¢	ase 2:23-cv-06647-JFW-KS Do	cument 35	Filed 10/10/23	Page 1 of 74	Page ID #:407
1 2 3 4 5 6 7	JOHN C. ULIN (SBN 165524 Email: julin@troygould. RUSSELL I. GLAZER (SBN Email: rglazer@troygoul ANNMARIE MORI (SBN 21 Email: amori@troygould CHINELO N. IKEM (SBN 34 Email: cikem@troygould TROYGOULD PC 1801 Century Park East, 16th Los Angeles, CA 90067-2367 Telephone: (310) 553-4441 Facsimile: (310) 201-4746	com 166198) d.com 7835) .com 3780) l.com			
8 9	Attorney for Plaintiff PLANE CARTRIDGES, INC.	Γ GREEN			
10	UNITED	STATES I	DISTRICT CO	URT	
11	FOR THE CEN	FRAL DIS	TRICT OF CA	LIFORNIA	
12		```	CASE No.: 2:	23-cv-06647	JFW-KS
13 14	PLANET GREEN CARTRID INC., a California corporation	· · · · · · · · · · · · · · · · · · ·	FIRST AME		PLAINT
 15 16 17 18 19 20 21 22 23 24 25 26 27 28 	Plaintiff, v. AMAZON.COM, INC., a Del corporation; AMAZON.COM SERVICES LLC, a Delaware liability company; AMAZON ADVERTISING LLC, a Delay limited liability company; and 10, inclusive, Defendants.	limited	 1. Violation of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B) – False Advertising; 2. Violation of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A) False Association & False Designation of Origin or Approval; 3. Common Law Unfair Competition; 4. Unfair Competition in Violation of California Unfair Competition Law – Unlawful and Unfair Prongs (Cal. Bus. & Prof. Code § 17200, et seq.); 5. Violation of California False Advertising Law (Cal. Bus. & Prof. Code § 17500, et seq.) 6. Negligence 		
	FIRST AME	NDED COMI	1 PLAINT FOR DA	MAGES	

COMES NOW Plaintiff, PLANET GREEN CARTRIDGES, INC. ("Plaintiff" or "Planet Green"), with knowledge of its own actions and events, and upon information and belief as to other matters, and alleges as follows against Defendants AMAZON.COM, INC., AMAZON.COM SERVICES LLC, AMAZON ADVERTISING LLC and DOES 1-25, inclusive (collectively, "Defendants"):

I.

INTRODUCTION

1. This action arises out of Defendants' persistent violation of their own policies, federal and state laws, and stated environmental objectives, by the false claims of new built clone cartridges as being remanufactured and sold as recycled product on a mass scale. The products, almost all of which are made in China, are not original equipment manufacturer ("OEM"), but are new built clone printer ink cartridges, falsely listed and labeled as remanufactured and sold as recycled product, including on their packaging and through recycled symbols on the products themselves, deceiving millions of Amazon's customers in California and throughout the United States.

2. Plaintiff presented Defendants with uncontroverted evidence outlining numerous brands of printer ink cartridges Plaintiff purchased on Amazon as test purchases, which demonstrated that Defendants were falsely advertising, making unsubstantiated environmental claims, and importing, distributing and selling clone cartridges falsely represented as remanufactured, in violation of Amazon's policies, federal and state laws, and engaging in conduct antithetical to Amazon's environmental mission and efforts. Defendants' response to Plaintiff's evidence was essentially that they are immune from liability for publishing third-party content on their platform under the Communications Decency Act, 47 U.S.C. section 230. But, as set forth further below, this contention is just wrong.

3. Plaintiff requested Defendants, per their own policies, remove or suspend sellers of misrepresented clone cartridges outlined in Plaintiff's presentations of evidence until they authenticated that their cartridges were actually remanufactured. Instead, Defendants continue to allow unlawful sellers to maintain their accounts, permit them to advertise, promote their products with Defendants' endorsement, and Defendants provide fulfillment services, "sold by Seller and fulfilled by Amazon," and distribute and sell the misrepresented cartridges. In a Zoom meeting on May 26, 2023, Defendants told Plaintiff that they had asked brands that could not substantiate claims of being remanufactured or recyclable to change their product descriptions to continue to sell on the platform. But the deceptive practices have not changed, and Defendants continue to allow sellers that have deceived millions of consumers with false advertising and recyclability claims and deceptively labeled products to sell clone ink cartridges over Amazon.

4. Moreover, Defendants themselves promote, distribute, fulfill, advertise, and sell the illicit clone cartridges identified in Plaintiff's presentations of evidence, through both their role in the sale and distribution of other sellers' cartridges and the Amazon Warehouse Program, in which Amazon itself sells the cartridges and holds itself out to the world as the seller. Notably, Defendants use the same false descriptions used by other sellers in describing the clone ink cartridges they sell. Defendants' deep involvement in the sale, distribution and promotion of these clone cartridges renders them liable for the unlawful manner in which they are promoted and sold.

II.

THE PARTIES

5. Plaintiff, PLANET GREEN CARTRIDGES, INC., is a corporation organized under the laws of the State of California, with its principal place of business in Chatsworth, California. For the last 23 years, Planet Green has been an

industry leader of wholesale, high-quality, United States remanufactured ink
cartridge products. Planet Green remanufactures ink cartridges using only OEM
cores that are collected from schools, businesses, and consumers throughout the
United States. The remanufactured ink cartridges sold by Planet Green are
authentic recycled products.

6. Defendant AMAZON.COM, INC. is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 410 Terry Avenue North, Seattle, Washington 98109-5210.
AMAZON.COM, INC. markets and sells products to retail consumers all over the world through internet websites such as www.amazon.com, using various trademarks and brand names, including "Amazon."

7. Defendant AMAZON.COM SERVICES LLC is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 410 Terry Avenue North, Seattle, Washington 98109-5210. AMAZON.COM SERVICES LLC sells products to consumers through Amazon Warehouse that are fulfilled by Amazon.com. Plaintiff is informed and believes that AMAZON.COM SERVICES LLC is a subsidiary of Defendant AMAZON.COM, INC. Defendants AMAZON.COM, INC. and AMAZON.COM SERVICES LLC are sometimes collectively referred to herein as "Amazon."

8. Defendant AMAZON ADVERTISING LLC is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 410 Terry Avenue North, Seattle, Washington 98109-5210. AMAZON ADVERTISING LLC provides advertising services to third party sellers. Plaintiff is informed and believes that AMAZON ADVERTISING LLC is a subsidiary of Defendant AMAZON.COM, INC. Defendants AMAZON.COM, INC., AMAZON.COM SERVICES LLC and AMAZON ADVERTISING LLC are sometimes collectively referred to herein as "Amazon."

28

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

9. The true names and capacities of Defendants sued herein as DOES 1-

25, inclusive, are unknown to Plaintiff. Plaintiff therefore sues these Defendants by such fictitious names. Plaintiff will amend this complaint to allege the true names and capacities of said DOE Defendants when ascertained. Each of these fictitiously namedDefendants are responsible in some manner for the acts and conduct alleged herein and such Defendants proximately caused Plaintiff harm as alleged herein.

III.

JURISDICTION AND VENUE

10. This court has original jurisdiction over the subject matter of this matter under 15 U.S.C. section 1121 and 28 U.S.C. sections 1331 and 1338, because it is a civil action involving claims arising under the laws of the United States, including the Lanham Act, 15 U.S.C. section 1051 *et seq.*, and the court has supplemental jurisdiction over Plaintiff's state law claims under 28 U.S.C. sections 1338(b) and 1367(a), in that they form part of the same case or controversy that gives rise to Plaintiff's claims under the laws of the United States.

11. This court also has original jurisdiction over the subject matter of this action pursuant to 28 U.S.C. section 1332 because the amount in controversy exceeds \$75,000.00 and the parties are diverse in citizenship.

12. Venue is proper in this court pursuant to 28 U.S.C. section 1391(b) because a substantial part of the events or omissions giving rise to the claims at issue occurred in this judicial district and division, and because Defendants are subject to the court's personal jurisdiction with respect to this action.

13. The court has personal jurisdiction over each of Defendants because the causes of action asserted herein arise from Defendants transacting business in the State of California, contracting to supply and actually supplying services or things in the State of California and causing tortious injury in the State of California by virtue of their acts and omissions.

14. This court has personal jurisdiction over Defendants because they (a) have sold numerous products in the State of California and this district; (b) have caused tortious injury within the State of California and this district; (c) have

practiced the unlawful conduct complained of herein, in part within the State of
California and this district; (d) have regularly conducted and solicited business
within the State of California and this district; (e) have regularly and systematically
directed electronic activity into the State of California and this district with the
intent to engage in business within the State of California and this district,
including the sale and/or offer for sale to internet users within the State of
California and this district; and (f) have entered into contracts with residents of the
State of California and this district for the sale of goods.

IV.

FACTUAL ALLEGATIONS

15. Since 1999, Planet Green has remanufactured ink cartridges in a stateof-the-art facility utilizing a painstaking process consisting of obtaining used OEM cartridge cores, thoroughly inspecting, cleaning, refilling the cartridges with new ink, testing for quality control, and packaging for resale. The United States once was the epicenter of thousands of printer cartridge remanufacturers, suppliers, and resellers. Due to the conduct of Defendants as the primary advertiser and distributor and a major seller of inauthentic clone ink cartridges that are falsely represented as remanufactured and/or recyclable in promotions, packaging, labeling, and on the products themselves, as alleged herein, the United States printer cartridge remanufacturing industry has been eviscerated.

16. Planet Green is one of the sole survivors in the industry. Indeed, by this time, Plaintiff is one of the only remaining printer ink cartridge remanufacturer in the United States and produces the overwhelming majority of remanufactured printer ink cartridges remanufactured and sold at retail, including over Amazon. Consumers who purchase remanufactured printer ink cartridges over Amazon's websites rightly understand that they come from the lawful source of such cartridges and, whether they know the name of the company or not, that nearly always means Planet Green. To the extent that others sell clone cartridges over

Amazon that are misrepresented as recycled or remanufactured, they are falsely representing to consumers that they sell a product that consumers associate with the lawful source of remanufactured printer ink cartridges, *i.e.*, Planet Green.

17.. Prior to the filing of this action, Plaintiff put Amazon on notice of the wrongful conduct alleged in this Complaint. On June 23, 2022, Plaintiff provided a presentation of evidence to Amazon detailing how 18 brands and their numerous listings of aftermarket ink cartridges label new built single-use clone ink cartridges as "remanufactured," which are sold as a recycled product on their platform (sometimes referred to herein as "the illicit ink cartridges"). Plaintiff demonstrated that the same sellers are falsely advertising their listings, products, and packaging. Plaintiff also pointed out that the same sellers are misusing Amazon's own defined terms "remanufactured" and "compatible" for different types of printer cartridges by using them interchangeably, which is deceptive. Plaintiff offered Amazon an opportunity to do the right thing and stop the sale of falsely labelled clone printer cartridges that are deceiving consumers, harming the environment, and that have destroyed the once thriving printer cartridge remanufacturing industry. The original notice and presentation are attached hereto as **<u>Exhibit 1</u>**.

18. Over the course of five (5) months, Amazon failed to act on any of the 18 brands of illicit clone ink cartridges as they continued to be available for purchase on Amazon's website. During this time, Plaintiff continued to purchase more ink cartridges that were falsely sold as remanufactured ink cartridges from Amazon. On December 9, 2022, Plaintiff sent a second presentation of evidence to Amazon, identifying a total of 82 brands of remanufactured ink cartridges that were purchased by Plaintiff. This presentation illustrates that Amazon has a category-wide issue with falsely labeled cartridges, promoted with unsubstantiated environmental claims, in violation of Amazon's listing policies, which deceive consumers. In addition, Plaintiff separately hand delivered its presentation of evidence on November 24, 2022, to Amazon's Chief Executive Officer Andy

Jassy, through a mutual contact, informing him of the unlawful actions that were taking place on Amazon's platform. The second presentation of evidence is attached hereto as **Exhibit 2**.

19. Amazon acknowledged receiving the second presentation of evidence asking for Plaintiff's test buy results to confirm the factual allegations, a baffling response considering that Plaintiff's presentations contained the test buy results. Amazon took the positions that the Amazon Seller Code of Conduct prohibits sellers from making false statements about products and that Amazon is not responsible for seller statements and is immune from liability for publishing third-party content on its platform under Section 230 of the Communications Decency Act, 47 U.S.C. § 230. These positions completely ignore the fact that Plaintiff notified Amazon of illicit clone ink cartridges and that the entire category of remanufactured printer cartridges is overrun by sellers who unlawfully misrepresent their products. In response, Amazon has provided nothing more than lip service, claiming, without action, that Amazon will enforce its rules and investigate.

20. The reason for the tremendous loss of an entire United States printer cartridge remanufacturing industry and Plaintiff's damages, is due to Amazon's direct participation in the unlawful practices detailed in this Complaint, which effectively prevent legitimate businesses from competing against the overwhelming proliferation of clone printer cartridges flooding the market through their website, fulfillment centers and warehouse program. Sellers are allowed to list multiple products claiming to be remanufactured OEM cartridges, frequently bearing the "recyclable" symbol in their listings, packaging and on the products themselves, when in fact they are newly manufactured clone cartridges, not OEM product, and not in fact a recycled or recyclable product.

21. The following are some examples that were shared with Amazon, which illustrate how illicit brands and their sellers are defrauding consumers:

 Examples of new built clone ink cartridges falsely labeled as remanufactured and sold as a recycled product and ships from Amazon:

Hello, Sign in

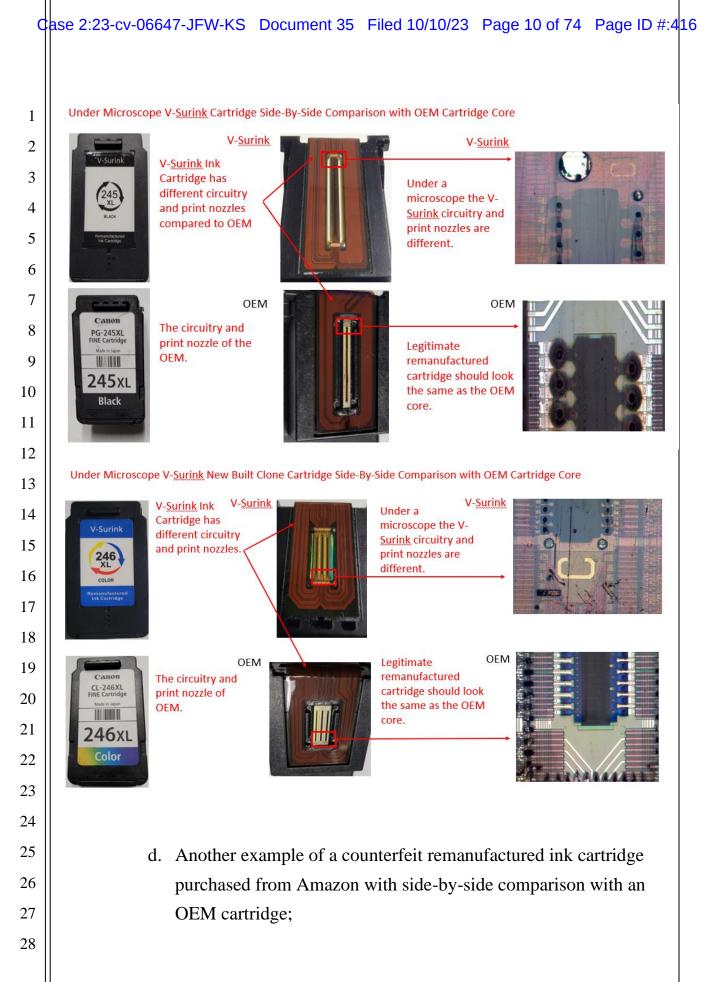
Return 8

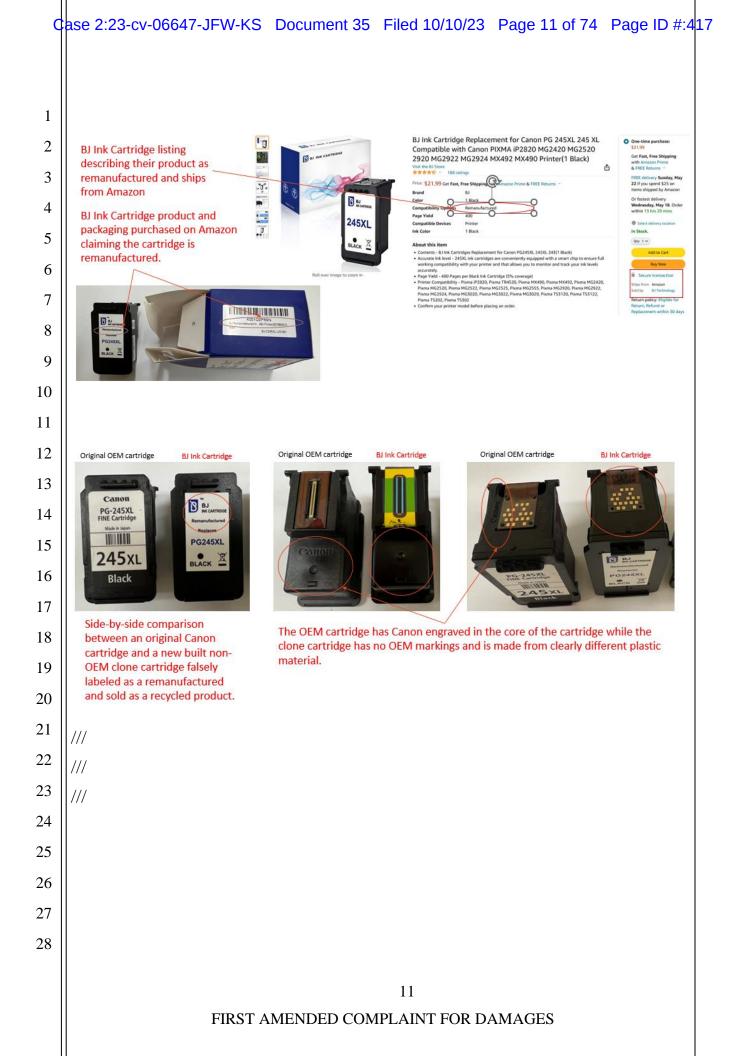
a. Amazon listing for V-Surink.



- b. Ink cartridges, Plaintiff purchased on Amazon and fulfilled by Amazon.
- c. Below is a side-by-side comparison of Canon cartridges and V-Surink ink cartridges. The example shows the differences between OEM cores and counterfeit remanufactured ink cartridges.

mazon @ Sel







remanufactured.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

a. Below is the actual package and product that was received after a test purchase from Amazon. The package and product are significantly different than what is depicted in Sheengo's Amazon listing.

The inaccurate depiction of listing and what was received is in direct violation of Amazon's Ink and Toner listing policy where your listing and images must accurately describe your product.



Sheengo

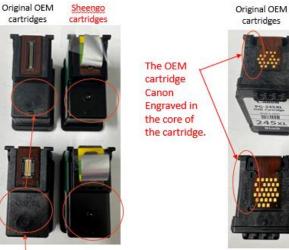
cartridg

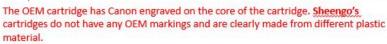
cartridges

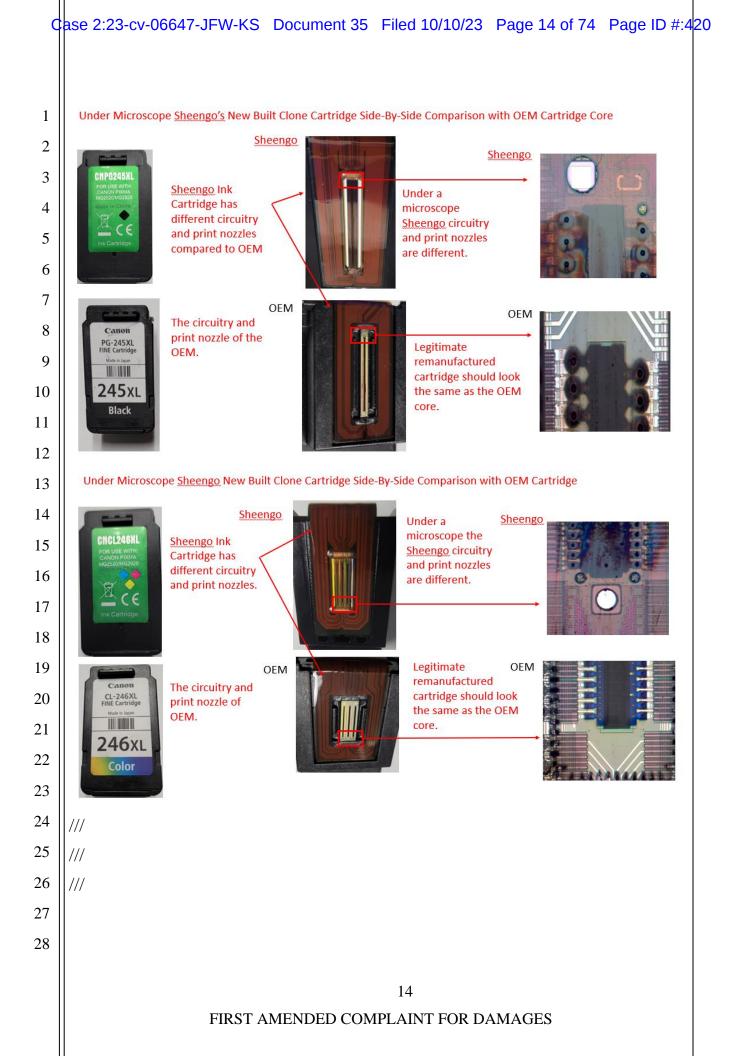
b. Side-by-side comparison of Canon cartridges and Sheengo's ink cartridges show a significant difference between the OEM core and a new built non-OEM clone cartridges falsely labelled as a remanufactured product.



Side-by-side comparison between an original Canon cartridges and Sheengo's new built non-OEM clone cartridges sold as a remanufactured product.







c. The customer's reviews below are examples of how Amazon strikes-out customers complaints and takes full responsibility for Sheengo's falsely advertised listings because products ship from

Sheengo Reviews

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

 ★☆☆☆☆
 * Fordered the Canon BRAND AND THAT IS WHAT I WANT: " By J Ingram on February 13, 2023.
 Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.
 ★☆☆☆☆
 * These cartridges were completely unusable. Based on the picture on Amazon, I thought I was buying actual Canon cartridges: This was a deceptive picture because the product I received was in a completely different looking box. Check picture of the cartridges for "Canon" on the picture of the product. " Read less
 By Thomas Johnson on February 1, 2023.
 Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.

Amazon.

 Below are examples of ink cartridge sellers making unsubstantiated environmental marketing claims that violate Amazon's policies and FTC Environmental Marketing Green Guides.



4) The illicit brands of ink cartridges offered for sale on Amazon misuse recycling logos. The brands use the chasing arrows recycling logo and do not insert the trash icon on their products and packaging without indicating whether the product or packaging came from recycled material or is a recyclable product.

a. Below are examples of how these symbols are used without
support of their recyclability claims in violation of Amazon's policies
and FTC Environmental Marketing Green Guides.



V-Surink misusing the recycling logo on its packaging and product deceiving customers it is a recycled product.

d'

Black O

245XL

Greencycle Amazon listing uses recycling logos without any way to verify its recyclability claims. This product ships from Amazon.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28





<u>Greencycle</u> side-by-side comparison with Canon cartridge clearly shows the cartridge is not remanufactured from an OEM core. <u>Greencycle</u> has no Canon markings and its clearly made from different plastic material. It is a new built clone cartridge fraudulently labeled as remanufactured.

1

.....

-

1.00

. .

10.0

lacksquare

greencycle Remanufactured Ink Cartridge Compatible for Canon PG-245XL PG-245 245 XL Pixma MX490 MG2522 MG2525 MG2922 MG2924 MG3020 MG3022 MG3029 TS3120 TS3122 TS202 Printers (Black, 1 Pack) With the greencycle Store 合合合合 - 1.534 ratings | 22 answered questions

Price: \$18.99 FREE Petum ~ Sees more: Apply 5% coupon Terms ~ Cet \$50 off instantly: Pay \$0.00 \$48.99 upon approval for the Amazon Rewards Visa Card. No annual fee: Color: 1 Black The State Sta

2 Direct



Secure transaction los from Amazon ld by Quicktoner cana Explore for Record Refund or Replacement with ttalls

Add a gift receipt f easy returns

16

BJ Ink Cartridge deceives consumers that it is a recyclable product by using no trash icons and recycling logo on the product and packaging. There are no instructions on the packaging or product to indicate how and where to recycle this product.

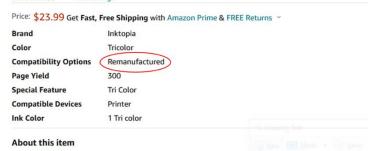
BJ Ink Cartridge misuses the recycling logo on its packaging by not providing any clear understanding if packaging and product are made from recycled material or that they can be recycled.



5) Sellers misuse Amazon's defined terms to describe different types of printer cartridges, "remanufactured" and "compatible." Defendants in their listing policies define "compatible" to be a new built cartridge and "remanufactured," a used cartridge that has been taken apart, cleaned, and rebuilt. The example below is how sellers use the terms interchangeably deceiving consumers.



Inktopia Compatible Ink Cartridge Replacement for Canon 246XL CL 246 XL Cl-246Xl CL-244 (1 Color) for Canon PIXMA MG2520 MG2920 MG2922 MG2420 MG2522 MG2525 MG3020 MG2555 MX490 MX492 Printer Visit the Inktopia Store



Package Contents: Inktopia Replacement for Canon CL-246XL 246XL 246 XL CL-244 Ink Cartridges

22. Defendants' refusal to take meaningful steps to stop the sale of misrepresented clone cartridges has forced Plaintiff to resort to this litigation.

Despite being the largest catalog marketer online, with vast resources, Amazon's efforts and willingness to stop clone cartridge sales have been so incredibly ineffective, rendering it effectively nonexistent.

23. In addition to the presentations to Amazon, Plaintiff offered Defendants an open invitation to see first-hand the counterfeit cartridges, at Plaintiff's remanufacturing facility, and how they are being identified as counterfeit. The following photographs were provided to Defendants of ink



1

2

3

4

5

6

7

25

26

27

28

cartridges test purchased by Plaintiff:





24. The following brands were found to be new built clone cartridges, falsely sold as "remanufactured" and recycled products:

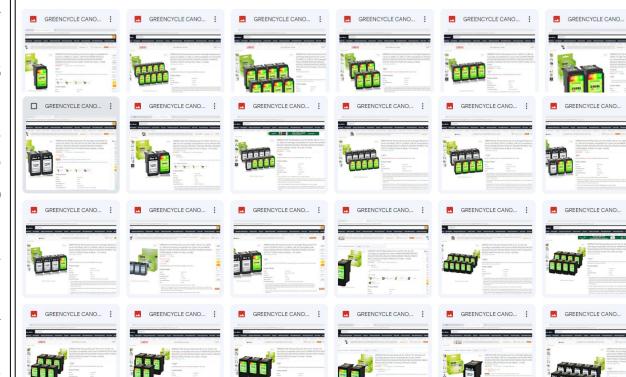
1. AAKidInk	10. FAcms	19. H&BO Topmae	28. Kolor Expert	37. Sellyaha
2. Ankink	11. Fastink	20. Inkni	29.	38. Sheengo
			Lucascolo	
3. Batuto	12. Foiset	21. InkSpirit	30. Mooho	39. Upsek
4. BJ Ink Cartridge	13. Forzik	22. Inktopia	31. Novajet	40. Valker
5. BStink	14. Geshine	23. Insmax	32. OnlyU	41.
				ValueToner
6. CG	15. GPC	24. Jarbo	33. Palmtree	42. V-Surlink
Chinger	Image			
7. ColorKing	16. Greenbox	25. Janmore	34.	43. Witop

Reprinpic

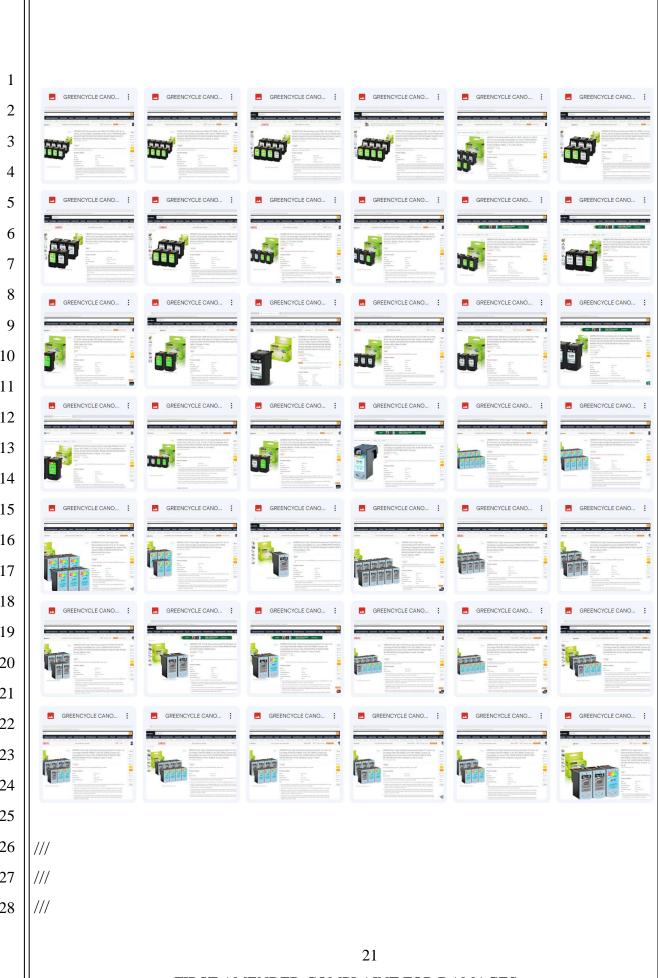
8. CSStar	17.Greencycle	26. Jonity	35. Retch	44. Yatunik
9. Doreink	18. Incwolf	27. LxTek	36. Teino	45. Ejet

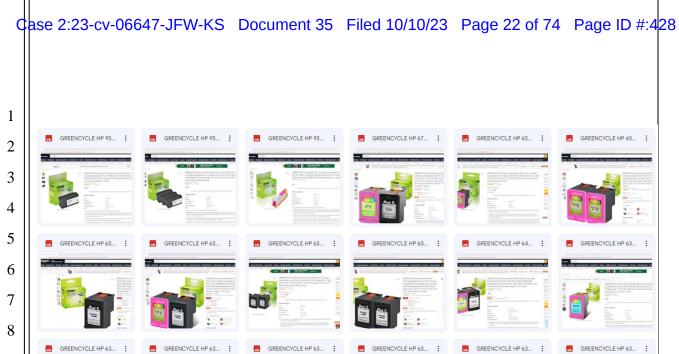
In addition, illicit brands of printer cartridges flood Amazon's 25. platform with a variety of single and combo pack listings. Below is an example of how two brands, Greencycle and Inktopia, are creating multiple listings that saturate the platform:

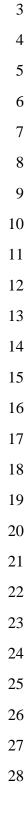












GREENCYCLE CANO ...

GREENCYCLE HP 63...

GREENCYCLE HP 60...

.....

///

///

///

--GREENCYCLE CANO ... GREENCYCLE CANO ... GREENCYCLE CANO ... GREENCYCLE CANO ... --: nnn Öğ 변열 10 GREENCYCLE HP 63... GREENCYCLE HP 62.. GREENCYCLE HP 61. GREENCYCLE HP 60... GREENCYCLE HP 22... GREENCYCLE HP 60... GREENCYCLE HP 21... 10 1

1.6

.....

首首

....

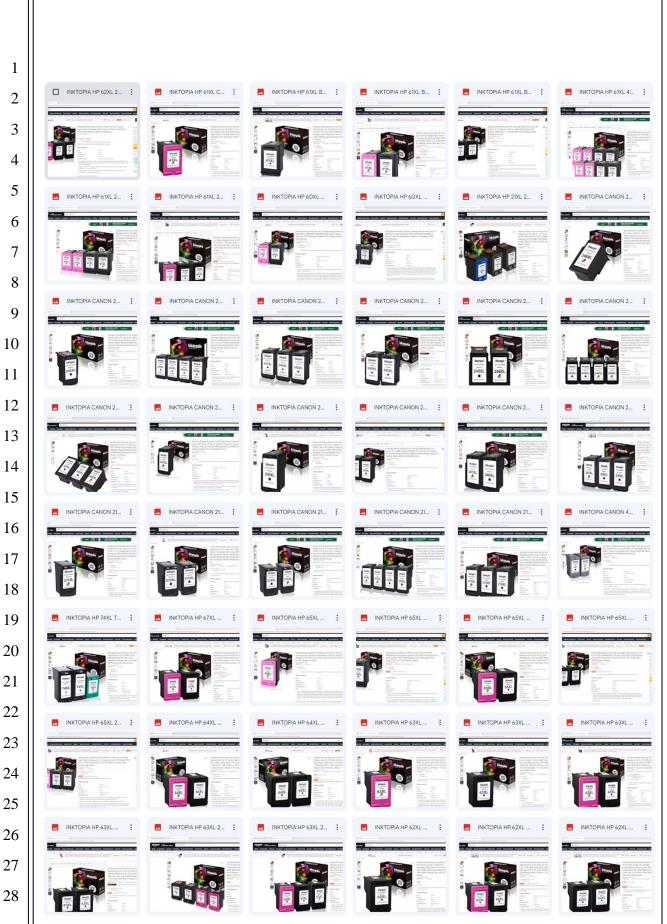
ja j

GREENCYCLE CANO ...

GREENCYCLE HP 61

GREENCYCLE HP 21...

Case 2:23-cv-06647-JFW-KS Document 35 Filed 10/10/23 Page 23 of 74 Page ID #:429



26. Most, if not all, illicit clone ink cartridges originate from China. To remanufacture printer cartridges, you need to obtain viable OEM cores. It was pointed out to Defendants in the example below, remanufactured ink cartridges with availability in the millions per month are being sold wholesale on Alibaba for a single model. This is simply preposterous!

0	Zhuhai National Re	sources & Jingije Printing	g Technology						
7	Alibaba.com (mar are you tooking for.	🛛 🔍 Search	A tops a B 10 V7	Product details	Company pr	ofile			Report Suspicious J
, 0	Categories - Intendy to the Personal Protective E. Bayer C Home - All intenties - School & Office Supplies - Prese Suppli		Get the app English=UED ~ Ethip to 10 ~	Product Description	on Our Advantag	ges Buy	rer Feedback FA	Q Related Products	
8		HPRODA, For HPRO For HP ENVY Solid Officepet ST40 Printer (Preside)	or other inquires: StContact supplier Contact how	Overview					
9		S14.54 - S14.74 / proce (19 procespecers (Min. order) Benetits. VE 5000 (segures Class Nov)	Verified supplier Substitutions (Insurant & Jungle () - Corona manufacture Corona manufacture	Essential details Type: Cartridge's Status:	Ink Cartridge Full			Feature: Bulk Packaging:	Re-Manufactured Yes
10		Color H + 620L (52:37910) H + 620L (52:37910) Land tome() Quantity (percent) 1 - 10000 > 10000 Outer time (100) To the responsed To the responsed	forgetained sadematis (1) Take sating Construct databasy sate 4.8.5 96.27 Response time 1 anaxctime 545 5735,000 -	Colored: Model Number: Product Name:	Yes H-62XL INK-TANK C2P05AN C Leading manufacture		npatible inkjet Cartr	Brand Name: Place of Origin: Place of origin: Certificate:	INK-TANK Guangdong, China Zhuhai IS09001.JS014001.CE.STMC, RoHS, Reach
11	Add to Compare Addree	Custamization III Altitude cam build in online custamization Custamize New Custamized logic (non-under 2000 proces) Custamized publiques (Min-order 2000 proces) More -	Plangaor Phototion lives 80000m ² 45 Services Pull currumization	Company Type: Defective Rate: Chip: Supply Ability:	«0.2%,1:1 replacement chip 100% Compatible 10.000.000 Pieces per chip 100% Compatible chip 100% Compatible compatible	nt for any fault le & Stable	ty goods	Certificate: Ink type: Warranty: Delivery Time:	High Yield Dye Ink pour for hp5547 imprimante 12 months Within 5-7 working days after payment confirmed
12		Shoping Downs Ocean Hingle - Land Hingle - Air Hingle Protection: @ Thate-Assumence - Provide your Atlasta can unless @ On-time Empatch Gouvantee @ Refuture Policy	treevational associates (2) Quality control Area-meredial associations (dependence QA/QC Imperiors (22)	Supply Ability Supply Ability	10000000 Piece/Piec			oundy mue	ennen oʻr monning oyys aree paynen oʻrmininga
13		is offering 10 million rem		Packaging & delive Packaging Details Port		ging, INK-POW	IER box packaging , buli	k packaging, neutral white b	ox, neutral colour box, customized box
14	62XL cartridges per cartridges are hard	r month when the HP 62) to accumulate.	XL OEM core	Lead time():	Quantity(pieces) Lead time (days)	1 - 10000 7	>10000 To be negotiated		

27. To remanufacture printer cartridges, a legitimate remanufacturer needs a significant number of empty viable OEM cores. In 2017, the Chinese government implemented Operation National Sword prohibiting the importation of plastic and solid waste which included empty printer cartridges. On information and belief, based on Plaintiff's 23 years of collecting and remanufacturing OEM cartridge cores, it would be impossible for one individual company to collect a singular specific cartridge model core and offer a remanufactured finished product in the quantity of millions per month.

24 28. In addition to the above listing on Alibaba, it was shared with 25 Defendants that there are at least nine other sellers with listings on Alibaba that offer suspect remanufactured printer cartridges in absurd quantities, into the 26 millions per month for a single cartridge model. Below are the companies: 27 28 ///

1

2

3

4

5

6

15

16

17

18

19

20

21

22

С	ase 2:23-cv-06647-JFW-KS	Document 35 Filed 10/10/23 Page 25 of 74 Page ID #:431
1	A. Zhuhai National	B. Shenzhen Nolar C. Shenzhen Michsan
2	Resources & Jingjie Printing	TradeTechnologyDevelopmentCompany
3	Technology	Company
4	D. Uniplus Technology	E. PK Printking F. Ebest Digital Technology Technology
5	Corporation	Company
6	G. Zixingshi_Heshun	H. Tatrix I. Prospect Image
7	Technology	International China Products Limited
8	Printing Materials Company	Co, Ltd of Zhuhai
9		
10 11	29. Amazon sel	ls millions of purported remanufactured ink cartridges
11	that originate from China	When conducting a search for "remanufactured ink
12		,000 total results were returned. The total number of
13		dge listings is actually much greater, based on how
15	Defendants filter their sea	rch results. It is reasonable to say that most
16	amazon ©elever to Eric © chatsworth 91311 Office Products - remanufac	tured ink cartridges 🔍 📰 EN -
17	Office Products Office Dask Etherities Printers, Ink & Toner Project 1-24 of over 8,000 results for "remanufactured ink cartridges"	
18	GREENBOX	st-effective and environmentally-friendly
19	Free Shipping Eligible Free Shipping By Amazon All customers get FREE Shipping on orders over \$25 shipped by Amazon	
20	Free Shipping By Sellers Climate Pledge Friendly Climate Pledge Friendly	
21	Department Limited time Deal < Any Department	\$41 ⁹⁹ vprime \$39 ⁹⁹ vprime
22	Office Electronics Products Office Furniture & Lighting Customer Reviews	Find the compatible ink or toner cartridge for your printer Fitter search results by printer brand, series, and model Find your compatible cartridge
23	★★★★☆ & Up ★★★☆☆ & Up ★★☆☆☆ & Up ★☆☆☆☆ & Up	Sponsored 🖗
24	Featured Brands	Solution 0 LCL comanufactured Toner Cartridge Replacement for Xerox VersaLink C505 C505S C505X C500 C500N C500DN 106R03862 (1-Pack Black) 4.5 ★★★★★ (2)
25	Limeink ejet Price	Signature deal
26	Under \$25 \$25 to \$50 \$50 to \$100 \$100 to \$200 \$200 # abure	FREE delivery Mon, Feb 20 Or fastest delivery Thu, Feb 16 Spomsord @
27	\$200 & Above	SAIDING Remanufactured Ink Cartridge Replacement for MP CW2200 CW1200 for Ricoh Aficio MP

I Sta

28

\$ Max Go

9

Today's Deals

nts

\$179⁹⁹ (\$45.00/Court) \$189.99 Or \$17.55/mo (12 mo) at 30% APR (rates from 10-30% APR) Save \$10.00 with coupon

FIRST AMENDED COMPLAINT FOR DAMAGES

25

SAIDING Remanufactured Ink Cartridge Replacement for MP CW2200 CW1200 for Ricoh Aficio MP CW2200SP CW2200HSP CW1200SP CW1200HSP Printer (4 Pack)

remanufactured ink cartridges listed on Amazon make unsubstantiated claims of being remanufactured or recyclable product.

30. Data captured from Jungle Scout, a third-party application that provides research and market intelligence on products offered for sale on Amazon, estimates that remanufactured ink cartridges alone generate \$3,233,555,328 in sales annually.

31. Defendants make it impossible for any legitimate printer cartridge remanufacturing company to compete when Amazon has a vested interest in keeping third-party sellers on its platform while facilitating the sale of illegitimate remanufactured ink cartridges on a mass scale regardless of whether they are misrepresented or violate federal and state law.

32. In the 1980s, the remanufacturing industry for printer cartridges was established in the United States. By mid-2000s, United States printer cartridge remanufacturing grew into an estimated \$7 billion industry boasting thousands of U.S. companies comprised of remanufacturers, used cartridge collectors, suppliers, resellers, trade publications and expos. The printer cartridge remanufacturing industry evolved as a solution to divert millions of used printer cartridges away from U.S. landfills generated by the original equipment manufacturers of printers and turned the waste into a low-cost, reusable product for the consumer.

33. Now the U.S. remanufacturing industry is on the verge of extinction. The anti-competitive behavior of Defendants is the driving force behind the proliferation of counterfeit remanufactured ink cartridges saturating the U.S. market, deceiving consumers, undercutting legitimate remanufacturers, and leaving the recycle stream with an overwhelming amount of plastic waste. This has caused great harm to the Plaintiff's growth opportunities because Plaintiff is dependent on the industry for the supply chain of materials needed for its remanufacturing process, as well as its wholesale network of resellers for their finished products. The blame for the destruction of an entire industry and direct harm to Plaintiff lies

at the feet of Amazon, as a result of the sale of inauthentic printer cartridges, advertised, sold, and distributed by Defendants through their website.

34. Further, the unsubstantiated claims that these cartridges being sold by and on Amazon's platform are recyclable are particularly reprehensible, as these generic single-use clone brand printer cartridges do not offer any service to reclaim their used cartridges, leaving them to be thrown in the trash. It has been estimated that over 375 million printer cartridges end up in United States landfills each year, creating a massive amount of plastic waste.¹ Generic branded single-use clone printer cartridges use up natural resources and release greenhouse gases during the production process. To manufacture one new printer cartridge, the process emits around 4.8Kg CO2 and uses up to a gallon of oil.²

35. Defendants' ecommerce platform has empowered illicit overseas printer cartridge manufacturers, eliminating thousands of legitimate printer cartridge resellers, by selling direct to consumers. Since its inception, Plaintiff built a successful wholesale business as a vast printer cartridge reseller base nationwide. As set forth further below, Amazon plays an essential role in the sale and distribution of illicit ink cartridges.

36. In a traditional supply chain, a distributor, wholesaler, or retailer would serve as middlemen for overseas manufacturers to bring their products to market. Parties directly or indirectly involved in the sale of a product and disseminating advertising claims have a responsibility to ensure the product's claims can be proven. Amazon places itself between consumers and the third-party seller in the chain of distribution of products. Amazon approves seller listings, accepts possession of products, and stores it in its warehouses, attracts the customer to the Amazon website using third-party seller listings, provides customers with product listings for their searches, processes customer payments for

¹ Bob Gorman, Ink Waste: The Environmental Impact of Printer Cartridges, Bob Gorman (March 30, 2017), https://energycentral.com/c/ec/ink-waste-environmental-impact-printer-cartridges/.
² Ibid.

the product, and ships products in Amazon packaging to customers.

37. Moreover, Amazon operates as a co-seller for third-party individuals, entities, or manufacturers who sell on its website. Amazon sets the terms of its relationship with the sellers; controls the conditions of the manufacturer's products offered for sale on Amazon; limits the seller's access to customer information forcing the seller to communicate with customers through Amazon; and demands indemnification as well as substantial fees on each purchase. Regardless of how Amazon labels itself in the selling process, one cannot help but conclude that they are indeed a seller of illicit clone ink cartridges to consumers.

///

///

///

Below are screen shots of Amazon's specific ink and toner selling 38. policies that Defendants are not enforcing, allowing for deceptive product descriptions to rampantly take place across the category:

Selling ink or toner cartridges

This page outlines requirements for listing ink or toner cartridges, and explains how to categorize them into appropriate sub categories on Amazon. Please see Ink or toner listing guidelines for additional information on how to appropriately list these products on Amazon.

Category requirements

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Amazon limits the types of ink or toner cartridges that sellers can list to ensure that customers are able to buy with confidence from sellers on Amazon.com. Please note the following requirements:

- · Amazon prohibits sellers from listing ink or toner cartridges in "Refurbished" or "Used" condition. All listings, including remanufactured, refilled and compatible ink or toner, must be in "New" condition.
- · Remanufactured, refilled and compatible ink or toner products must be listed as separate ASINs. You cannot use the same ASINs as the original/OEM ink or toner products. See Ink or toner listing guidelines for additional details.
 - · All ink or toner cartridges must be packaged in unopened retail packaging, and product images must accurately depict the retail packaging the customer will receive. Sellers are prohibited from listing ink or toner cartridges in open box condition or in inner factory foil packaging.
 - · All ink or toner products must be fully functional and free from defects that could render them unusable or harmful to printers (for example damaged, dried or leaking cartridges).
- Sellers may offer custom bundles of ink or toner cartridges (that are not manufacturer-created multipacks), provided each individual cartridge in the bundle is in its original retail packaging. A custom bundle must be listed as its own ASIN, with image, bullet points and product description clearly indicating that it comprises individual packs bundled together.
- Please refer to the Product Bundling Policy for additional listing requirements.
- · All major brands require UPCs. See Product UPCs and GTINs for further details, which includes requirements for products sold as bundles and requirements for products sold as packs.
- Best Before, Use Before, Use By, and Warranty Ends are all considered expiration dates. Expiration dates are the dates suggested by the manufacturer, and are printed on the product packaging, the product, or both.
- · The expiration date printed by the manufacturer should be clearly visible when the product is shipped. Ink or toner, if they have an expiration date suggested by the manufacturer, should only be shipped to customers when the ink or toner is at least 180 days prior to the date of expiration. FBA sellers should ship their products to FBA reasonably prior to 180 days before the date of expiration.

Categorizing ink or toner cartridges

Categorize ink or toner cartridges according to the definitions below.

1. Same-Brand Ink or Toner Cartridge in Retail Packaging

•	A same-brand ink or toner cartridge is manufactured under the same brand name as printer in which the cartridge is used (such as, HP,
	Canon, Epson, Lexmark, Brother, etc.).

2. Compatible Ink or Toner Cartridge
 An ink or toner cartridge designed to work with a particular printer, but was not manufactured under the same brand name as the printer in which the cartridge is intended to be used. These cartridges are produced using mostly new or all new parts and components.
 3. Remanufactured Ink or Toner Cartridge A cartridge that has been used, remanufactured, and refilled with ink or toner. To varying degrees, the cartridge may have been taken apart
cleaned, and had parts replaced.
4. Refilled Ink or Toner Cartridge
 A cartridge that has been used and refilled with ink or toner. All of the cartridge's current components were manufactured by the same

by the same company that manufactured the printer in which the cartridge is intended to be used. The refilling process did not involve any disassembly, cleaning, or replacement of parts.



Case 2:23-cv-06647-JFW-KS Document 35 Filed 10/10/23 Page 30 of 74 Page ID #:436

Seller Central Help > Increase sales > Additional resources for increasing sales > Browse & Search > Consumer Electronics > The Consumer Electronics Store Style Guide > Subcategory Specifications > Ink or Toner

Ink or Toner

On this page

Title Brand Name

Images

Feature bullets

Product description

To provide a great customer experience, sellers have to ensure the ASIN title, brand name, images, feature bullets and product description accurately describe the ink or toner product being listed. Failure to follow Amazon's listing guidelines could result in the removal of your listings or the loss of your selling privileges on Amazon. Please follow the below listing specifications as closely as possible, and please see Selling Ink or Toner Cartridges for details about category requirements, and to learn how to categorize your ink or toner products on Amazon.

Title

A good title should be descriptive enough for a customer to make the purchase based on the information in the title alone. Avoid marketing content (free, exclusive, bonus, stylish, lightweight, heavy duty, etc.) or use of the title field to list hardware compatibility. Pay attention to title formats listed below for Remanufactured, Refilled and Compatible products to ensure appropriate usage of brand names.

Refilled Ink or Toner Cartridge

[Third Party Brand] + "Refilled" + [Product: Ink or Toner Cartridge] + "Replacement for" + [OEM Brand] + [Series Name] + [Model Name] + ([Color(s)], [#-Pack], if app)

Examples

- LD Products + Refilled + Ink Cartridge + Replacement for + HP + 02 + (Black, 5-Pack) = LD Products Refilled Inkjet Cartridge Replacement for HP 02 (Black, 5-Pack)
- Office 66 + Refilled + Toner Cartridge + Replacement for + Brother + TN-350 + (Black) = Office 66 Refilled Toner Cartridge Replacement for Brother TN-350 (Black)

Remanufactured and Refilled Ink or Toner Cartridge

```
[Third Party Brand] + "Remanufactured" + [Product: Ink or Toner Cartridge] + "Replacement for" + [OEM
Brand] + [Series Name] + [Model Name] + ([Color(s)], [#-Pack], if app)
```

Examples

23

24

25

26

27

28

- LD Products + Remanufactured + Ink Cartridge + Replacement for + HP + 02 + (Black, 5-Pack) = LD Products Remanufactured Ink Cartridge Replacement for HP 02 (Black, 5-Pack)
- Office 66 + Remanufactured + Toner Cartridge + Replacement for + Brother + TN-350 + (Black) = Office 66 Remanufactured Toner Cartridge Replacement for Brother TN-350 (Black)

39. Most of the illicit ink cartridges sold on Amazon are sold through Amazon's "FBA" services also known as Fulfillment by Amazon. Through FBA services, Defendants' store, pick, pack, ship, and deliver the products to customers in Amazon shipping envelopes and boxes. Amazon controls all customer service and returns and responds directly to consumers who leave negative reviews for products fulfilled by FBA.

40. Defendants control all aspects of selling and distribution of products through their FBA services. Amazon's Anti-Counterfeiting Policy, screenshot below, states "it is each seller's and supplier's responsibility to source, sell, and fulfill only authentic products." However, when FBA services are utilized, Amazon directly sells and fulfills inauthentic products.

Seller Central Help 👌 Policies, agreements, and guidelines 👂 Program Policies 💈 Amazon Anti-Counterfeiting Policy Amazon Anti-Counterfeiting Policy Products offered for sale on Amazon must be authentic. The sale of counterfeit products is strictly prohibited. Failure to abide by this policy may result in loss of selling privileges, funds being withheld, and disposal of inventory in our possession. It is each seller's and supplier's responsibility to source, sell, and fulfill only authentic products. Prohibited products include bootlegs, fakes, or pirated copies of products or content; products that have been illegally replicated, reproduced, or manufactured; and products that infringe another party's intellectual property rights. If you sell or supply inauthentic products, we may immediately suspend or terminate your Amazon selling account (and any related accounts) and dispose of any inauthentic products in our fulfillment centers at your expense. In addition, we do not pay sellers until we are confident our customers have received the authentic products they ordered. We may withhold payments if we determine that an Amazon account has been used to sell inauthentic goods, commit fraud, or engage in other illegal activity. We work with manufacturers, rights holders, content owners, vendors, and sellers to improve the ways we detect and prevent inauthentic products from reaching our customers. As a result, we remove suspect listings based on our o review of product. We also work with rights holders and law enforcement worldwide to take and support legal action against sellers and suppliers that knowingly violate this policy and harm our customers. In addition to criminal fines and imprisonment, sellers and suppliers of inauthentic products may face civil penalties including the loss of any amounts received from the sale of inauthentic products, the damage or harm sustained by the rights holders, statutory and other damages, and attorney's fees. Amazon strives to ensure a trustworthy shopping experience for our customers. By selling on Amazon, you agree that: The sale of counterfeit products is strictly prohibited. You may not sell any products that are not legal for sale, such as products that have been illegally replicated, reproduced, or manufactured · You must provide records about the authenticity of your products if Amazon requests that documentation Failure to abide by this policy may result in loss of selling privileges, funds being withheld, destruction of inventory in our fulfillment centers, and other legal consequences. More information · Sell Only Authentic and Legal Products. It is your responsibility to source, sell, and fulfill only authentic products that are legal for sale. Examples of prohibited products include: · Bootlegs, fakes, or pirated copies of products or content • Products that have been illegally replicated, reproduced, or manufactured Products that infringe another party's intellectual property rights 31

Case 2:23-cv-06647-JFW-KS Document 35 Filed 10/10/23 Page 32 of 74 Page ID #:438

Maintain and Provide Inventory Records. Amazon may request that you provide documentation (such as invoices) showing
the authenticity of your products or your authorization to list them for sale. You may remove pricing information from
these documents, but providing documents that have been edited in any other way or that are misleading is a violation of
this policy and will lead to enforcement against your account.

 Consequences of Selling Inauthentic Products. If you sell inauthentic products, we may immediately suspend or terminate your Amazon selling account (and any related accounts), dispose of any inauthentic products in our fulfillment centers at your expense, and/or withhold payments to you.

 Amazon Takes Action to Protect Customers and Rights Owners. Amazon also works with manufacturers, rights holders, content owners, vendors, and sellers to improve the ways we detect and prevent inauthentic products from reaching our customers. As a result of our detection and enforcement activities, Amazon may:

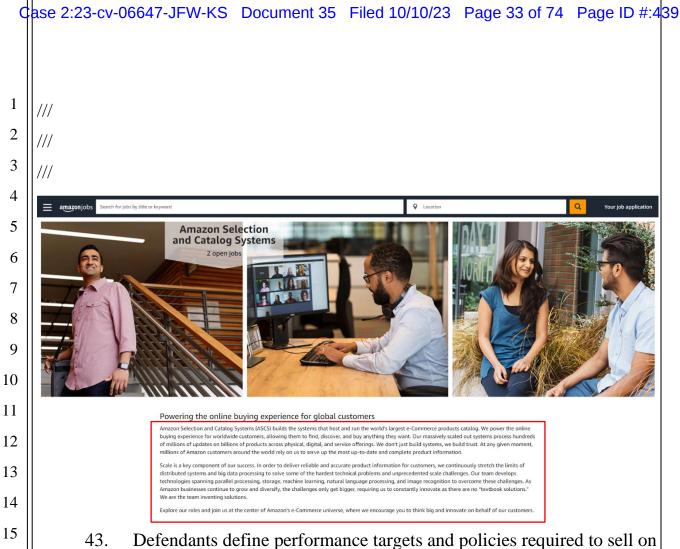
• Remove suspect listings.

Take legal action against parties who knowingly violate this policy and harm our customers. In addition to criminal
fines and imprisonment, sellers and suppliers of inauthentic products may face civil penalties including the loss of
any amounts received from the sale of inauthentic products, the damage or harm sustained by the rights holders,
statutory and other damages, and attorney's fees.

Reporting Inauthentic Products. We stand behind the products sold on our site with our A-to-z Guarantee, and we encourage rights owners who have product authenticity concerns to notify us. We will promptly investigate and take all appropriate actions to protect customers, sellers, and rights holders. You may view counterfeit complaints on the Account Health page in Seller Central.

41. When Amazon was informed by Plaintiff regarding its category-wide issue of illicit brand ink cartridges sold on its platform, Defendants did not take any action as outlined in their own Anti-counterfeiting policy. Almost all of the illicit cartridges are sold through Amazon's FBA services, which presents a conflict of interest for Defendants to enforce or abide by their own policy as they profit from each item they fulfill. Amazon also plays a direct role in the sale and distribution of the illicit cartridges – taking possession of them, processing sales, and distributing them to consumers.

42. Amazon is not a passive or neutral ecommerce marketplace; they are an online catalog marketer, driving traffic, promoting, selling, and distributing products. Defendants claim to strive to be Earth's most customer-centric company with customer reviews, one-click shipping, personalized recommendations and Fulfillment by Amazon. In becoming one of the most successful ecommerce platforms, Defendants have blurred the lines for the customers as to who is selling them products and, in fact, themselves become sellers. Below is an example of how Amazon describes itself when it places a job advertisement. Amazon claims to be the "World's largest e-Commerce products catalog."



43. Defendants define performance targets and policies required to sell on their platform. Seller accounts can be deactivated when they do not comply with the required performance rates that include negative feedback. However, a seller can request the removal of negative feedback if it is related to delivery service provided by Amazon. Outlined in red, Defendants state in their FBA policies, "after reviewing the feedback, we might strike through the negative rating, and it will not reflect on your performance metrics." Whereas, their policy also states, "A merchant-fulfilled order on Amazon, even if submitted as a Multi-Channel Fulfillment order, is not eligible for buyer feedback strike-through."

///

///

16

17

18

19

20

21

22

Seller Central Help > Get started with Fulfillment by Amazon (FBA) > FBA policies and requirements >

Buyers can leave feedback for sellers on orders that are fulfilled by Amazon just as they do for merchant-fulfilled orders. The Feedback Manager on the Performance tab lets you track buyer satisfaction with your service. You can view shortterm and long-term metrics as well as detailed feedback entries with buyer comments and email addresses.

What happens when I receive a negative feedback on an AFN order?

When a buyer leaves negative feedback that is related to delivery service provided by Amazon, you can request for removal of the feedback. After reviewing the feedback, we might strike through the negative rating, and it will not reflect on your performance metrics. The buyer's comment will remain with a note from Amazon that states, "This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience."

However, if we find that any portion of the comment applies to the condition of your product as indicated on your listing (New, Used, etc.), or any service that you, instead of Amazon, provided or arranged to be provided to the buyer, the feedback and negative rating will remain without edits.

Please note that our policies prohibit any activity that would interfere with our capacity to help other sellers, including submission of high volumes of incorrect or speculative requests to Seller Support.

Note: The buyer feedback strike-through only applies to items sold on Amazon and fulfilled through the Amazon fulfillment network (AFN). A merchant-fulfilled order on Amazon, even if submitted as a Multi-Channel Fulfillment order, is not eligible for buyer feedback strike-through.

44. Defendants violate their own policies, creating content on sellers' listings by editing negative reviews, and taking responsibility beyond delivery related issues. Amazon takes responsibility when there is a negative review that relates to product defects or misrepresentation of product listings. For sellers who use Amazon's FBA services, the result is a beneficial manipulation of seller's performance metrics. This is deceptive to consumers as Amazon is acting as a seller of the product by taking responsibility for the product beyond mere fulfillment.

45. Below are examples of Amazon responding on behalf of the sellers selling the identified illicit brands of ink cartridges that did not have a delivery problem but did have false advertising and product defect issues:

///

28 ||///

с	ase 2:23-cv-	06647-JFW-KS Document 35 Filed 10/10/23 Page 35 of 74 Page ID #:441
1	InkTopia II	nk Cartridge
2	*****	"The 21 cartridge does not work on the office jet 5610. Not as advertised, now I'm stuck with useless product."
3		By Warby on October 8, 2022.
4		Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.
5	ColorKing	Ink Cartridges
6	*****	"Not original H P 64XL. They were remanufactured 64 black. This was misleading advertising."
7		By Jean M. on December 9, 2022. Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.
8	•	
9		
10	EJet Ink Ca	artridges:
11		
12	*****	"the description said it would work on my HP 6958. It does not. I would like a refund. can you issue this? thanks, cb By cb on August 12, 2022.
13		Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.
14		
15	Ankink Ink	Cartridges
16		
17	*****	["] Black did not work, tried multiple head cleaningsdid not try color cartridge but this is poor QC and now i have to drive 60 minutes round trip to return incurring \$15 of my gas n wear n tear to return a defective item this isn't right "
18		Read less By Thomas Maerz on January 24, 2023.
19		Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.
20		
21	BJ Ink Car	tridges
22		
23	*****	"Does not print in the correct color. I was printing highlighted red text and it printed out black text with greenish highlight. Not satisfied with product which I used once. I would like to send the product back for a full refund. "
24		Read less By HRT on September 30, 2022.
25		Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience.
26	///	
27	///	
28	///	
		25
		35 FIRST AMENDED COMPLAINT FOR DAMAGES

46. Furthermore, Defendants specifically provide Environmental Marketing Guidelines, clearly stating sellers "must comply with all the applicable federal laws when listing and selling products on Amazon.com. You must also comply with state and local laws applicable to the jurisdiction into which your products are sold." The following is a screenshot of Defendants' Environmental Marketing Guidelines. Outlined in red are key policies. In its presentations to Amazon, Plaintiff demonstrated that the sellers of the illicit ink cartridges were blatantly violating Amazon's guidelines:

Seller Central Help > Policies, agreements, and guidelines > Program Policies > Product guidelines > Environmental Marketing Guidelines

Environmental Marketing Guidelines

On this page Highlights from the FTC Green Guides California Law Additional Resources

Remember: You must comply with all applicable federal laws when listing and selling products on Amazon.com. You must also comply with state and local laws applicable to the jurisdiction into which your products are sold. Sellers using Fulfillment by Amazon, please also see FBA Prohibited Products for additional product restrictions.

We want to make it easy for buyers to find, discover, and buy products that are marketed as environmentally friendly or "green." However, it is also important to provide buyers with information about those products that is accurate and trustworthy, and that is not misleading about the qualities or characteristics of a product that make it environmentally friendly or "green." To sell products that are marketed with environmental claims on Amazon.com, you must ensure that the marketing claims you make on your product packaging and on your product detail page meet not only all federal laws such as the FTC's *Guides for the Use of Environmental Claims*. These laws include California's law restricting the use of compostable- and biodegradable-related claims on plastic products.

We're providing the following highlights from the FTC Green Guides and California's law on environmental claims to assist you in reviewing the environmental claims that you may make about your products. These highlights are not designed to be comprehensive. You should review the FTC Green Guides and other applicable laws, regulations, and guidelines, as you remain responsible for ensuring that the claims made about your products are fully compliant.

Highlights from the FTC Green Guides

- Avoid broad, general claims regarding a product's environmental benefits or qualities (ex., avoid "eco-friendly" or "environmentally friendly" or "green").
- All claims about a product's environmental benefits or qualities should be specific, and all qualifications (or limitations) to
 environmental claims must be specific, clear and prominently displayed (ex., "product is made from 20% recycled materials").
- · Narrowly tailor environmental claims so as not to overstate the environmental benefits or qualities.
- · Avoid making environmental claims if the environmental benefits or qualities are negligible.
- · When making comparative environmental claims, the basis for the comparison must be clearly conveyed.
 - Distinguish between products, packaging and services when making environmental claims (ex., packaging is 100% biodegradable).
- Avoid making compostable claims without qualification if the product cannot be composted at home safely or in a timely way.
 FIRST AIVIENDED CONVICTAINT FOR DAIVIAGES

Case 2:23-cv-06647-JFW-KS Document 35 Filed 10/10/23 Page 37 of 74 Page ID #:443

- A general degradable or biodegradable claim should only be made if the entire product will completely break down and
 return to nature within a reasonably short period of time after customary disposal (or one year for solid waste products). If
 the product customarily ends up in landfills, incinerators, or recycling facilities, then a general biodegradable claim should
 not be made.
- An environmental claim that a product or packaging is made from recycled materials should accurately reflect the portion that is made from recycled materials (ex., "made from 20% recycled materials").
- Carefully consider certifications and seals and include the specific basis or environmental benefit for the certification whenever it is used. For questions regarding certifications, see http://ftc.gov/os/2009/10/091005revisedendorsementguides.pdf.

The FTC Green Guides also address other environmental claims, including: (1) Free-Of claims, (2) Non-Toxic claims, (3) Recyclable claims, (4) Renewable Energy claims, and (5) Renewable Materials claims. If you are making these or other environmental claims, please review the FTC Green Guides.

California Law

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

- Plastic and bioplastic products sold into California can only be labeled as compostable, home compostable, or marine
 degradable if they meet the applicable ASTM standard or have the Vincotte OK Compost HOME certification. If your
 product meets the applicable ASTM or Vincotte standard, it should meet the additional labeling requirements as set forth
 by California law, and such information should be included on the product detail page.
- Plastic and bioplastic products sold into California may not be labeled as biodegradable, degradable, or decomposable, or imply that the plastic product will break down or decompose.
- Amazon will restrict the sale of plastic and bioplastic products labeled with these prohibited terms into California.
- If you are a seller of a plastic and bioplastic product that meets the applicable ASTM or Vincotte standard, Amazon may
 require that you provide proof demonstrating that your and bioplastic plastic product meets such standards.

Additional Resources

- FTC Green Guide Guidance
- California Public Resources Code Chapter 5.7 Plastic Products
- CalRecycle Degradable Plastic Labeling Requirements

47. The majority of the remanufactured ink cartridges listed and sold on Amazon make unsubstantiated environmental marketing claims violating both California and federal law. Plaintiff has demonstrated to Defendants that new built clone printer cartridges are being misrepresented with false claims that they are remanufactured products, and false use of recycling symbols, icons, and environmental verbiage to deceive consumers into believing they are buying a recycled or a recyclable product. Plaintiff demanded that Amazon act and remove these illegal and deceitful listings, to no avail.

48. The following are examples of common practices used to deceptively describe a product without any way to substantiate the environmental claim.

A) The seller MeetRGB's product slides in its Amazon listing makes an overstatement of its environmental attributes with a claim of using high-quality green materials and there is no way to substantiate this claim.

Back to results

Advantages

₫



Provides accurate ink level tracking, while ensuring the optimal compatibility with differnet printers



Premium ink

Special ink formulation not only produces high quality content, but also enusres long lasting printouts



Green life

By carefully recycling and sorting empty original ink cartridge, then use high quality "green" materials in the remanufacturing process



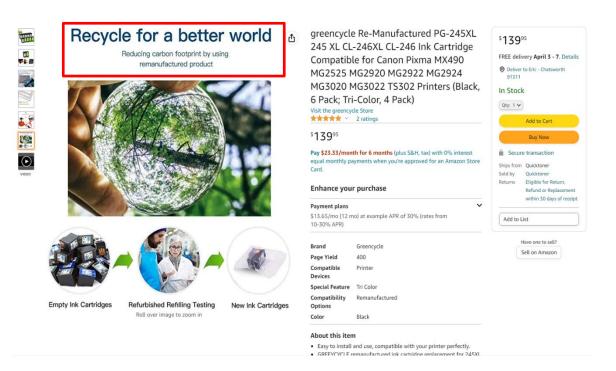
Roll over image to zoom in

///

///

///

B) Greencycle's listing claims it reduces its carbon footprint by using remanufactured product. Plaintiff has verified Greencycle falsely labels new manufactured clone cartridges as remanufactured and sells them as environmentally friendly product.



49. Amazon deploys a variety of advertising tools to reach and entice customers using sponsored ads, retargeting emails, and displaying ads which appear on search engines outside its platform. Amazon gathers customer data and search history to create promotional emails and search engine marketing content to drive traffic back to its website to induce customers to make purchases. In addition, Amazon has a special badge called Amazon's Choice, which endorses products. Amazon's advertising tools leave the impression products are being sold by Amazon making Defendants active sellers of the product.

50. Below are examples of content generated by Amazon's advertising services that promote the sale of illicit products on its platform, through email, and search engines using customers' digital information that only they hold.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

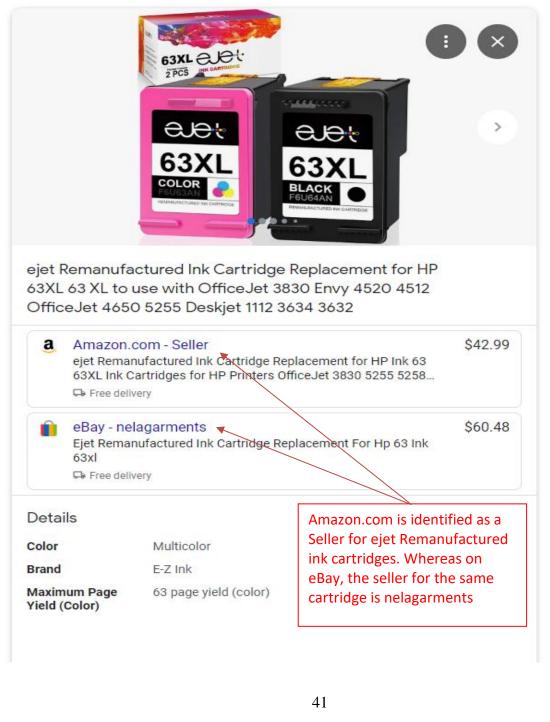
27

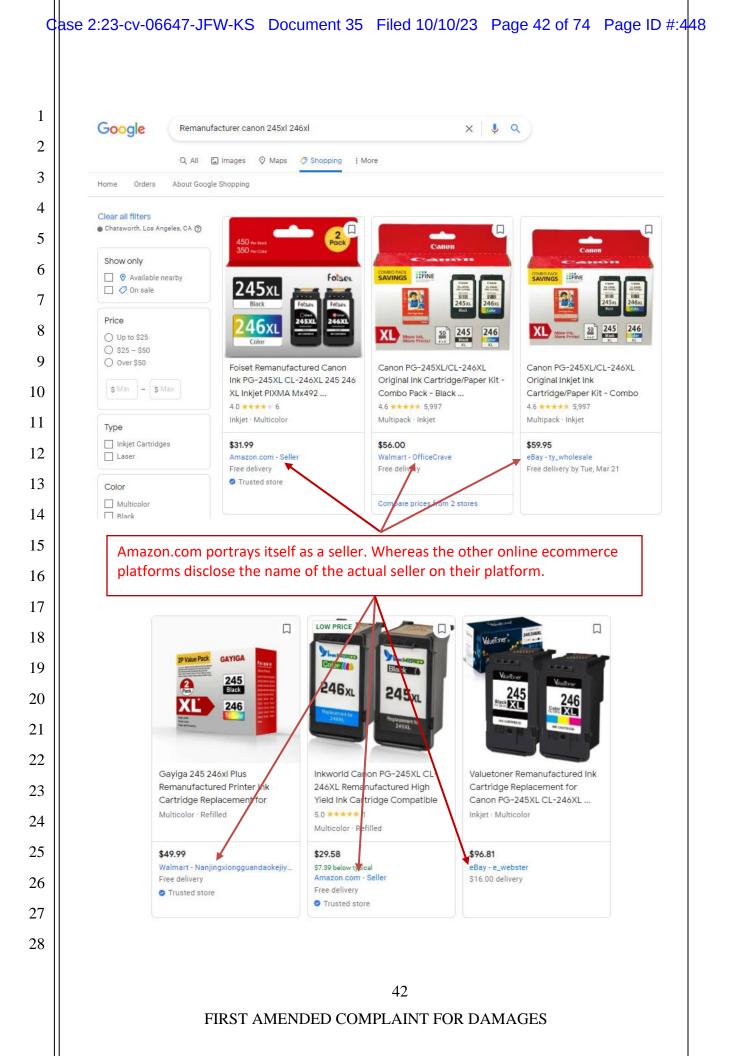
28

A. The following is an Amazon-generated email customized for a customer based on data collected from their search. This email contains two of the illicit brands identified by Plaintiff:

n: Amazon.com <<u>store-news@amazon.com</u>> 31 2023 12-17 PM et Remanufactured Ink Cartridge..." and more We have recommendations for yo amazon Hello We found some items we think you might like. ejet Remanufactured Ink Cartridge Replacement for HP Ink 63 63XL.. \$42.99 63x Shop now Ankink Higher Yield 63XL Color Ink Cartridges 2 Pack Replacement \$35.99 Shop now Billy Jealousy Ruckus Hair Forming Cream for Men with Strong Hold ... \$16.00 B. Amazon is one of Google's biggest advertising clients, using search engine marketing to target customers off its own platform with advertisements to draw traffic to Amazon's website. Unlike other online 40 FIRST AMENDED COMPLAINT FOR DAMAGES

ecommerce platforms that sell third-party products, Amazon's advertisements do not differentiate themselves from the sellers on their platform. To the average consumer it appears Amazon is the seller of the product. Ejet is one of the brands that has been identified as one of the illicit brands of ink cartridges.





C. Defendants endorse products with their Amazon's Choice Badge which is content created by Amazon and placed on sponsored ads and on product listings, endorsing products based on customer feedback, highlighting ratings, price, popularity, availability, and delivery. Amazon controls most of these metrics when a seller uses Amazon's Fulfillment services. In one of the examples below, Amazon endorses seller FAcms with its "Amazon's Choice" badge, which was identified by Plaintiff as misrepresented clone ink cartridges.

More from frequently bought brands

///

///

///



Sponsored 🔴

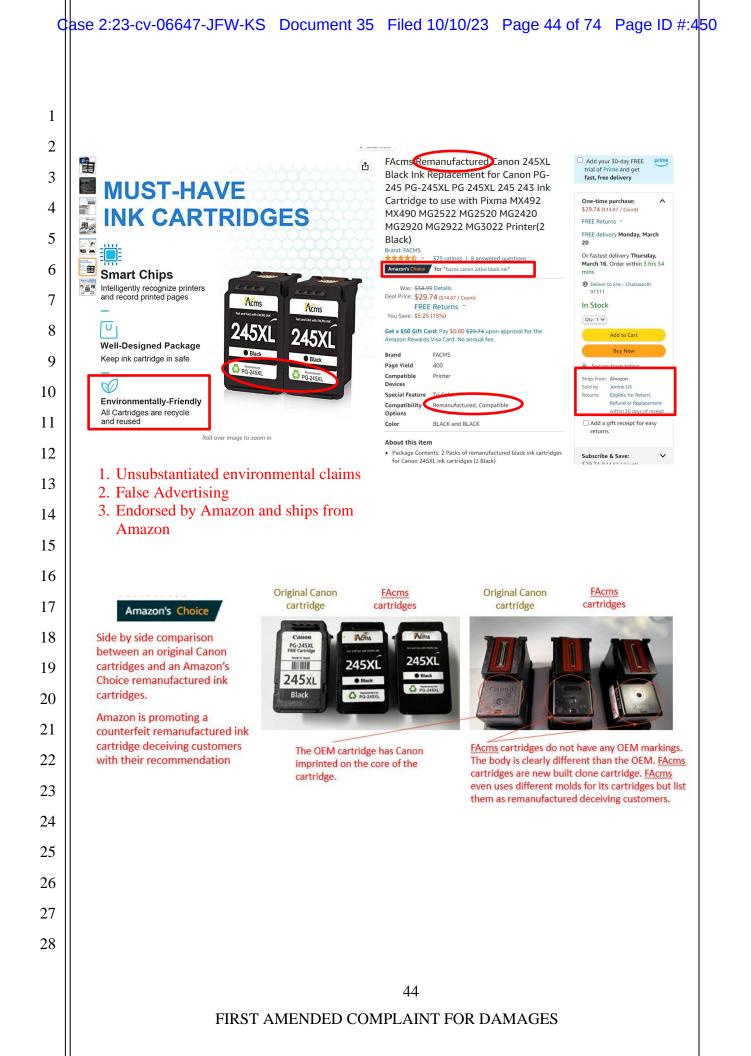
<







Limeink 3 Pack Remanufactured PG-245XL CL-246XL High Yield Ink Cartridges (2... ****** 176 \$44.00 </br>



D. Amazon's Choice Brand endorsement is awarded to a deceptive product listing that violates Defendants' own listing policies. Palmtree is one of the brands of illicit ink cartridges that Plaintiff identified.

Inspired by your browsing history

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

policies.

<



Ankink 246XL Ink Cartridge for Canon 246 CL-246 CL246 XL 246XL CL-244 244XL Color to Canon MX490 MX492... ***** 57 \$42.99 Get it as soon as Thursday,

Mar 2 FREE Shipping on orders over \$25 shipped by Amazon Only 1 left in stock - order...



Palmtree Compatible 245XL Ink Cartridge 2 Black Combo Pack Replacement for Cano... *** 2,561 Amazon's Choice in

Inkjet Printer Ink Cartridges \$45.99 (\$23.00/Count) Get it as soon as Thursday, Mar 2 FREE Shipping on orders over \$25 shipped by Amazon



The Original Donut Shop Regular, Single-Serve Keurig K-Cup Pods, Medium Roast Coffee Pods. 24 Count (Pack o... 244 246 XL (1 Color)... *** 72,826

\$37.91 (\$0.39/Count) Get it Mar 6 - 8 FREE Shipping Only 10 left in stock - orde ...



ColoWorld Remanufactured Ink Cartridge Replacement for Canon CL-246XL CL-

★★★★★ 1,175

\$22.89 Get it as soon as Thursday, Mar 2 FREE Shipping on orders over \$25 shipped by Amazon



Palmtree Compatible 245XL Ink Cartridge 2 Black Combo Pack Replacement for Canon PG 245 243 XL Higher Yield for PIXMA MX490 MX492 MG2922 MG2522 MG2520 MG2920 TS3100 TS3122 TS3300 TR4500 TR4520 Printe

in Inkjet Printer Ink Cartridges by P \$39.99 (\$20.00

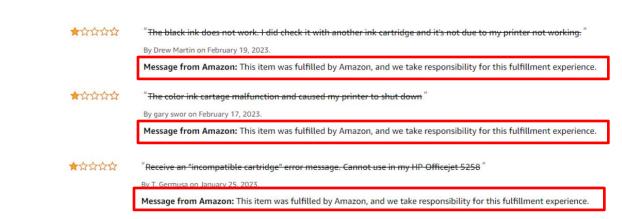
2 Black for

Amazon's Choice Badge is awarded to a deceptive product listing that violates Amazon's own listing

Palmtree brand claims it is a "compatible," what Amazon defines in its listing policy as a new built cartridge. The image of the cartridge clearly makes the claim it is "remanufactured." This is deceptive to the consumer and a misrepresentation of the character of a remanufactured ink cartridge.

Amazon edits Palmtree's customer reviews that do not relate to its fulfillment services, striking-out negative feedback for product quality issues, manipulating performance metrics and ratings. This helps Palmtree's metrics to receive Amazon's endorsement.

<u>Palmtree</u> Reviews



Amazon Awards its Amazon's Choice endorsement based on customer feedback which includes ratings, product availability, and fast delivery, criteria Amazon can unfairly manipulate when product is handled through its FBA services.

51. Of course, these are just a few examples of the ways in which Amazon holds itself out to consumers as the seller of misrepresented clone printer ink cartridges, generates content describing them and disseminates those descriptions, including through communications outside its websites (*i.e.*, email and third-party platforms). As Amazon itself proclaims, "We don't just build systems, we build trust. At any given moment millions of Amazon customers around the world rely on us to serve up the most up-to-date and complete product information."

23

24

25

26

27

28

Reimbursements

If we determine that your reimbursement claim is valid, we will replace the lost or damaged item with a new item of the same FNSKU or we will reimburse you for it.

If a reimbursement was made in error, or if a reimbursed item is later found and returned to your inventory, Amazon reserves the right to reverse the reimbursement credit that was applied to your account.

We may dispose of any item for which we reimburse you under this policy, including by selling it. As a result, such items — including lost items that are found after reimbursement — may be listed for sale on Amazon Warehouse or other channels.

52. When a seller uses Amazon's FBA services, Amazon processes the return and can determine if the product can be placed back into inventory for resale. Outlined in Amazon's Reimbursements policy below, if Defendants reimburse a seller for any damaged, lost or returned product, Defendants can dispose of any item or sell it on the Amazon Warehouse, listed as "Sold by Amazon Warehouse and Fulfilled by Amazon."

53. Amazon Warehouse offers deals on quality used, pre-owned, or open box products. Defendants claim, "For each used product we sell, we thoroughly test the condition of the item and provide detailed descriptions to make it easier for you to make a decision."

amazon warehouse Quality p

Quality pre-owned, used, and open box products

Treat yourself to great deals

What is Amazon Warehouse?

Amazon Warehouse offers great deals on quality used, pre-owned, or open box products. With all the benefits of Amazon fulfilment, customer service, and returns rights, we provide discounts on used item for customer favorites: such as smartphones, laptops, tablets, home & kitchen appliances, and thousands more. For each used product we sell, we thoroughly test the condition of the item and provide descriptions to make it easier for you to make a decision.

Looking for great discounts on some of your favorite items? Or prefer buying used because it is better for the environment? Discover Amazon Warehouse used offers via our storefront, search bar, or or product detail pages.

How do you evaluate a product's condition?

All of our products go through a quality check by us prior to being sold. We thoroughly test the functional and physical condition of each item and give the product a specific grade before selling it. We also inspect our products for missing accessories and packaging damage. Based on our quality check, each item will be assigned one of the four evaluations to describe its overall condition: "Like New", "Very Good", "Good", and "Acceptable".

How can I understand a product's condition?

Since each item is unique, we use detailed descriptions to help you better understand the item condition, by describing its appearance, functional qualities, accessories and packaging condition. We provide all the detailed information on the product condition right on the product detail page, to help you make your decision. Depending on the item condition, you will find that some items have even deeper

54. Below are examples of identified illicit brands of ink cartridges that were purchased by Plaintiff, sold by Amazon Warehouse and fulfilled by Amazon.

1

2

4 Sellyaha Remanufatured Ink Cartridge Replacement for Canon PG 245XL, Compatible with PIXMA MG2520 MG2920 MG2922 MG2924 MG2420 MG2522 MG2525 MG3020 MG2555 MX490 MX492 Printer 5 D, amazon business Order Confirmation ery Thursday, r within 2 hrs 6 Visit the Sellyana Store ★★★★☆ ~ 646 ratings | 5 PO# sear \$3183 (\$15.92 / Count) llo Sean Levi for shopping with below. The payment 7 This order is placed on behalf of DoorStepInk 8 av. March 27 H. CA FREE Shipping 9 Order Details Sell on Amazon Order Details 10 Order #114-9543806-5 \$31.83 11 International In 12 \$34.85 13 Order Total To learn more about ordering, go to Ordering from Amazon.com. If you want more information or need more assistance, go to Heig 14 Thank you for shopping with us Amazon.com 64XL Ink Cartridge Combo Pack Compatible for HP 64 XL Ink Cartridge Replacement for HP Envy Photo 7855 7858 6255 7155 7120 6252 7164; Envy 5542 Printers (1 Black, 1 Tri-Color) Your Amazon.com order of "64XL Ink Cartridge Combo..." **a** 0 đ kry used: \$43. 2 PACK 15 Amazon.com <auto-confirm@amazon.com> (i) If there are pr lems with how this . 16 ⁴3' amazon business Your Account JANMORE Order Confirmation 64xL Only 1 left in stock Order #114-8110157-0591462 17 64xı HR-64-181 PO# sear Hello Sean Levi. Thank you for shopping with us. We'll send a confirm indicated below. The payment details of your transa view the status of your order or make any changes t 18 New & Used (3) from 14315 & FREE Shipping. er invoice. If you would like to nd on the o Have one to sell? Sell on Amazon This order is placed on behalf of DoorStep 19 Your guaranteeu do Monday, March 27 NORTH. CA FREE Shipping 20 Order Details 21 Order Details Order #114-8110157-0591462 22 \$43.13 64 XL Ink Cart 58 6255 7155 7120 6252 71 (1 Black, 1 Tr 23 64. Used - Like New ite packaging damage. Order Total: \$47.23 24 To learn more about ordering, go to Ordering from Amazon.com. If you want more information or need more assistance, go to Help 25 Thank you for shopping with us. Amazon.com 26 27 28 48 FIRST AMENDED COMPLAINT FOR DAMAGES

Case 2:23-cv-06647-JFW-KS Document 35 Filed 10/10/23 Page 49 of 74 Page ID #:455

1		GREENBOX Remanufactured Ink Cartridge 61XL Replacement for HP 61XL 61 XL for HP Envy 4500 5530 5534 5535 Deskjet 1000 1056 1010 1510 1512 2540 3050 Officejet	Buy used: \$32.52 TREE delivery Monday, March 27	Your Amazon.com order of "GREENBOX Remanufac	tured Ink".
2		2620 Printer (1 Black 1 Tri-Color) Band GRUMARY 분석 문학· 7,200 setrog 88 assured gutters *32 ¹² Strike/Count	Cr fastest delivery Sunday, March 26. Order within 13 hrs 36 mins	 If there are problems with how this message is displayed, click here to view it in: amagon business 	a web browser.
3	GREENBOX GREENBOX Black	FREE Returns + Available at a lower price from other sellers that may not offer free Prime shipping. Only 1 left in stock - order soon	Used: Like New Details Sold by Amszon Warehouse Fulfilled by Amazon Add to Cart		Order Confirmation Order #114-0913494-5049844 PO# sean
4	Service Servic	Band opEUNOX Mic Ader T Black, 1 To-Color Page Table T Black, 1 To-Color Compatible Open P10 Mode T Data Set (2000) 1010 1012 1014 1510 1512 1080 1000A 1051 1055 1085 1011 1017 1014 0000 2010 3012 2014 2240 2241 2244 2244 2546 23487 25467 25467 25467 2545 2545 2545 2545 2545 2545 2545	Additional	Hello Sean Levi, Thank you for shopping with us. We'll send a confirmation once your item has a indicate below. The payment details of your transaction can be found on the o	shipped. Your order details are rdar invoice. If you would like to
5	Roll over image to speen in	296 0.4987 / 2988 / 20888 / 2088 / 2088 / 2088 / 2088 / 2088 /	New & Used (2) from \$32 ¹² & FREE Shipping.	view the status of your order or make any changes to it, please visit Your Order This order is placed on behalf of DoorStepink. Your guaranteed delivery date is: <u>Your order will be</u> s Monday, March 27	
6		About this item • Commotive With HPE (mvy 4500 4502 5530 5514 5531 4501 4503 4501 4505 4506 4508 4509 5531 5531 5531 5531 5531 5531 5531 553	Sell on Ameron	Vour shipping speed: FREE Shipping	A
7		2242 2249 3000 3054 3054 3054 3050 3050n 3051n 3051 3052 3052n 3066 3056n 3510 3511 3512 3516 Printer Package Contents: 2 Pack Remanufactured ink Cartridge Replacement for hp 61XL ink cartridges - 61 XL 1 Ruck 1 To-Color Package Contents: 2 Pack Remanufactured ink Cartridge Replacement for hp 61XL ink cartridges - 61 - 0 - 0 - 0 - 0 - 0 - 0 - 0 - 0 - 0 -		Order #114-0913/94-5049844	
8		 Page Yeld: 735 Raympine CollPanDCK ETR, Mark is a certridge. High exailsy link certridge can previde sker toxt and graphics, print the coller effect you want on the 		Placed on Ioday, March 21 GREENBOX Remanufactured Ink Cartridge Replacement for HP 61X, 61 X, for HP 630, 630, 551, 551, 551, 661, 600, 600, 600	wy
9				4000 50.0 50.4 50.5 Uniting Truth Unit Too T 10 1512 2549 3050 (Mongel 2829) Printe Black 1 Th-Caler) Sold by Amazon com Services LLC Condition: Used - Like New Item will come in originalSee more	
10				Order Total:	\$35.61
11				To learn more about ordering, go to Ordering from Amazon.com. If you want more information or need more assistance, go to Help. Thank you for shopping with us: Amazon.com	
12					
13		INKNI Remanufactured Ink Cartridge Replacement for HP		Your Amazon.com order of "INKNI Remanufa	actured lok "
14	2 Pack	63XL 63 XL for Envy 4520 4512 4516 OfficeJet 3830 465 4652 4655 5255 5258 DeskJet 1112 2132 3632 3637 Pri (Black, Color, 2-Pack)	O Buy used: \$25.90	th Amazon.com <auto-confirm@amazon.com></auto-confirm@amazon.com>	
15	63xL	Visi the InNI Sure ★★★★★★ - 549 strangs \$25 ⁵⁰ 9328/Count FREE Returns ~	Work 25 Order wohlt of its mins Silect delivery location Used: Like New Details Sold by Amazon Warehouse Fulfilled by Amazon	amazon business	Your Account Amazon.com Order Confirmation
16		Available at a lower price from other sollers that may not offer free Prime aligping. Only 1 left in steck - order soon Brend Inivid Page Yield 400	Add to Cart		Order #114-0267370-3802637 PO# sean
17	Roll over image to zoom in	Campatible Device Philter Special Fauer High Vield Campatibility Options Remanufactured Caler 63/0L BLACK CYAN MAGEANTA YELLOW	New & Used (3) from \$25% & FREE Shipping.	Hello Sean Levi, Thanky you for shopping with us. We'll send a confirmation once you indicated below. This payment details of your transaction can be four view the status of your order or make any changes to it, please visit This order is placed on behalf of DocStepink.	nd on the order invoice. If you would like to
18		About this item Even y4520 4510 4511 4512 4513 4514 4517 4521 4524 4524 4524 4524 4524 4524 4524	5258 Sell on Amazon	Your guaranteed delivery date is: Monday, March 27 Your shipping speed: HATSW	r will be sent to: ORTH, CA
19		 Contentis: G.XL. Combo Pack Remanufactured Ink Cartridge Replacement for hp G.XL. Ink cartrid G.X.I. Tilesk: I Tric-Color 4. Page Yield: 400 Pages per 63 black cartridges / 330 Pages per 63 tri-color cartridges 	iges -	FREE Shipping United St Order Details	
20				Order Details Order #114-0267370-3802637 Placed on today, March 21	
20				2mi INION Remandactured ink Cart Replacement for HP 63XL 63X 4512 4516 Officuel 4330 4550 5258 Deskulet 1112 2132 2632 3	L for Envy 4520 4652 4655 5255
21				(Black, Color, 2-Pack) Sold by Amazon com Services Condition: Used - Like New Item will come in originalse	
	///			Order Total:	\$28.36
23	///			To learn more about ordering, go to Ordering from Amazon.com. If you want more information or need more assistance, go to Help. Thank you for shopping with us. Amazon.com	
24	///				
25					
26					
27					
28					
			49		
		FIRST AMENDED CO		FOR DAMAGES	

Case 2:23-cv-06647-JFW-KS Document 35 Filed 10/10/23 Page 50 of 74 Page ID #:456

1 2 3 4 5 6 7 8	Image: State of the state	62XL Ink Cartridges Replacement for HP 62XL Ink Cartridge Combo Pack for HP Envy 5540 5540 9560 7640 7645 Office Jet 5740 5745 8040 Office Jet Mobile 250 200 Printer (1 Black, 1 Thr-Color) We want for the form of 5745 10040 Office Jet Mobile 250 200 Printer (1 Black, 1 Thr-Color) We want for the form of 5745 10040 Office Jet Mobile 250 200 Printer (1 Black, 1 Thr-Color) We want for the form of 5745 10040 Office Jet Mobile 250 200 Printer (1 Black, 1 Thr-Color) We want for the form of 5745 10040 Office Jet Mobile 250 200 Printer (1 Black, 1 Thr-Color) We want for the form of 5745 10040 Office Jet Mobile 250 200 Printer (1 Black, 1 Thr-Color) We want for the form of 5745 10040 Office Jet Mobile 250 200 Printer (1 Black, 1 Bla	<text></text>	<section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header>
9 10 11 12				Status CXL Init Catingber Replacement for HP 62/XL Init \$41.22 Comparing Combo Pack of MCL Init Status Catingber Replacement for HP 62/XL Init Status Catingber Replacement for HP 62/XL Init Status Comparing Combo Pack of MCL Init Status Catingber Replacement for HP 62/XL Init Status Catingber Replacement for HP 62/XL Init Comparing Comparing Hold Status Catingber Replacement for HP 62/XL Init Status Catingber Replacement for HP 62/XL Init Comparing Comparing Hold Status Catingber Replacement for HP 62/XL Init Status Catingber Replacement for HP 62/XL Init Comparing Comparing Hold Status Catingber Replacement for HP 62/XL Init Status Catingber Replacement for HP 62/XL Init Comparing Comparing Hold Status Catingber Replacement for Hell Cating Replacemen
 13 14 15 16 17 18 19 20 21 	Rider target tar	TEINO 63XL Remanufactured Ink Cartridge Replacement for HP 63XL 63 XL use with HP OfficeLt 3330 4650 5255 5258 4655 4652 8833 Envy 4520 4512 Desklet 1112 5630 3632 2130 (Black Tri-Color, 2-Pack) With E1800 300 215 (Black Tri-Color, 2-Pack) With E1800 300 225 (Black Tri-Color, 2-Pack) With E1800 300 225 (Black Tri-Color, 2-Pack) With E1800 300 225 (Black Tri-Color, 2-Pack) With E1800 300 205 (Black Tri-Color, 2-Pack) With E1800 300 205 (Black Tri-Color, 2-Pack) With E	Buy used: 132.55 FR (Altony Manday, Manda) March 25, Order Walter March 25, Order March 25, Order	<section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header>
 21 22 23 24 25 26 	///			Image: Processing State
27 28	///		50	
		FIRST AMENDED COMPLAINT FOR DAMAGES		

ase 2:23-cv-06	647-JFW-KS D	ocument 35	Filed 10/10/23	Page 51 of 74	Page ID #:4
	Your Amazon.com o	rder of "Valuetoner Supp	bly Ink".		
	To O Sales Doorstep	uto-confirm@amazon.com> pink w this message is displayed, click here to	o view it in a web browser.		
	a mazon busines	S	Your Account Amazon.com		
			Order Confirmation Order #114-6529588-3480269		
	Hello Sean Levi.		PO# sean		
	Thank you for shopping with indicated below. The paymen		item has shipped. Your order details are nd on the order invoice. If you would like to Your Orders on Amazon.com.		
	This order is placed on behalt Your guaranteed delivery	-	r will be sent to:		
	Monday, March 27 Your shipping speed: FREE Shipping	CHATSW United St	ORTH, CA ates		
	Order Details	6			
	Order Details Order #114-6529588-348020	69			
	Placed on today, March 21	Valuetoner Supply Ink Cartridge	s Replacement for \$42.44		
	220 275m	Canon 275XL 275 XL PG-275 X Ink Cartridge to use with Canon TR4720 TR4722 Printer (2 Black	TS3522 TS3520		
		Sold by Amazon.com Services Condition: Used - Like New Item will come in originalSe			
		Order Total:	\$46.47		
	To learn more about ordering If you want more information Thank you for shopping with u	, go to Ordering from Amazon.com. or need more assistance, go to Help.			
	Amazon.com				

55. As demonstrated above, sellers on Amazon use deceptive advertising and make unsubstantiated environmental claims regarding their products, and Defendants participate in the selling process, promotion, distribution, and dissemination of deceptively described and falsely labeled remanufactured printer ink cartridges.

56. Defendants are catalog marketers. Catalog marketing is a form of direct marketing in which consumers or business customers select and order products directly from a printed or online catalog, rather than a retail outlet. Defendants offer millions of products broken down in different categories in their online store to sell its many product offerings to consumers at any given time. As an online catalog store, Defendants bear responsibility for verifying the advertising claims and product authenticity of its third-party sellers.

57. Defendants are an advertising agency. Described in their own Amazon

Advertising agreement they "govern Customer's access to and use of the Ad Services, including the Advertising Console, and is made among Amazon, Customer, and each Advertiser. Defendants per its advertising agreement "may also reject or remove any Customer Materials or suspend any Campaign if: (a) the Customer Materials or Campaign violates the Ad Policies or this Agreement; (b) your account has been, or our controls identify that it may be used for deceptive or fraudulent or illegal activity; (c) Amazon believes the Customer Materials or Campaign would expose Amazon to liability; or (d) for other risk management reasons." Plaintiff identified ink cartridges falsely advertising themselves and Defendants continued to disseminate the false information through its Advertising services both on and off its platform.

While Defendants claim immunity under 47 U.S.C. § 230, this 58. contention fails, among other reasons, because it ignores their exposure for violating Section 5 of the Federal Trade Commission Act (FTC Act) (15 U.S.C. 45), which prohibits "unfair or deceptive acts or practices in or affecting commerce." The prohibition applies to all persons engaged in commerce, including banks. Under Section 5 of the FTC Act, "third parties - such as advertising agencies or website designers and catalog marketers - also may be liable for making or disseminating deceptive representations if they participate in the preparation or distribution of the advertising or know about the deceptive claims."³ Defendants, in creating listing policies for selling ink and toner as described herein, clearly distinguish between a "remanufactured" and a "compatible" ink cartridge. In making this distinction, Defendants must know that any seller listing a product as a "remanufactured printer cartridge" would need to verify their cartridges are remanufactured from an empty OEM cartridges core to make such a claim, or otherwise risk liability for the promotion, sale, and distribution of a

27

28

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

³ Federal Trade Commission Bureau of Consumer Protection, Advertising and Marketing on the Internet, Rules of the Road, p.2 (Sept. 2000); https://www.ftc.gov/system/files/ftc_gov/pdf/bus28-rulesroad-2023_508.pdf

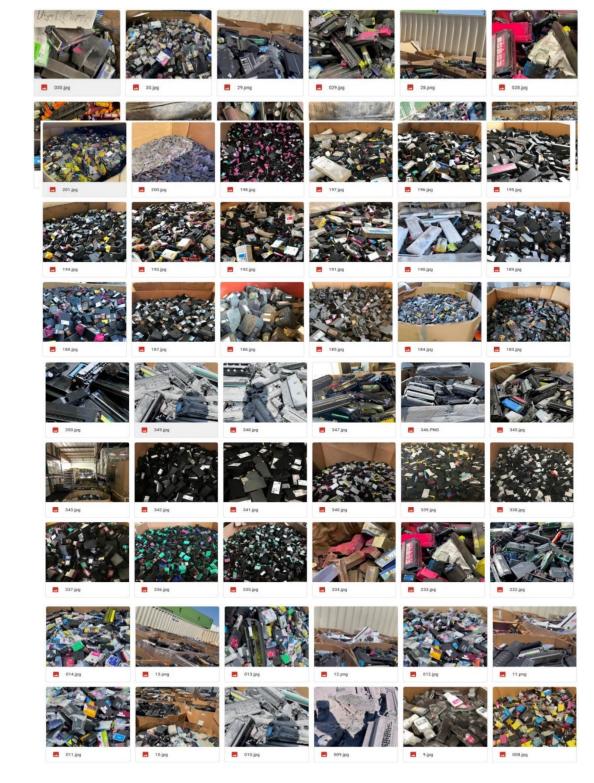
deceptively advertised product.

59. With direct participation in the sales and promotion processes, Amazon bears responsibility for the advertising, sale and distribution of illicit clone ink cartridges that have been destructive to the environment and continue to harm the remanufacturing printer cartridge market, including Plaintiff. Amazon is undercutting legitimate remanufactured cartridge sales while simultaneously devaluing used OEM cartridge cores to the point that it is no longer cost effective to collect, recycle and remanufacture them. This deceitful business practice directly harms Plaintiff while creating enormous amount of printer cartridge waste in the United States. If allowed to continue, the inevitable results will be Plaintiff's loss of its entire business, the annihilation of the printer cartridge remanufacturing industry, an increase in plastic pollution, and consumers will no longer have a lowcost, environmentally friendly option for print-consumable products.

60. Without a legitimate printer cartridge remanufacturing industry, consumers, recyclers, taxpayers, and the environment will continue to bear the cost of handling the plastic waste.

61. Before the sale of illicit printer cartridges, there was a vast market for remanufacturers to obtain empty OEM cartridge cores to remanufacture. In the United States there were thousands of cartridge brokers and electronic waste recyclers collecting and selling used printer cartridges to remanufacturers for upwards of \$32 per empty OEM cartridge core. Today, most if not all printer cartridge brokers are no longer in business and electronic waste recycling companies are avoiding collecting used printer cartridges as they have no monetary value and are considered waste. By contrast, Plaintiff receives more aftermarket single-use clone printer cartridge cores to remanufacture, creating a substantial expense to handle material. Plaintiff made it clear to Defendants that they bear responsibility for selling and facilitating the sale of single-use clone printer

cartridges, contributing to millions of plastic cartridges ending up in United States landfills each year. Plaintiff provided the following images to Defendants to illustrate the massive amount of printer cartridge waste it continually accumulates.



62. Amazon states "it is committed to and invested in sustainability because it's a win for the planet, for business, for its customers, and for communities." Yet, Defendants do not take any responsibility for millions of imported clone printer cartridges sold on their platform that are neither recycled nor recyclable. By contrast, OEM printer manufacturers offer a free "take back" recycling program to reclaim their used cartridges. Below is a screenshot of Amazon's stated commitment of "working to send less material to landfills and more back into the circular economy loop." Defendants' conduct is diametrically opposed to its purported commitment and constitutes "greenwashing" plastic printer cartridge waste they are responsible for selling, as well as destroying the remanufacturing industry, which plays a vital role for recycling cartridge waste in a circular economy.

Governance Around the Globe Reporting and Downloads

Avoiding and Managing Waste

amazon Sustainability

Our Approach V Environment V Society V

Beyond our commitment to decarbonize our operations, we're working to send less material to landfills and more back into the circular economy loop. We've developed programs to optimize inventory management and to repair, repurpose, and donate usable items. We also rely on recycling and composting to enable the recovery of raw materials, and as a last resort, we seek to recover energy from any waste material that must be sent to landfill.

Q Search



FIRST AMENDED COMPLAINT FOR DAMAGES

63. This action seeks to stop Amazon's direct and complicit behavior, which has caused significant damage to Plaintiff. Plaintiff brings this action under federal, state and/or common law and seeks damages and injunctive relief arising out of the Lanham Act for false advertising and false association and designation of origin or approval, California Business and Professions Code section 17200, *et seq.*, for unfair competition, false advertising, misleading environmental claims and deceptive practices, and for violation of California Business and Professions Code section 17500 for false advertising.

It is well documented that Amazon is plagued with counterfeit 64. products. They have an anti-counterfeiting policy. Defendants created a Brand Registry to protect intellectual, copyright and trademark property rights. Defendants created their own Amazon Crime Unit (ACU) whose mission is to pursue counterfeiters worldwide. Conversely, when Plaintiff notified Defendants in great detail that their ecommerce platform is overrun with illicit printer cartridges, Defendants' efforts to halt the flow of millions of illegal products distributed from their warehouses across the United States can be described as meager at best. When illegal products are sold on Amazon, millions of consumers and businesses worldwide suffer while Defendants profit handsomely, adding to their multibillion-dollar annual revenue and reported trillion-dollar valuation. Rather than enforcing their own policies and stopping the sale of these deceptively promoted products, Defendants facilitate their sales for profit. Defendants' failure to enforce their own policies, allowing sellers, and Defendants as sellers themselves, to easily circumvent their own rules, in violation of federal and state law.

65. The proliferation of illicit clone ink cartridges defrauds millions of customers by deceiving them into believing they are purchasing recycled products. The unlawful sale of new built clone printer cartridges labeled as remanufactured causes irreparable harm to legitimate remanufacturers who are committed to selling actual recycled ink cartridges to resellers worldwide. The sale of illicit

clone ink cartridges is an enormous problem with a wide-spread negative impact. Amazon is not only aware of the problem of fraudulent or unlawful activities of sellers and warns its investors that Amazon itself may be held liable for them in its

 We Could Be Liable for Fraudulent or Unlawful Activities of Sellers

 The law relating to the liability of online service providers is currently unsettled. In addition, governmental agencies could require changes in the way this business is conducted. Under our seller programs, we may be unable to prevent sellers from collecting payments, fraudulently or otherwise, when buyers never receive the products they ordered or when the products received are materially different from the sellers' descriptions. We also may be unable to prevent sellers in our stores or through other stores from selling unlawful, counterfeit, pirated, or stolen goods, selling goods in an unlawful or unethical manner, violating the proprietary rights of others, or otherwise violating our policies. Under our A2Z Guarantee, we reimburse buyers for payments up to certain limits in these situations, and as our third-party seller sales grow, the cost of this program will increase and could negatively affect our operating results. In addition, to the extent any of this occurs, it could harm our business or damage our reputation and we could face civil or criminal liability for unlawful activities by our sellers.

2018 10-K filing (pg. 14), but they condone it and conspire with sellers in order to make huge profits. Below is a screenshot from the 10-K report warning of liability concerns:

66. On January 24, 2023, Defendants' in-house counsel indicated that Defendants are committed to protecting Amazon customers and ensuring the integrity of its platform. Counsel wrote that Defendants were requesting that sellers of clone cartridges substantiate their claims about their products being remanufactured and would take action as appropriate based on that information. On May 25, 2023, Plaintiff and Defendants met via Zoom. Defendants stated during the meeting that they had asked sellers to substantiate their claims about selling remanufactured and environmentally responsible ink cartridges. Third-party sellers who couldn't substantiate their product claims were instructed to change their product listings. However, sellers were allowed to continue to sell regardless of their history of defrauding consumers, and they were not suspended for falsely using the recycling logo on newly manufactured products, in violation of federal and state law. Below are before and after examples of listings by Sellers who were instructed by Defendants to change their product listings.



67. Contrary to Defendants' statements about protecting its customers and taking the allegations seriously, Defendants protected the offending selling partners instead of suspending them for the fraud that was being perpetrated on its customer and the harm it was causing the Plaintiff. Amazon was obviously more

concerned with protecting its profits from the distribution, sale, advertisement,
fulfillment, and logistics services associated with these illicit clone ink cartridges.
The fact the Defendants instructed illicit sellers to change their description further
illustrates how actively Amazon is involved in creating listings and promotional
content as a partner of the sellers. It also reveals Amazon's willingness to allow
sellers who have defrauded consumers for years to continue to escape
responsibility and to continue selling clone cartridges and misrepresenting them.

68. Plaintiff seeks to enjoin Amazon's sale of the illicit ink cartridges, recover actual and statutory damages, a disgorgement of Defendants' profits, and other relief, including attorneys' fees and costs. Plaintiff also seeks a recall of all the illicit ink cartridges sold by Amazon along with distribution of a notice to all affected customers that they received counterfeit, non-recyclable, new manufactured ink cartridges. Plaintiff seeks this relief because Amazon should be held accountable for facilitating the product dumping of inauthentic remanufactured ink cartridges, undercutting legitimate remanufactured cartridges, tarnishing remanufactured products' reputation by allowing the false labeling and deceptive advertising to take place, and defrauding unsuspecting customers that they were purchasing a recycled product.

69. Inasmuch as Defendants receive, store, pick, pack, ship, and deliver the illicit ink cartridges to customers, as well as handle transactions, returns, and respond to customer feedback, they have become part of the chain of distribution.

70. The list of items available on Defendants' website – also known as the Amazon catalog – is vast. Sellers offer their products for sale in a wide range of categories so that customers are able either to search for specific items or to browse through departments. Defendants have put in place restrictions, guidelines and policies for sellers to follow. Defendants control who can sell on its platform and Defendants can suspend and remove a seller who engages in unlawful acts. "To protect its customers and safeguard its reputation for trustworthiness, Amazon

has invested heavily, both in terms of time and resources, to prevent fraud and abuse in, and to ensure the quality and authenticity of the products available in, the Amazon Store." (*See* Complaint, <u>Amazon.com, etc., et al., v. Dhuog</u> (W.D. Wash March 30, 2023), Case 2:23-cv-00484).

71. In light of their own fraud prevention policies, Defendants have the responsibility to verify all listings that claim to be "Remanufactured," and to substantiate any environmental claims being made. After Plaintiff put Defendants on notice about the deceptive and false labeling and advertising claims arising from the sale of illicit ink cartridges on the Amazon platform, including those products being promoted, endorsed, fulfilled and sold by Defendants through their Amazon Warehouse, there has been no perceptible change in Defendants' wrongful practices.

72. Defendants' lack of enforcement of their own rules and failure to carry out any punishment for violating their own policies only invites more bad actors to sell illicit products using unlawful business practices. Defendants' complicit behavior is causing great harm to Plaintiff by facilitating on a mass scale the flooding of falsely labeled single-use new built clone ink cartridge as "remanufactured" and selling them as recycled product, undercutting their market, tarnishing the reputation of remanufactured ink cartridge products, and clogging up the recycle stream with single-use printer cartridge cores that have no value.

73. Amazon's sale and distribution of illicit ink cartridges constitute false advertising, deceptive practices and unfair competition and violates Amazon's rules and stated environmental goals, as well as federal and state laws.

74. Finally, it bears emphasis that Planet Green is not the only entity to bring these issues to Amazon's attention. In February 2023, the International Imaging Technology Council ("IITC"), a trade association for imaging supply dealers, remanufacturers, and industry suppliers and consultants sent Amazon a letter outlining "the growing problem of 'fake' remanufactured products flooding

e-commerce platforms." The letter attached a presentation that laid out the
evidence of a category-wide problem with imported clone printer ink cartridges
being misrepresented as remanufactured and sold over Amazon, identified legal
violations resulting from the sale of the misrepresented cartridges and proposed a
solution.

75. The IITC called for Amazon to adopt a simple verification process for remanufactured printer ink cartridges that is similar to the process Amazon already uses to verify the authenticity of new OEM printer cartridges. IITC's proposal would have enabled Amazon to similarly verify the legitimacy of remanufactured cartridges through an existing IITC two-step verification process. Before a seller could list remanufactured printer ink cartridges on Amazon, IITC would first verify how the seller obtained the OEM empty cartridges it uses in the remanufacturing process; and second, require the seller to provide onsite verification of the existence of its remanufacturing facility by videoconference. Amazon never adopted this common-sense approach to verifying remanufactured printer ink jet cartridges, despite extensive evidence that cartridges sold over its website, which Amazon promotes, sells, distributes and fulfills are overwhelmingly misrepresented as remanufactured when they are actually newly manufactured clone cartridges.

CAUSES OF ACTION COUNT 1

(Violation of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B) – False Advertising) AGAINST ALL DEFENDANTS

76. Plaintiff hereby incorporates by reference all of the allegations set forth in paragraphs 1 through 75 as though fully set forth herein.

77. Defendants' conduct as described above constitutes the use of false statements, false descriptions and representations of fact in violation of section

43(a) of the Lanham Act, 15 U.S.C. section 1125(a), that are likely to deceive and do in fact deceive the public into falsely believing that the illicit ink cartridges sold on Amazon are remanufactured, recyclable products.

78. Defendants' conduct as described above constitutes the using of false statements, false description and representations of fact in violation of section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), that are likely to deceive and do in fact deceive the public into falsely believing that the ink cartridges sold on Amazon are made from OEM cores.

79. Defendants' acts as described above constitute the using by each Defendant, in violation of section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), of words, terms, names, symbols and false and misleading descriptions of fact, and false and misleading representations of fact, which, in commercial advertising or promotion misrepresents the nature, characteristics or qualities of Defendants' goods, services or commercial activities.

80. As a result of Defendants' false and misleading advertising, Planet Green has suffered a direct diversion of customers and has been and will be deprived of substantial revenue in an amount to be determined at trial.

81. Defendants have caused and will continue to cause immediate and irreparable injury to Plaintiff, including injury to its business, for which there is no adequate remedy at law. As such, Plaintiff is entitled to an injunction under 15 U.S.C. section 1116, restraining Defendants, their agents, employees, representatives and all persons acting in concert with them from engaging in further acts in violation of section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), and ordering removal of the false advertising.

82. Plaintiff is entitled under 15 U.S.C. section 1117, to actual damages to be determined at trial, to have such damages trebled, to disgorgement of Defendants' profits, and costs of this action.

83. In the course of committing the wrongful acts alleged herein,

Defendants made and are making false or misleading descriptions of fact or 2 representations of fact and commercial advertisements about their own or another's 3 product that were and are material, in that they are likely to influence the purchasing decision of consumers. Each such misrepresentation actually deceives 4 or has a tendency to deceive a substantial segment of its audience, and each 5 Defendant has placed a false or misleading statement in interstate commerce. Plaintiff directly competes with the sellers promoted by Amazon, and Amazon through its FBA services is a direct seller of the illicit ink cartridges. In addition, Defendants take possession of illicit clone ink cartridges, promote, distribute, sell and fulfill the clone cartridges, including through the Amazon Warehouse website - holding Amazon itself out to the world as seller and making its own statements to promote products it is selling. Plaintiff has been and is likely to be injured as a result of Defendants' misconduct by direct loss and diversion of sales.

Defendants' wrongful acts as described herein were knowing, willful 84. and egregious and continued despite Defendants' knowledge that they were illegal.

Plaintiff is entitled to injunctive relief, reasonable attorneys' fees and 85. the costs of this action under sections 34 and 35 of the Lanham Act, 15 U.S.C. sections 1116 and 1117.

COUNT 2

(Violation of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A) -**False Association & False Designation of Origin or Approval**) **AGAINST ALL DEFENDANTS**

Plaintiff hereby incorporates by reference all of the allegations set 86. forth in paragraphs 1 through 85 as though fully set forth herein.

Defendants' conduct as described above constitutes the use of false 87. statements, false descriptions and representations of fact in violation of section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), that are likely to deceive and do in fact deceive the public into falsely believing that the illicit ink cartridges sold

1

on Amazon are remanufactured, recyclable products that originate with or are
otherwise associated with or sponsored by Plaintiff, which is the nearly exclusive
lawful producer and supplier of remanufactured printer ink cartridges in the United
States.

88. Defendants' acts as described above constitute the using by each Defendant, in violation of section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), of words, terms, names, symbols and false and misleading descriptions of fact, and false and misleading representations of fact, which are likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods or commercial activities by another <u>person</u>.

89. As a result of Defendants' false and misleading use of terms, names, symbols, and descriptions and representations of fact, including on the labeling and packaging of misrepresented clone ink cartridges, Planet Green has suffered a direct diversion of customers and has been and will be deprived of substantial revenue in an amount to be determined at trial.

90. Defendants have caused and will continue to cause immediate and irreparable injury to Plaintiff, including injury to its business, for which there is no adequate remedy at law. As such, Plaintiff is entitled to an injunction under 15 U.S.C. section 1116, restraining Defendants, their agents, employees, representatives and all persons acting in concert with them from engaging in further acts in violation of section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), and ordering removal of the false advertising.

91. Plaintiff is entitled under 15 U.S.C. section 1117, to actual damages to be determined at trial, to have such damages trebled, to disgorgement of Defendants' profits, and costs of this action.

92. In the course of committing the wrongful acts alleged herein, Defendants made and are making false or misleading descriptions of fact or

representations of fact about their own or another's product that were and are material, in that they are likely to influence the purchasing decision of consumers. Each such misrepresentation actually deceives or has a tendency to deceive a substantial segment of its audience, and each Defendant has placed a false or misleading statement in interstate commerce. Plaintiff directly competes with the sellers promoted by Amazon, and Amazon, including through its FBA services, has become a direct seller of the illicit ink cartridges. In addition, Defendants take possession of illicit clone ink cartridges, promote, distribute, sell and fulfill purchases of the clone cartridges, including through the Amazon Warehouse website. Plaintiff has been and is likely to be injured as a result of Defendants' misconduct by direct loss and diversion of sales.

93. Defendants' wrongful acts as described herein were knowing, willful and egregious and continued despite Defendants' knowledge that they were illegal.

94. Plaintiff is entitled to injunctive relief, reasonable attorneys' fees and the costs of this action under sections 34 and 35 of the Lanham Act, 15 U.S.C. sections 1116 and 1117.

COUNT 3

(Common Law Unfair Competition) AGAINST ALL DEFENDANTS

95. Plaintiff hereby incorporates by reference all of the allegations set forth in paragraphs 1 through 94 as though fully set forth herein.

96. The wrongful conduct of Defendants as alleged herein constitutes unfair trade practices and unfair competition under the common law.

97. Defendants promotion, distribution, sale and offering for sale of clone printer ink cartridges that are misrepresented as remanufactured constitutes passing off because consumers who purchase remanufacture printer ink cartridges over Amazon rightly understand that they come from the lawful source of such cartridges and, whether they know the name of the company or not, that nearly

1

65

always means Planet Green.

98. Defendants' conduct as described above has at all times been willful and/or knowing.

99. As a direct and proximate result of the actions of Defendants described herein, Plaintiff has been damaged and will continue to be damaged in an amount according to proof at the time of trial.

COUNT 4

(Unfair Competition in Violation of California Unfair Competition Law – Unlawful and Unfair Prongs (Cal. Bus. & Prof. Code § 17200, *et seq*.)) AGAINST ALL DEFENDANTS

100. Plaintiff hereby incorporates by reference all of the allegations set forth in paragraphs 1 through 99 as though fully set forth herein.

101. Defendants have engaged and continue to engage in the acts or practices described above, including, but not limited to using false statements, false descriptions and representations of fact that are likely to deceive and do in fact deceive the public into falsely believing that the illicit ink cartridges sold on Amazon as described above are remanufactured products. This conduct is unlawful, fraudulent, and unfair, and constitutes unfair competition within the meaning of section 17200 of the California Business and Professions Code.

102. Additionally, the illicit ink cartridges sold by Defendants as alleged herein falsely claim they are environmentally sound or recycled products, which also violates section 17200 of the California Business and Professions Code. In light of the significant amount of plastic that is labeled as recyclable and instead ends up in landfills, incinerators, communities, and the natural environment, the Legislature of the State of California has declared that "it is the public policy of the state that environmental marketing claims, whether explicit or implied, should be substantiated by competent and reliable evidence to prevent deceiving or misleading consumers about the environmental impact of plastic products." Cal.

Pub. Res. Code § 42355.5. The policy is based on the Legislature's finding that "littered plastic products have caused and continue to cause significant environmental harm and have burdened local governments with significant environmental cleanup costs." *Id.* § 42355. Defendants' promotion, sale and distribution of misrepresented clone printer ink cartridges specifically violate Cal. Pub. Res. Code § 42355.51, which provides that "a person shall not offer for sale, sell, distribute, or import into the state any product or packaging for which a deceptive or misleading claims about the recyclability of the product or packaging is made."

103. In addition, California Business and Professions Code section 17580.5 makes it "unlawful for any person to make any untruthful, deceptive, or misleading environmental marketing claim, whether explicit or implied." Pursuant to that section, the term "environmental marketing claim" includes any claim contained in the Guides for use of Environmental Marketing Claims published by the FTC (the "Green Guides"). *Id.*; *see also* 16 C.F.R. § 260.1, *et seq.*

104. Under the Green Guides, "[i]t is deceptive to misrepresent, directly or by implication, that a product or package is recyclable. A product or package shall not be marketed as recyclable unless it can be collected, separated, or otherwise recovered from the waste stream through an established recycling program for reuse or use in manufacturing or assembling another item." 16 C.F.R. § 260.12(a). This definition encompasses the three prongs of recyclability that are commonly used in the solid waste industry: (1) accessibility of recycling programs ("through an established recycling program"); (2) sortability for recovery ("collected, separated, or otherwise recovered from the waste stream"); and (3) end markets ("for reuse or use in manufacturing or assembling another item"). The California Public Resources Code similarly defines recycling as "the process of collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise

1

become solid waste, and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace." *Id.* § 40180.

105. These definitions are consistent with reasonable consumer expectations. For instance, the dictionary defines the term "recycle" as: (1) convert (waste) into reusable material, (2) return (material) to a previous stage in a cyclic process, or (3) use again. Oxford Dictionary, Oxford University Press 2020. Accordingly, reasonable consumers expect that products advertised, marketed, sold, labeled, or represented as recyclable will be collected, separated, or otherwise recovered from the waste stream through an established recycling program for reuse or use in manufacturing or assembling another item.

106. Defendants' conduct violates California Business and Professions Code section 17580.5, which makes it unlawful for any person to make any untruthful, deceptive, or misleading environmental marketing claim. Pursuant to section 17580.5, the term "environmental marketing claim" includes any claim contained in the Green Guides. 16 C.F.R. § 260.1, *et seq*. Under the Green Guides, "[i]t is deceptive to misrepresent directly or by implication, that a product or package is recyclable. A product or package shall not be marketed as recyclable unless it can be collected, separated, or otherwise recovered from the waste stream through an established recycling program for reuse or use in manufacturing or assembling another item." 16 C.F.R. § 260.12(a). By misrepresenting that the Products are recyclable as described above, Defendants are violating Business and Professions Code section 17580.5.

107. By violating the FTC Act, Business and Professions Code sections 17500 and 17580.5, and the California Public Resources Code, Defendants have engaged in unlawful business acts and practices which constitute unfair competition within the meaning of Business and Professions Code section 17200.

108. Defendants have engaged and continue to engage in the acts or

1

practices described herein, which are unlawful, and which constitute unfair competition within the meaning of section 17200 of the California Business and Professions Code.

109. Defendants have engaged and continue to engage in the acts or practices described above, all of which are unfair, irrespective of the violation of any other law, and which constitute unfair competition within the meaning of section 17200 of the Business and Professions Code.

110. Under California Business and Professions Code section 17200, *et seq.*, Plaintiff seeks injunctive and other equitable relief to require Defendants to cease their anticompetitive conduct, to restore fair competition, to deny Defendants the fruits of their illegal conduct and to impose such other relief as may be just and proper for Defendants' violation of the California Unfair Competition Law.

COUNT 5

(Violation of California False Advertising Law (Cal. Bus. & Prof. Code § 17500, et seq.))

AGAINST ALL DEFENDANTS

111. Plaintiff hereby incorporates by reference all of the allegations set forth in paragraphs 1 through 110 as though fully set forth herein.

112. California Business and Professions Code section 17500 states: It is unlawful for any person, firm, corporation or association, or any employee thereof with intent directly or indirectly to dispose of real or personal property or to perform services, professional or otherwise, or anything of any nature whatsoever or to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated before the public in this state, or to make or disseminate or cause to be made or disseminated from this state before the public in any state,

69

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, including over the Internet, any statement, concerning that real or personal property or those services, professional or otherwise, or concerning any circumstance or matter of fact connected with the proposed performance or disposition thereof, which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading, or for any person, firm, or corporation to so make or disseminate or cause to be so made or disseminated any such statement as part of a plan or scheme with the intent not to sell that personal property or those services, professional or otherwise, so advertised at the price stated therein, or as so advertised. Any violation of the provisions of this section is a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not exceeding two thousand five hundred dollars (\$2,500), or by both that imprisonment and fine.

Cal. Bus. & Prof. Code § 17500.

113. Defendants violated Business and Professions Code section 17500 by making or disseminating or causing to be disseminated before the public in this state, deceptive, untrue or misleading statements, including over platforms other than Defendants' websites, via email, and in product packaging and labeling, in connection with the sale of goods as alleged above and Defendants knew or in the exercise of reasonable care should have known such untrue or misleading statements were deceptive, untrue or misleading concerning the sale of nonrecyclable, non-OEM ink cartridges, all in a manner that was likely to mislead or deceive a reasonable consumer.

114. By reason of Defendants' deceptive, untrue, and misleading advertising, Plaintiff has suffered and will continue to suffer irreparable injury unless and until this Court enters an order enjoining Defendants from any further acts of deceptive, untrue and misleading advertising. Defendants' continuing acts of deceptive, untrue and misleading advertising, unless enjoined, will cause irreparable damage to Plaintiff in that it will have no adequate remedy at law to compel Defendants to cease such acts, and no way to determine its losses caused by such Defendants. Plaintiff is therefore entitled to a preliminary injunction and a permanent injunction against further deceptive, untrue and misleading advertising by Defendants. Brands found to have falsely labeled their products should be permanently removed and banned from further sale on Defendants' platform.

115. As a direct and proximate result of Defendants' deceptive, untrue and misleading advertising, Defendants have wrongfully taken Plaintiff's profits and its substantial investment of time, energy and money. Defendants' acts as described above constitute false and misleading descriptions and misrepresentations of fact in California, which, in commercial advertising and promotion, misrepresent the nature, characteristics and qualities of their products in violation of the False Advertising law in Business and Professions Code section 17500, *et seq.* Plaintiff therefore asks that the Court also impose such other relief as may be just and proper for Defendants' violation of the California False Advertising Law.

COUNT 6

(Negligence)

AGAINST ALL DEFENDANTS

116. Plaintiff hereby incorporates by reference all of the allegations set forth in paragraphs 1 through 115 as though fully set forth herein.

117. Defendants, as sellers and distributors of products, owe Plaintiff a

71

duty of due care not to operate their business in manner that will foreseeably cause the type of harm to Plaintiff's business asserted herein. Specifically, Defendants have a duty to undertake reasonable measures to assure that purportedly remanufactured printer ink jet cartridges it promotes, sells and distributes are actually remanufactured, as their packaging and labeling represents, and not clone cartridges that are not remanufactured. That duty is particularly acute where, as here, Defendants were put on notice of a pervasive problem with clone cartridges that they promoted, sold and distributed being misrepresented as remanufactured, both by Plaintiff and by an independent trade association.

118. The harm that Plaintiff alleges here -i.e., damage to the remanufactured printer ink cartridge industry and to Plaintiff's business, in particular, and loss of sales – is a direct and foreseeable result of Defendants' failure to exercise due care to verify that products it promotes, sells and distributes are actually remanufactured when sellers (including Defendants themselves) represent them as such in promotion, packaging and labeling.

119. Defendants could have undertaken simple steps to verify whether misrepresented clone cartridges are actually remanufactured or not. IITC offered a simple third-party verification process, similar to one Defendants already use to verify the authenticity of OEM printer ink cartridges, but Defendants did not implement it and have not undertaken meaningful steps to assure that they are not promoting, distributing or selling misrepresented clone cartridges. As a result of that choice and its conduct alleged herein, Defendants have breached their duty to Plaintiff to undertake reasonable measures to prevent direct and foreseeable harm to Plaintiff's business and its sales, as well as to the entire remanufactured cartridge industry.

120. As alleged above, Defendants' breach of duty has been a substantial cause of the decimation of the remanufactured printer ink cartridge business in the United States and has specifically damaged Plaintiff's business and hurt Plaintiff's

sales because consumers purchase misrepresented clone cartridges in the mistaken belief that they are remanufactured cartridges, instead of purchasing genuine remanufactured cartridges from Planet Green.

121. Defendants' conduct as described above has at all times been willful and/or knowing.

122. As a direct and proximate result of the actions of Defendants described herein, Plaintiff has been damaged and will continue to be damaged in an amount according to proof at the time of trial.

PRAYER

WHEREFORE, Plaintiff prays for judgment and relief against Defendants, and each of them, as follows:

1. That the Court preliminarily and permanently enjoin Defendants from conducting their business through unlawful, unfair or fraudulent business acts or practices, untrue and misleading advertising, and other violations of law described in this complaint;

2. That the Court order Defendants to conduct corrective advertising and an information campaign advising consumers that the counterfeit ink cartridges do not have the characteristics, uses, benefits or qualities Defendants have claimed;

3. That the Court order Defendants to cease and desist from marketing and promotion of the illicit clone ink cartridges that state or imply the cartridges are recyclable;

4. That the Court order Defendants to implement all measures necessary to remedy the unlawful, unfair or fraudulent business acts or practices, untrue and misleading advertising, and other violations of law described in this complaint;

5. That the Court award damages to Plaintiff in a sum not less than \$500,000,000.00;

1						
	6. That the Court order Defendants to disgorge all profits from their					
2	unlawful, unfair or fraudulent business acts or practices, untrue and misleading					
3	advertising, and	d other violations of	f law described in this complaint, and an award			
4	of enhanced or treble damages, in an amount to be determined at trial;					
5	7. That the Court grant Plaintiff its reasonable attorneys' fees and costs					
6	of suit; and					
7	8. That the Court grant such other and further relief as may be just and					
8	proper.					
9						
10	Dated: Octob	er 10, 2023	TROYGOULD PC			
11						
12			By: <u>/s/ John C. Ulin</u>			
13			John C. Ulin			
14			Attorneys for Plaintiff			
15			PLANET GREEN CARTRIDGES, INC.			
16						
17		DEMAN	D FOR JURY TRIAL			
18	Pursuant to Fed. R. Civ. Pro. 38(b), Plaintiff demands a trial by jury for all					
19	issues so triable.					
20						
21	Dated: Octob	er 10, 2023	TROYGOULD PC			
22						
23			By: <u>/s/ John C. Ulin</u>			
24			John C. Ulin			
25			Attorneys for Plaintiff			
26			PLANET GREEN CARTRIDGES, INC.			
27						
27						
20						
			74			
	1	FIRST AMENDED COMPLAINT FOR DAMAGES				
		FIRST AMENDE	D COMPLAINT FOR DAMAGES			