

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

GeLab Cosmetics LLC,

*Plaintiff,*

v.

Zhuhai Aobo Cosmetics Co., Ltd,  
Zhuhai Shengjier Cosmetics Co., Ltd,  
Zhuhai Zhengjia Trading Co., Ltd,  
Pingjun Li,  
Ximei Peng and,  
Benhong Li,

*Defendants.*

**CASE NO.**

**Jury Demand**

**COMPLAINT**

Plaintiffs GeLab Cosmetics LLC (“GeLab” or “Plaintiff”) alleges as follows against Defendants Zhuhai Aobo Cosmetics Co., Ltd (“Aobo”), Zhuhai Shengjier Cosmetics Co., Ltd (“Shengjier”), Zhuhai Zhengjia Trading Co., Ltd (“Zhengjia”), Pingjun Li (“Pingjun” or “Mr. Li”), Ximei Peng (“Ximei” and “Ms. Peng”) and Benhong Li (“Benhong” or “Ms. Li”). (collectively, “Defendants”).

**INTRODUCTION**

1. This case arises out of Defendants’ long-running scheme to use their privileged access to GeLab’s top-performing proprietary nail gel and associated confidential information to create knock-off products in order to compete directly with GeLab in violation of express contractual promises and other legal obligations. *See* Exhibit A.

2. GeLab is a cosmetic company that develops, designs, manufactures, and markets innovative nail gel products. GeLab has spent substantial sums and almost 4 years developing its nail gel into the cutting-edge, distinguished product it is today, implementing a host of key innovations and technologies that distinguish GeLab’s product from other nail gel on the market.

3. In July 2020, GeLab and Aobo, a cosmetic product manufacture & supplier, signed a Purchase Agreement (“PA”). Among the PA, there are several confidential clauses. In essence, the agreement created a trial relationship between GeLab and Aobo during which GeLab would provide its innovative color designs and associated confidential information to Aobo and Aobo would manufacture the nail gel product per GeLab’s specific requirements.

4. In exchange for the opportunity to make money being GeLab’s supplier, Aobo agreed to numerous, clear, material contractual terms restricting its use and disclosure of GeLab’s nail gel product and associated confidential information. By agreeing to these terms, Aobo promised not to use or permit anyone else to use GeLab’s proprietary work or information against GeLab’s interests, including by making a derivative product to compete with GeLab.

5. Eager to tap into the nail gel market developed by GeLab, the shareholder/legal representative of Aobo, Mr. Pingjun Li, conspiring with his wife, Ximei Peng, and his daughter, Benhong Li, embarked on an unlawful plot to surreptitiously take GeLab’s confidential and proprietary trade secrets, and use those trade secrets to manufacture and sell competing products. Rather than design their own products to compete fairly in the marketplace, Defendants instead misappropriated GeLab’s proprietary technologies, critical business strategies and sensitive sales statistics and other highly valuable confidential GeLab information.

6. Defendants’ stealing of the GeLab’s trade secret is not limited to the Aobo’s role as GeLab’s supplier. Defendant Mr. Li actually sent his daughter Ms. Li to GeLab’s company, working as a non-paid intern. Ms. Li did not disclose to GeLab that she owns a company called Zhuhai Zhengjia Trading Co., Ltd, one of the Defendant. Defendants not only had access to GeLab’s trade secret regarding product manufacturing, by working at GeLab, Defendant Ms. Li gained access to GeLab’s on-line marketing operation.

7. During GeLab and Aobo's cooperation, GeLab trusted Aobo with GeLab's confidential information on highly sensitive and proprietary designs, data, statistics and products. Aobo and Mr. Li was privy to GeLab's proprietary technical documents, design ideas, product testing data, product planning, cost management, product packaging, research and development efforts, and marketing data.

8. Defendants unlawfully accessed and acquired GeLab's trade secret information to develop, improve, test, and supply their own nail gel products sold and to be sold in the United States. Defendants used the trade secret taken from GeLab to design and test similar products using the same components supplied by the same supplier for GeLab.

9. GeLab employs extensive protective measures to safeguard its trade secrets. For instance, the design idea can only be accessed by authorized personnel; the intended color combination can only be accessed by authorized personnel; the sales data can only be accessed by store operators using password; supply chain information is controlled by personnel from Production Material Control position.

10. GeLab only realized Defendants' egregiously conduct when GeLab found that three different Amazon stores were selling nail gel products that were substantially identical as GeLab's nail gel products. A side-by-side comparison of the products was enough to prove that Aobo had breached its contractual promises and legal obligations owed to GeLab in manufacturing nail gel. For example:

- a. Defendant Aobo which is owned and controlled by Defendant Pingjun Li, selling nail gel through Amazon store "ab gel."

Ab gel Link (Aobo)	<a href="https://www.amazon.com/Polish-Upgrade-Collection-Natural-Manicure/dp/B08PJZSTRM/ref=sr_1_3?m=AL2665BWQPPD8&amp;marketplaceID=ATVPDKIKX0DER&amp;qid=1661417312&amp;s=merchant-items&amp;sr=1-3&amp;th=1">https://www.amazon.com/Polish-Upgrade-Collection-Natural-Manicure/dp/B08PJZSTRM/ref=sr_1_3?m=AL2665BWQPPD8&amp;marketplaceID=ATVPDKIKX0DER&amp;qid=1661417312&amp;s=merchant-items&amp;sr=1-3&amp;th=1</a>
Screenshot	
GeLab Link	<a href="https://www.amazon.com/dp/B07W5Z6NG9">https://www.amazon.com/dp/B07W5Z6NG9</a>
Screenshot	

- b. Defendant Shengjier, which is owned and controlled by Defendant Ximei Peng, selling nail gel through Amazon store “PEWETE.”

PEWETE Link (Shengjier)	<a href="https://www.amazon.com/PEWETE-Glitter-Sparkle-Valentines-Girlfriend/dp/B086WKZ24Q?ref=ast_sto_dp&amp;th=1">https://www.amazon.com/PEWETE-Glitter-Sparkle-Valentines-Girlfriend/dp/B086WKZ24Q?ref=ast_sto_dp&amp;th=1</a>
Screenshot	
GeLab Link	<a href="http://www.amazon.com/dp/B07SZSGRWW?ref=myi_title_dp">http://www.amazon.com/dp/B07SZSGRWW?ref=myi_title_dp</a>
Screenshot	

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