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8

9 **UNITED STATES DISTRICT COURT**  
10 **NORTHERN DISTRICT OF CALIFORNIA**

12 CISCO SYSTEMS, INC., a California  
corporation, and CISCO TECHNOLOGY,  
13 INC., a California corporation,

14 Plaintiffs,

15 v.

16 SHOC NETWORKS, LLC, formerly known  
17 as DALDAN TECHNOLOGIES, LLC and DT  
NETWORKS, a Washington limited liability  
18 company; RONALD REED, an individual,  
19 and DOES 1 through 10, inclusive.

20  
21 Defendants.  
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23  
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Case No. 3:19-cv-7516

**COMPLAINT FOR DAMAGES AND  
INJUNCTIVE RELIEF FOR:**

1. **FEDERAL TRADEMARK  
INFRINGEMENT AND  
COUNTERFEITING, 15 U.S.C. § 1114;**
2. **FEDERAL UNFAIR COMPETITION,  
15 U.S.C. § 1125;**
3. **FEDERAL DIRECT AND INDIRECT  
COPYRIGHT INFRINGEMENT, 17  
U.S.C. §§ 501 *et seq.*; and,**
4. **TRAFFICKING IN COUNTERFEIT  
AND/OR ILLICIT LABELS AND  
DOCUMENTATION IN VIOLATION OF  
18 U.S.C. § 2318.**

**Demand for Jury Trial**

1 Plaintiffs CISCO SYSTEMS, INC. (“CSI”) and CISCO TECHNOLOGY, INC. (“CTI”  
2 and together with CSI, “Cisco” or “Plaintiffs”), hereby complain and allege against Defendants  
3 SHOC NETWORKS, LLC, RONALD REED, and DOES 1 through 10, inclusive (collectively  
4 “Defendants”) as follows:

5 **INTRODUCTION**

6 1. Defendants have been caught reselling stolen and/or pirated Cisco software licenses  
7 to other resellers and end customers who they have duped into buying unlicensed copies of  
8 software at cut-rate prices, rather than buying genuine Cisco software licenses through authorized  
9 distribution channels.

10 2. To further create the false impression that these software licenses are genuine and  
11 authorized by Cisco, Defendants distributed the unlicensed copies of Cisco software along with  
12 copies of counterfeit and/or illicit software license claim certificates that had been mocked up to  
13 look like genuine Cisco software license claim certificates.

14 3. Defendants’ unlawful scheme, as alleged in more detail below, has not only caused  
15 Cisco significant monetary damages, but also has undermined Cisco’s brand, goodwill, and  
16 reputation with customers and its authorized partners. When Cisco requested that Defendants  
17 cease and desist their sales of these unlawful and infringing software licenses, Defendants refused,  
18 confirming that they intend to continue their unlawful and infringing conduct unabated.

19 4. Accordingly, Cisco brings this Action to put a stop to Defendants’ unlawful and  
20 infringing conduct, to enjoin further unlawful and infringing conduct, and to recover full damages  
21 for the significant harm they have caused.

22 **PARTIES**

23 5. CSI is, and at all times mentioned herein was, a California corporation, with its  
24 principal place of business at 170 W. Tasman Dr., San Jose, California 95134. CTI is, and at all  
25 times mentioned herein was, a California corporation with its principal place of business at 170 W.  
26 Tasman Dr., San Jose, California 95134. CTI owns the trademarks that are used by CSI in  
27 marketing Cisco-branded products and the copyrights in the software unlawfully distributed by  
28 Defendants.

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1           6. Cisco is informed and believes, and thereon alleges, that Defendant Shoc  
2 Networks, LLC, doing business as www.shocnetworks.com, (“Shoc Networks”) was at all  
3 relevant times a Washington limited liability company, which lists its principal office street  
4 address as 3250 Airport Way S, Suite #713, Seattle, WA 98134. Shoc Networks directly and  
5 purposefully engaged in commercial transactions in the state of California specifically related to  
6 the alleged unlawful conduct in this Complaint. For example, Shoc Networks marketed and  
7 distributed the infringing Cisco software to at least one well-known California-based third party  
8 reseller. Further, Cisco is informed and believes, and thereon alleges, that Shoc Networks was  
9 formerly known as Daldan Technologies, LLC and/or DT Networks (together “DT Networks”).  
10 Cisco is informed and believes, and thereon alleges that, Defendant Shoc Networks was formed by  
11 Mr. Reed, after DT Networks was caught selling infringing Cisco software licenses and then  
12 purported to shut down operations. Further, both DT Networks and Shoc Networks have been  
13 represented by the same counsel, Arthur Freierman.

14           7. Cisco is informed and believes, and thereon alleges, that Defendant Ronald Reed is  
15 an individual, residing in the state of Washington. Cisco is informed and believes, and thereon  
16 alleges, that Mr. Reed founded and controlled both DT Networks and Shoc Networks. Cisco is  
17 further informed and believes, and thereon alleges, that Mr. Reed did business through one or  
18 more Amazon or eBay seller accounts associated with DT Networks and/or Shoc Networks,  
19 including Amazon seller account “dtnetworks.” Cisco is further informed and believes, and  
20 thereon alleges, that Defendant Reed, who also goes by the shortened name “Ron Reed,” is the  
21 current president of Shoc Networks. Cisco is further informed and believes, and thereon alleges,  
22 that Mr. Reed is listed as the Registered Agent for Shoc Networks at an apartment address listed in  
23 Mercer Island, WA. Cisco is further informed and believes, and thereon alleges, that Mr. Reed  
24 was, and is, the moving, active, and conscious force behind the unlawful and infringing conduct of  
25 Shoc Networks, as alleged in more detail below.

26           8. The true names and capacities, whether individual, corporate, associate, or  
27 otherwise, of the Defendants named herein as DOES 1 through 10, inclusive, are unknown to  
28 Plaintiffs who, therefore, sue said Defendants by such fictitious names. Plaintiffs will amend this

1 Complaint to reflect the true names and capacities of these DOE Defendants when the same shall  
2 have been fully and finally ascertained. Plaintiffs are informed and believe, and thereon allege,  
3 that each of the Defendants designated herein as a DOE is legally responsible, in some manner, for  
4 the events and happenings herein referred to, and legally caused damages to Plaintiffs as herein  
5 alleged.

6 9. At all times relevant to this action, each Defendant, including those fictitiously  
7 named Defendants, was the agent, servant, employee, partner, joint venturer, accomplice,  
8 conspirator, alter ego or surety of the other Defendants and was acting within the scope of that  
9 agency, employment, partnership, venture, conspiracy, or suretyship with the knowledge and  
10 consent or ratification of each of the other Defendants in doing the things alleged in this  
11 Complaint.

### 12 JURISDICTION

13 10. This is an Action founded upon violations of Federal trademark and copyright laws,  
14 pursuant to 15 U.S.C. §§ 1051, *et seq.*, 17 U.S.C. §§ 501, *et seq.*, as well as violations of 18 U.S.C.  
15 § 2318. This Court has original subject matter jurisdiction over this Action pursuant to 28 U.S.C.  
16 §§ 1331 and 1338(a)-(b), and 15 U.S.C. § 1121. This Court has supplemental jurisdiction over  
17 Cisco's state law claims for relief pursuant to 28 U.S.C. §§ 1338(b) and 1367 because the claims  
18 are so related to Cisco's claims under Federal law that they form part of the same case or  
19 controversy and derive from a common nucleus of operative facts.

20 11. This Court has personal jurisdiction over Defendants because each Defendant, in  
21 participating in the scheme to distribute the stolen and/or pirated software licenses and counterfeit  
22 and/or illicit software license claim certificates, has willfully infringed intellectual property rights  
23 of Cisco, a known forum resident, including by trafficking in infringing Cisco software licenses  
24 and otherwise causing tortious injury to Cisco, including to its trademarks and copyrights, within  
25 California, and within this District in particular. Defendants did so with knowledge that Cisco was  
26 located in California, and within this District in particular, and indeed, continued to do so after  
27 receiving cease and desist demands from Cisco. Further, Defendants have performed intentional  
28 acts expressly aimed at Cisco in this forum and thereby caused damage that they knew would be

1 suffered by Cisco in this forum. This includes, but is not limited to the fact, that Defendants have  
2 marketed, advertised, offered for sale, and actually distributed the infringing Cisco software  
3 licenses at issue here into California and transacted business within California specifically related  
4 to the infringing distribution scheme alleged in this Complaint. Defendants have also  
5 misrepresented the authentic nature of the counterfeit and/or otherwise infringing “Cisco”  
6 software to residents of California.

### 7 VENUE

8 12. Venue for this action properly lies in the Northern District of California pursuant to  
9 28 U.S.C. § 1391(b)(2) because Defendants committed acts here in furtherance of their unlawful  
10 business operations, a substantial part of the events giving rise to the claim occurred in this  
11 District, and a substantial part of the property that is the subject of this action is located within this  
12 District. Further, Defendants’ acts of infringement are likely to have caused, and are likely to  
13 continue to cause, consumer confusion within this District. Further, venue is also proper in this  
14 District under 28 U.S.C. § 1400(a) because Defendants are subject to personal jurisdiction here  
15 due to having performed intentional acts expressly aimed at the forum and thereby caused damage  
16 that they knew would be suffered by Cisco in this District.

### 17 INTRA-DISTRICT ASSIGNMENT

18 13. In accordance with LR 3-2(c), this action is properly assigned on a District-wide  
19 basis because it relates to Intellectual Property.

### 20 FACTUAL ALLEGATIONS RELATING TO TRADEMARK REGISTRATIONS

21 14. Founded in 1984, Cisco is a global leader in technology, with a large and diverse  
22 customer base spanning governments and large enterprises, small to medium sized businesses, and  
23 individual consumers. Among other areas, Cisco’s business includes high quality networking and  
24 communications technology, including telecommunications networking hardware and software,  
25 advanced telecommunications network design, implementation services, high-end  
26 videoconferencing technology, and data center technology.

27 15. Cisco has developed a strong name and reputation within the trade and among  
28 members of the consuming public as a leading manufacturer of mission-critical networking and

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