



393 (7th Cir. 2020). “In evaluating whether the prima facie standard has been satisfied, the plaintiff is entitled to the resolution in its favor of all disputes concerning relevant facts presented in the record.” *Id.* (quotation omitted). Wrigley has shown that the Court should exercise specific personal jurisdiction over Terphogz.

**A. This Court Has Specific Personal Jurisdiction Over Terphogz.**

For the Court to exercise specific personal jurisdiction, Terphogz’s contacts with Illinois “must show that it purposefully availed [itself] of the privilege of conducting business in the forum state or purposefully directed [its] activities at the state . . . [and Wrigley’s] injury must have arisen out of [Terphogz’s] forum-related activities.” *Curry*, 949 F.3d at 398 (quotation omitted). Further, “any exercise of personal jurisdiction must comport with traditional notions of fair play and substantial justice.” *Id.* (quotation omitted). These “essential requirements for the exercise of specific jurisdiction” over Terphogz have been met. *Id.*

Wrigley’s operative complaint alleges claims for direct and contributory trademark infringement and dilution claims federal and Illinois law arising out of Terphogz’s advertising, promotion, distribution, and sale of products under the ZKITTLEZ mark. FAC ¶¶ 45-66; 74-95. Under the Illinois long-arm statute, a court has jurisdiction over a defendant who commits a tort in this state. 735 Ill. Comp. Stat. 5/2-209(a)(2). Terphogz admits that it has sold and shipped products under the ZKITTLEZ mark to customers in Illinois. Orantes Decl. ¶¶ 5-7. Terphogz easily has minimum contacts sufficient to support the Court’s exercise of specific personal jurisdiction. *See, e.g., Dental Arts Lab., Inc. v. Studio 360 The Dental Lab, LLC*, Case No. 10 C 4535, 2010 U.S. Dist. LEXIS 124029, at \*1, \*7 (N.D. Ill. Nov. 23, 2010) (personal jurisdiction found where defendant sold infringing products on its website to Illinois customers, amounting to 1.2% of its gross revenue).

The Seventh Circuit’s decisions in *Curry* and *Hemi* are instructive. In *Curry*, the defendant sought to dismiss plaintiff’s trademark complaint based on lack of personal jurisdiction. *Curry*, 949 F.3d at 390. The defendant argued that the district court lacked personal jurisdiction because the defendant “did not hold itself out as doing business in Illinois.” *Id.* at 391. The defendant stated that it did not know the plaintiff was located in Illinois until plaintiff sued and that sales of allegedly infringing products in Illinois were “minimal” and “represent[ed] only 1.8% of [the defendant’s] total gross sales nationwide.” *Id.* The district court dismissed the case. *Id.* at 392.

The Seventh Circuit reversed, finding that the defendant had minimum contacts with Illinois sufficient for personal jurisdiction. *Id.* at 399-402. The defendant’s sale of allegedly infringing products “online through its website and third-party” websites sufficed for minimum contacts where the defendant (1) included Illinois in the “ship-to” options on its website, (2) sent emails to customers in Illinois confirming the sales and including their shipping address, and (3) shipped allegedly infringing products to Illinois. *Id.* at 399. These actions, the Seventh Circuit found, “fairly can be described as purposeful.” *Id.*

The Seventh Circuit’s *Curry* decision relied on *Illinois v. Hemi Group, LLC*, 622 F.3d 754 (7th Cir. 2010). In *Hemi*, the New Mexico-based defendant sold cigarettes through its websites. *Id.* at 755. Hemi did not “single out Illinois residents” through its websites. *Id.* at 756. Illinois sued Hemi for violating state laws through its online sales of cigarettes to Illinois residents. *Id.* Hemi moved to dismiss for lack of personal jurisdiction. *Id.* The district court denied Hemi’s Rule 12(b)(2) motion, and the Seventh Circuit affirmed.

In finding that Hemi had sufficient minimum contacts, the Seventh Circuit observed that Hemi “knowingly did business with Illinois residents” and purposefully availed itself of the privilege of doing business in the state. *Id.* at 758. Through its shipments of cigarettes to Illinois

customers, “[i]t is Hemi reaching out to Illinois, and not the residents reaching back, that creates the sufficient minimum contacts with Illinois that justify exercising personal jurisdiction over Hemi in Illinois.” *Id.* at 758.

Under *Curry* and *Hemi*, Wrigley has made a *prima facie* case that Terphogz has minimum contacts with Illinois arising from its alleged trademark infringement and dilution sufficient to support the Court’s exercise of specific personal jurisdiction. On its website at **zkittlez.com**, Terphogz held itself out as open to sell products bearing the ZKITTLEZ mark to Illinois residents, a fact that Terphogz admits when it states that it sought business from customers nationwide. Def. Br at 2; Orantes Decl. ¶ 6. That Terphogz made its infringing products available to Illinois consumers and sold the products to Illinois consumers shows that Terphogz has purposefully directed its activities to Illinois. *See, e.g., Curry*, 949 F.3d at 399.

As in *Curry*, Terphogz’s website at **zkittlez.com** made Illinois a “ship-to” option and Terphogz shipped infringing products into Illinois.<sup>1</sup> FAC ¶¶ 12-13; Orantes Decl. ¶ 6; Def. Br. at 2-3. Terphogz advertised that it stood ready and willing to do business with residents of this state, Terphogz in fact did business with residents of this state, and Terphogz knowingly shipped products under the ZKITTLEZ marks into this state. *See, e.g., Int’l Star Registry of Illinois v. Bowman Haight Ventures, Inc.*, Case No. 98 C 6823, 1999 U.S. Dist. LEXIS 7009, at \*6 (N.D. Ill. May 6, 1999) (citing *North Am. Philips Corp. v. Am. Vending Sales, Inc.*, 35 F.3d 1576, 1579 (Fed. Cir. 1994)) (“To sell an infringing article to a buyer in Illinois is to commit a tort in Illinois

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<sup>1</sup> Terphogz’s cases are easily distinguishable. In *Ariel Invest LLC v. Ariel Capital Advisors LLC*, 881 F.3d 520 (7th Cir. 2018), *be2 LLC v. Ivanov*, 642 F.3d 555 (7th Cir. 2011), *Sullivan v. Bickler*, 360 F. Supp. 3d 778 (N.D. Ill. 2019), and *Am. Bridal & Prom Indus. Ass’n v. Partnerships & Unincorporated Ass’ns*, 192 F. Supp. 3d 924, 933 (N.D. Ill. 2016), the defendants did **not** ship goods under the infringing mark into Illinois. In *Advanced Tactical Ordnance Sys., LLC v. Real Action Paintball, Inc.*, 751 F.3d 796 (7th Cir. 2014), the defendant did ship goods into Illinois, but those goods did not give rise to the claims in plaintiff’s lawsuit. Here, Terphogz shipped ZKITTLEZ products into Illinois and Wrigley’s claims arise out of Terphogz’s sale of the goods.

sufficient to confer jurisdiction under the tort provision of the long-arm statute.”); *Ty, Inc. v. Baby Me, Inc.*, Case No. 00 C 6016, 2001 U.S. Dist. LEXIS 5761, at \*5-6 (N.D. Ill. Apr. 20, 2001) (sale of allegedly infringing products in Illinois sufficient to confer specific personal jurisdiction).

Until **zkittlez.com** was disabled shortly after the commencement of this action in May 2021, Terphogz admits that it sold a dozen different ZKITTLEZ-branded products from its website at **zkittlez.com** to customers located in Illinois for gross revenues of \$634.98, which translates into between 2% and 3% of gross revenues from sales at **zkittlez.com**. Def. Br. at 6 (“Defendant’s sales into Illinois consisted of less than 3% of the total sales it made through its website” ...); Orantes Decl. ¶¶ 5-7. Terphogz insists that such sales are *de minimis* and do not constitute minimum contacts for purposes of specific personal jurisdiction. Def. Br. at 6.

In support, Terphogz grossly mischaracterizes this Court’s decision in *Richter v. INSTAR Enters., Inc.*, 594 F. Supp. 2d 1000 (N.D. Ill. 2009). Terphogz suggests that *Richter* held that a defendant lacks minimum contacts with Illinois if the defendant’s Illinois sales are a small percentage of defendant’s total sales. Def. Br. at 6 (citing *Richter*, 594 F. Supp. 2d at 1007). But Terphogz’s citation involves the *Richter*’s court’s conclusion that it lacked **general** personal jurisdiction, not **specific** personal jurisdiction. *Richter*, 594 F.2d at 1007 (“[A]lthough defendant does not deny that it makes sales in Illinois, the miniscule amount of those sales indicates that the extent to which defendant does business in Illinois is small and general jurisdiction does not exist.” (emphasis added)). Later in the opinion, the *Richter* court held that it lacked specific personal jurisdiction, **because the defendant had not sold the infringing products in Illinois**. *See id.* (“Plaintiff has offered no facts to show that anyone in Illinois used the interactive aspects of defendant’s website to purchase artwork or that defendant shipped the artwork into Illinois.”). Here, Terphogz admits that it sold ZKITTLEZ-branded products from its website at **zkittlez.com**

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