion, the court "finds that the plaintiff has not met that burden and lacks good cause for not perfecting service, the district court must either dismiss the suit or specify a time within which the plaintiff must serve the defendant." *Id.*

III. DISCUSSION

A. Personal Jurisdiction

Defendant provides several reasons in support of its contention that the Court lacks personal jurisdiction over it in this action. Defendant first argues that it "only shipped allegedly-infringing products [to Illinois] as a result of" the sales Plaintiff arranged. (Dkt. 40 at 7). Second, most online stores within AliExpress, like Defendant, "were accessible from Illinois, as well as everywhere else." (*Id.*) Finally, it has no "business presence in Illinois" and does not "target advertising or marketing" to Illinois. (*Id.*) For the reasons below, these arguments fail.

As the Seventh Circuit has explained, any analysis of specific personal jurisdiction must consider three separate requirements. *See Kinslow v. Pullara*, 538 F.3d 687, 691 (7th Cir. 2008). *First*, the defendant must have “minimum contacts with the forum state.” *Id.* To determine whether the defendant has such contacts, the court must ask whether “the defendant should reasonably anticipate being haled into court in the forum State, because the defendant has purposefully availed itself of the privilege of conducting activities there.” *Id.* *Second*, the plaintiff’s claims must “arise out of” the defendant’s contacts with the forum. *GCIU-Emp. Ret. Fund v. Goldfarb Corp.*, 565 F.3d 1018, 1023 (7th Cir. 2009). *Third*, and finally, maintenance of the suit must not “offend traditional notions of fair play and substantial justice.” *Kinslow*, 538 F.3d at 691.

All three of these requirements are satisfied here. Although specific personal jurisdiction over an online retailer is not established merely because the retailer’s website is available in the forum, online retailers form minimum contacts with a forum when they “st[and] ready and willing to do business with” residents of the forum and then “knowingly [] do business with” those residents. *Illinois v. Hemi Grp. LLC*, 622 F.3d 754, 759 (7th Cir. 2010). As the Seventh Circuit explained last year, minimum contacts were formed even though a defendant “s[old] its products only online through its website and third-party websites” because the defendant (1) included the forum in the “ship-to” options from which the customer had to choose; (2) sent a customer an email confirming a shipping address in the forum; and

(3) shipped product to an address in the forum. *Curry v. Revolution Labs., LLC*, 949 F.3d 385, 392-93 (7th Cir. 2020).

As in *Curry*, Defendant's contacts with this forum included more than merely providing access to a website. Plaintiff has offered competent evidence that Illinois is included in the ship-to options on Defendant's site, that Defendant sent an email to Plaintiff confirming an Illinois shipping address for the allegedly infringing sale, and that Defendant shipped infringing products to Illinois. (Dkt. 48 ¶¶ 3-4, 8.) Defendant does not deny any of these assertions. (See Dkt. 47 at 6). Accordingly, this Court has virtually identical grounds to exercise personal jurisdiction over Defendant that the Seventh Circuit found sufficient in *Curry*. 949 F.3d at 392-93.

Defendant relies primarily on three cases to oppose a finding of personal jurisdiction: (1) *be2 LLC v. Ivanov*, 642 F.3d 555 (7th Cir. 2011); (2) *Advanced Tactical Ordnance Sys., LLC v. Real Action Paintball, Inc.*, 751 F.3d 796 (7th Cir. 2014); and (3) *Original Creations, Inc. v. Ready America, Inc.*, 836 F. Supp. 2d 711 (N.D. Ill. 2011). None of these cases, however, compels a ruling in Defendant's favor.

To begin, *be2 LLC* and *Real Action Paintball* can be distinguished from both *Curry* and this case. In *be2 LLC*, the Seventh Circuit held that a dating web site did not have minimum contacts with Illinois merely because members of the site provided Illinois addresses. *be2 LLC*, 642 F.3d at 559. But there, unlike here, the defendant did not ship any products to Illinois. *Id.* Similarly, in *Real Action Paintball*, the Seventh Circuit found that sale of *noninfringing* goods to residents of Indiana did not establish specific personal jurisdiction for a trademark infringement claim regarding

the sale of separate *infringing* goods. *Real Action Paintball*, 751 F.3d at 801. Because this case, as in *Curry*, involves both the sale of infringing goods and the sale of those goods to residents of Illinois, *be2 LLC* and *Real Action Paintball* are materially distinguishable.

Finally, Defendant notes that *Original Creations* stands for the proposition that a sale of an infringing product without any allegation that the defendant “h[eld] itself out as open to do business with” Illinois residents is insufficient to establish jurisdiction in Illinois for an infringement claim. *Original Creations*, 836 F. Supp. 2d at 716. But because Plaintiff has offered sufficient evidence to show Defendant “h[eld] itself out as open to do business with” Illinois residents, the generic statement of law in *Original Creations*, even if accurate, does not compel a finding that personal jurisdiction is lacking. In any event, *Curry*—a binding precedent of the Court of Appeals—controls the determination of this issue.

In sum, because Defendant purposefully availed itself of the privileges of conducting business in this district and Plaintiff’s claims against it arise out of those activities, the Court finds that it has specific personal jurisdiction over Defendant.

B. Service of Process

Separately, Defendant contends that, because Plaintiff did not adhere to the requirements of the Hague Service Convention, service by email was improper. Defendant first argues that Plaintiff could have found Defendant’s address had it undertaken a reasonable effort to find it and that the Convention therefore applies. (Dkt. 40 at 10.) Defendant also asserts that service by email under Rule 4(f)(3) of the

Rules of Civil Procedure was improper because the drafters of the Convention intended to prohibit any method of service not mentioned in its text. (*Id.* at 11.)

As explained below, although the Court finds that Plaintiff did not undertake reasonable diligence to ascertain Defendant's address, the Court holds that, because the Convention does not prohibit service by email, Plaintiff's service of process was proper under Rule 4(f)(3) of the Federal Rules of Civil Procedure.

1. *Whether Defendant's Address was "Known" Under the Convention*

The Hague Service Convention governs the service of process of civil matters among citizens of signatory nations in an attempt to give litigants a reliable, efficient, and standardized means of international service. The Convention does not apply if the defendant's address is "not known." Hague Service Convention Art. 1, 20 U.S.T. 361. Before courts will accept that a defendant's address is "not known," the plaintiff must make reasonably diligent efforts to ascertain and verify defendant's mailing address. *Progressive Se. Ins. Co. v. J & P Transp.*, No. 1:11-cv-137, 2011 WL 2672565, at *2 (N.D. Ind. July 8, 2011); *see also Compass Bank v. Katz*, 287 F.R.D. 392, 394-95 (S.D. Tex. 2012) (collecting cases).

Plaintiff did not undertake reasonably diligent efforts to ascertain Defendant's mailing address. Defendant's physical address in China was available on the AliExpress website it used to sell its products. (Dkt. 40 at 11.) Despite this, Plaintiff says Defendant's address was "not known" because the return address associated with the products Plaintiff purchased was a P.O. Box in Thailand. (Dkt 47 at 13.) Plaintiff further claims Defendant's address was not known because "unlike an e-

mail address, which is typically verified by ... online marketplace platforms, no verification typically occurs for physical addresses” of merchants like Defendant. (Dkt. 18 at 2.)

Plaintiff’s bare assertions regarding the reliability of Defendant’s publicly available address are not a substitute for actual diligence. Plaintiff does not claim that it conducted any diligence to verify the address Defendant posted on AliExpress. Plaintiff does not even claim that it found that address before it asked the Court to allow for alternative means of service. Plaintiff therefore did not conduct the type of diligence courts have found sufficient to hold that a defendant’s address was “not known” for the purpose of the Convention. *Cf. Advanced Access Content Sys. Licensing Adm’r, LLC. v. Shen*, No. 16-CV-386-WMC, 2018 WL 4757939 *4 (S.D.N.Y. Sep. 30, 2018) (plaintiff who investigated the available physical addresses of online merchant to see if they were valid for service and determined they were not conducted reasonable diligence).

Contrary to Defendant’s position, however, Plaintiff’s failure to conduct the diligence required under the Convention does not necessarily render service improper. The Court must next decide whether Plaintiff properly served Defendant under the Federal Rules of Civil Procedure.

2. *Service Under Fed. R. Civ. P. 4(f)(3)*

Rule 4(f)(3) of the Federal Rules of Civil Procedure allows courts to permit alternative means of service if the party seeking to use an alternative means obtains permission of the court and those “other means [are] not prohibited by international

agreement.” Fed. R. Civ. P. 4(f)(3). Defendant is a company domiciled in China, a country that, along with the United States, is a signatory to the Convention and its agreed means of service. But there “is no indication of a hierarchy in the text or structure of Rule 4(f).” *Flava Works, Inc. v. Does 1-26*, No. 12 C 5844, 2013 WL 1751468, at *7 (N.D. Ill. Apr. 19, 2013). So long as the proposed method of service is “not prohibited by international agreement[,]” Rule 4(f)(3) does not require a party to attempt service under the Convention before seeking a court order directing alternative service. *See Strabala v. Zhang*, 318 F.R.D. 81, 114 (N.D. Ill. 2016) (collecting cases).

Service by email is not specifically provided for in the Convention, but neither is it forbidden. *See MacLean–Fogg Co. v. Ningbo Fastlink Equip. Co.*, No. 08 CV 2593, 2008 WL 5100414, at *2 (N.D. Ill. Dec. 1, 2008) (“The Hague Convention does not prohibit service by e-mail or facsimile.”); *Sulzer Mixpac AG v. Medenstar Indus. Co.*, 312 F.R.D. 329, 331 (S.D.N.Y. 2015) (same); *Ouyeinc Ltd. v. Alucy*, No. 20 C 3490, 2021 WL 2633317, at *3 (N.D. Ill. June 25, 2021) (same); *see also Commodity Futures Trading Comm’n v. Caniff*, No. 19-cv-02935, 2020 WL 956302, at *6 (N.D. Ill. Feb. 27, 2020) (“The Convention does not affirmatively authorize, nor does it prohibit, service by email”). Thus, despite that Plaintiff had not attempted service under the terms of the Convention, the Court was authorized to order that service be effected by an alternative means (*i.e.*, email) so long as Plaintiff “ma[d]e a showing as to why alternative service should be authorized.” *Flava Works*, 2013 WL 1751468, at *7.

A speedy method of service in this case was justified to ensure, among other reasons, that the funds gained by the allegedly infringing conduct would be recoverable. *Strabala*, 318 F.R.D. at 114 (“Court-directed service pursuant to Rule 4(f)(3) is appropriate when, for example, ‘there is a need for speed that cannot be met by following the Hague Convention methods. . . .’”) (quoting 4B FED. PRAC. & PROC. CIV. § 1134 (4th ed.)). In addition, email was a more reliable method of service in this case because Defendants’ email addresses were verified by the sales platform, while their physical addresses were not. (See Dkt. 18 at 2.) This is precisely a situation that justifies an order directing that service be effected by alternative means. See *Ouyeinc*, 2021 WL 2633317, at *3 (“courts have routinely upheld service by email” in infringement actions where online stores’ “business appeared to be conducted entirely through electronic communications”) (cleaned up) (citing *Rio Props., Inc. v. Rio Int’l Interlink*, 284 F.3d 1007, 1018 (9th Cir. 2002) (“When faced with an international e-business scofflaw, playing hide-and-seek with the federal court, e-mail may be the only means of effecting service of process”)).

Against this, Defendant argues that two Supreme Court decisions—*Volkswagenwerk Aktiengesellschaft v. Schlunk*, 486 U.S. 694 (1988) and *Water Splash, Inc. v. Menon*, — U.S. —, 137 S. Ct. 1504 (2017)—include language that bars service by email. (Dkt. 40 at 11.) Specifically, Defendant observes that both *Schlunk* and *Water Splash* noted that the Convention “pre-empts inconsistent methods of service [wherever] it applies.” *Schlunk*, 486 U.S. at 699; *Water Splash*, 137 S. Ct. at 1507. Defendant reads this statement to prohibit all methods of service not mentioned

in the Convention's text. (Dkt. 40 at 11.) Because email is not mentioned in the Convention, Defendant says, it is "inconsistent" with the Convention and this Court was not permitted to authorize service by email under Rule 4(f)(3). (*Id.*)

With respect, the Court declines to adopt Defendant's interpretation of *Schlunk* and *Water Splash*. As the *MacLean-Fogg*, *Sulzer Mixpac*, and *Ouyeinc* courts observed, the Convention neither authorizes nor prohibits service by email—it is entirely silent on the issue. *MacLean-Fogg*, 2008 WL 5100414, at *2; *Sulzer Mixpac*, 312 F.R.D. at 331; *Ouyeinc*, 2021 WL 2633317, at *3. Defendant has not directed the Court to any provision of the Convention that limits a party to the methods of service enumerated in the Convention or that requires a party to exhaust the Convention's methods before pursuing other methods. *See Patrick's Rest., LLC v. Singh*, No. 18-CV-00764, 2019 WL 121250, at *2-3 n. 3 (D. Minn. Jan. 7, 2019) (Convention does not contain an exhaustion requirement and holding that service by email may be unenumerated in the Convention while "still not 'inconsistent' with" the Convention). In the absence of a provision affirmatively prohibiting service by email or any reason to believe the Convention bars all unenumerated methods of service, district courts have authority to allow service by email as an alternative means of service under Rule 4(f)(3). The Supreme Court's anodyne statement that the Convention prohibits "inconsistent methods of service" does not dictate otherwise.

Finally, Defendant cites *Luxottica Grp. S.p.A. v. P'ships, et al.*, 391 F. Supp. 3d 816 (N.D. Ill. 2019) as an additional reason to find that service by email was inappropriate. In that case, the court observed that China has objected to Article

10(a) of the Convention, which states: “Provided the State of destination does not object, the present Convention shall not interfere with . . . the freedom to send judicial documents, by postal channels, directly to persons abroad.” 20 U.S.T. 361. Interpreting the phrase “postal channels” to include email, and in view of the language of Article 10(a), the *Luxottica* court held (contrary to *MacLean-Fogg*, *Sulzer Mixpac*, and *Patrick’s Restaurant*) that the Convention prohibits service by email under Rule 4(f)(3) to parties located in China. *Luxottica*, 391 F. Supp. 3d at 827.

This Court, however, declines to interpret the term “postal channels” to include electronic mail. On the contrary, the most natural understanding of “postal channels” applies only to material that is physically delivered by letter carrying authorities. In other words, “postal channels” does not refer to alternate forms of communication, including email, notice by publication, or service by social media. *See Sulzer Mixpac*, 312 F.R.D. at 331; *Patrick’s Restaurant*, 2019 WL 121250, at *3 (collecting cases).

Although the issue is not free of doubt, the Court is persuaded by *Sulzer Mixpac*, *MacLean-Fogg*, *Patrick’s Restaurant*, and *Ouyeinc* that service by email is not prohibited by the Convention. Because *Water Splash* and *Schlunk* do not compel a contrary finding, and in the absence of controlling authority holding otherwise, the Court holds that service by email in this case was proper under Rule 4(f)(3).

IV. CONCLUSION

For the foregoing reasons, Defendant's motion to dismiss (Dkt. 39) is denied.

SO ORDERED in No. 20-cv-05049.

Date: July 9, 2021



JOHN F. KNESS
United States District Judge