

**UNITED STATES INTERNATIONAL TRADE COMMISSION  
WASHINGTON, DC**

**In the matter of**

CERTAIN FOODSERVICE EQUIPMENT  
AND COMPONENTS THEREOF

Investigation No. \_\_\_\_\_

**COMPLAINT OF ILLINOIS TOOL WORKS INC. ET AL. UNDER SECTION  
337 OF THE TARIFF ACT OF 1930, AS AMENDED**

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### LIST OF EXHIBITS

<b>Exhibit No.</b>	<b>Document Description</b>
1.	<b>CONFIDENTIAL</b> Rick Powers Declaration and Exhibits A-E
2.	ITW Website
3.	ITW Annual Report
4.	<b>CONFIDENTIAL</b> Allay Li Declaration and Attached Exhibits A-O
5.	Rebenet Website
6.	AcePlus Website
7.	<b>CONFIDENTIAL</b> Mihyar A. Mohamed Declaration
8.	<b>CONFIDENTIAL</b> Mark Suchecki Declaration
9.	<b>CONFIDENTIAL</b> Panjiva Spreadsheet
10.	Panjiva Web Printouts

## **I. INTRODUCTION**

1. Illinois Tool Works Inc. (“ITW”), Vesta (Guangzhou) Catering Equipment Co., Ltd. (“Vesta”), Vesta Global Limited (“Vesta Global”), and Admiral Craft Equipment Corp. (“Adcraft”) (collectively, “Complainants”) request that the United States International Trade Commission (“ITC” or “Commission”) institute an investigation pursuant to Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337(a)(1)(A) (“Section 337”), arising from the misappropriation of Complainants’ trade secrets and other unfair methods of competition and unfair acts committed by Guangzhou Rebenet Catering Equipment Manufacturing Co., Ltd. (“Rebenet”), Aceplus International Limited (“Ace Plus”), Guangzhou Liangsheng Trading Co., Ltd. (“Liangsheng”), Mr. Zeng Zhaoliang, Mr. Zhou Hao, Mr. Ma Hongwei, and Mr. Jiang Ji’an (collectively, “Respondents”).

2. This Section 337 complaint is being filed on behalf of the United States industry that designs, distributes, installs, and services the high-quality foodservice equipment products of Complainant Vesta. The domestic industry that has been injured by the unfair acts of Respondents includes several entities in the ITW corporate family as well as two of Vesta’s partners that bear no corporate relation.

3. Complainant ITW is one of the world’s leading diversified manufacturers of specialized industrial equipment, consumables, and related service businesses. ITW relies heavily on its decentralized business model as an important source of competitive advantage. Specifically, ITW is comprised of numerous divisions and subsidiaries that are expected and encouraged to act like smaller, independent companies, but with the resources and backing of a large, global corporation.

4. Complainant Vesta is one such subsidiary of ITW, and is a highly regarded manufacturer of high quality commercial foodservice equipment. Vesta produces over 400 varieties product lines of foodservice equipment, catering to the needs of restaurants, bars, supermarkets, and educational institutions.<sup>1</sup>

5. Complainant Adcraft, which is not affiliated or related to ITW, is also a distributor of products manufactured by Vesta with substantial domestic resources devoted to designing, engineering, servicing, and supporting the Vesta products. As such, Complainant Adcraft is also part of the domestic industry injured by Respondents' unfair acts.

6. Vulcan, one of ITW's aforementioned decentralized divisions,<sup>2</sup> is a leading manufacturer and distributor of high quality foodservice equipment. To the extent that Vulcan relies on Vesta to manufacture certain of its products, Vulcan's domestic investments in the design, engineering, customer service, and support of the Vesta products are part of the domestic industry injured by Respondents' unfair acts.

7. Domestic industry member Entrée LLC ("Entrée") is a customer of Vesta that distributes and services Vesta equipment under various brands including its own.

8. Complainant Vesta has provided the foundation for the development of a domestic industry including Vulcan, Adcraft, and Entrée over the course of more than 20 years by investing in creation, refinement, and expansion of the proprietary assets that allow it to deliver high-quality products to its customers. Indeed, in that time Vesta has designed and manufactured more than 20,000 different products. Vesta's products tend to be sold into the mid-tier commercial foodservice market where discerning customers look for products that

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<sup>1</sup> Complainant Vesta Global is a subsidiary of ITW and the parent company of Vesta.

<sup>2</sup> Vulcan is a division of ITW Food Equipment Group LLC, which is a subsidiary of Complainant ITW.

have a high level of quality at an affordable price. Vesta's proprietary assets, which are the fruit of years of engineering, technical research and development, customer feedback, and other experiences, have allowed it to produce high-quality products at an attractive price point for this market, and thereby made it a leader in that market.

9. For years, Respondents Ma and Zhou were among Vesta's most trusted managers. Mr. Ma served as Vesta's International Sales Manager from April 2013 to April 2016, and was responsible for the sales of Vesta products into the United States. Mr. Zhou served as Vesta's Director of the Purchasing Department from May 2013 to April 2016, and was responsible for the purchase and supply of all production materials and equipment of Vesta. Due to their trusted positions in key senior management roles, each had access to Vesta's most sensitive proprietary information—both technical and commercial (collectively "Vesta Trade Secrets"). In April 2016, Messrs. Ma and Zhou abruptly left Vesta.

10. Months before leaving Vesta, Mr. Zhou secretly founded Respondent Rebenet in December 2015 with a former Vesta employee, Respondent Jiang. Mr. Jiang was an assistant manufacturing supervisor with a long tenure at Vesta. This position gave him access to proprietary information on Vesta products, suppliers, assembly lines, parts, tooling, molding, and critical manufacturing procedures and processes.

11. During this period in which they were secretly setting up their direct competitor while still employed by Vesta, Messrs. Ma and Zhou stole an expansive array of Vesta's most important trade secrets that enabled them to circumvent the decades of hard work and enormous costs incurred by Vesta and thereby to immediately become a head-to-head competitor in the mid-tier market served by Vesta's products. Indeed, indicative of the brazen nature of this unlawful scheme, Messrs. Zhou and Jiang located the Rebenet facility

only a few miles away from Vesta so that Zhou could easily go back and forth between the two while he was still employed at Vesta.

12. These unlawful acts of misappropriation enabled Rebenet, in a matter of months, to go from a bare bones startup into a direct and injurious competitor of Vesta, Vulcan, Adcraft, Entrée and others who have made domestic investments in support of the Vesta products. Directly as a result of the avoided costs attributed to the stolen trade secrets, Rebenet was not only able to duplicate the quality of Vesta's products, but to do so at prices designed to undercut Vesta and its customers in the United States.

13. As damaging as this initial misappropriation was, it was only the beginning. In early 2016, Rebenet—under the direction of Zhou, Ma, and Jiang—approached one of Vesta's confidential suppliers pretending to be Vesta and proceeded to order Vesta proprietary components, using Vesta confidential part numbers, to be manufactured using Vesta proprietary manufacturing equipment. Exh. 4 (Li Decl.) at ¶¶ 35–39.

14. The misappropriation scheme also extended well beyond Rebenet itself. Vesta's broker at the time of Rebenet's founding, Respondent Ace Plus, and its export agent at the time, Respondent Liangsheng, as well as their principal Respondent Zeng (a.k.a. "William Zeng"), played material roles in founding and supporting Rebenet with the knowledge and intent of exploiting the misappropriated Vesta Trade Secrets and seizing Vesta's hard-earned business.<sup>3</sup> Using the commercial Vesta Trade Secrets, Ace Plus directly contacted current and former customers in Vesta's sales network in order to facilitate the sale of Rebenet products and undercut Vesta's pricing. Exh. 1 (Powers Decl.) at ¶¶ 22–25.

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<sup>3</sup> In China, only certain entities are licensed to export products to the United States. Oftentimes, the entity making the sale (*e.g.*, the broker) is different from the actual export agent even though they are run by the same person(s).



15. Respondent Liangsheng worked together with Ace Plus to export Rebenet products directly to current and former customers in Vesta's sales network. Exh. 1 (Powers Decl.) at ¶ 23. William Zeng from Ace Plus is also a principal of Liangsheng. Using William Zeng's knowledge of the Vesta Trade Secrets based on his prior relationship with Vesta and his involvement in forming Rebenet, Liangsheng has been able to directly target Vesta's sales network and circumvent the lengthy process of identifying potential customers, learning their specific needs, developing products to meet those needs, and creating a business model with commercial terms attractive to market participants.

16. Not surprisingly, Rebenet's products bear a striking resemblance to those of Vesta. Two of Rebenet's more popular products, for example, its gas fryer GF90 and six-burner gas range RGR36, slavishly copy Vesta's products, including adoption of near identical model numbering. Most significant for purposes of this action, however, is the fact that the copying extended well beyond the outward appearance of the Vesta products. It targeted the critical aspects of Vesta's products—the design and construction of the overall product, and the quality and sources of the components and materials used to make the products that took decades of hard work to develop. This instance of nearly identical products is merely exemplary.

17. AcePlus has used these similarities resulting from the unlawful use of the Vesta Trade Secrets to its advantage. Exh. 1 (Powers Decl.) at ¶ 24. In at least one instance, Ace Plus and Liangsheng—the apparent alter egos of Respondent William Zeng—approached Complainant Adcraft and represented that Rebenet “products are [the] same as [those of] Vesta” in an effort to take a sale from Vesta.

**From:** william [mailto:william@aceplus.com.cn]  
**Sent:** Wednesday, December 06, 2017 3:39 AM  
**To:** Cathy Aven; Ron Powers; Billy Kefalas; Susan Wu  
**Cc:** sherman; eric  
**Subject:** 回复: Rebenet - Gas Items

Hi Cathy,

Yes, we can send you the below documents of models what you buy.  
**Our products are same as Vesta.**  
We will send you next week.  
Thanks!  
Best regards,  
William  
2017-12-06

Exh. 1 (Powers Decl.) at ¶ 24. Mr. Zeng’s unabashed claim—less than two years after entering into the business—that the Rebenet products he offered to Adcraft for sale “are same as Vesta” is a claim he could only have made because he knew Rebenet stole the designs, component and material supplier information, and other secrets necessary to make duplicate products. Simply put, Mr. Zeng was able to knowingly capitalize on Vesta’s hard earned reputation for quality products.

18. Respondents’ unfair acts and methods of competition extend beyond the misappropriation of the Vesta Trade Secrets. First, Messrs. Zhou and Ma have each breached ongoing confidentiality obligations by using Vesta’s confidential suppliers, customer list, and technical designs to manufacture Rebenet products for sale into the United States. Second, Rebenet—at the direction of Zhou, Ma, and Jiang—has also tortiously interfered with Vesta’s

relationships with its suppliers and employees by inducing each to breach their respective confidentiality and exclusivity agreements with Vesta. Indeed, their efforts to poach Vesta employees bound by continuing confidentiality, non-competition, and non-solicitation obligations have been continuous: more than fifty (50) Vesta employees with proprietary knowledge of various aspects of Vesta's business have left Vesta to join Rebenet to advance its illegitimate cause. Exh. 4 (Li Decl.) at ¶ 41.

19. The unfair acts identified above have substantially injured and threaten to continue to substantially injure the domestic industry consisting of Vesta, ITW, Vulcan, Adcraft, Entrée, and others who are engaged in the domestic design, development, engineering, and servicing of Vesta-manufactured products. As a result, these unfair acts and methods of competition violate Section 337.

20. Accordingly, Complainants request that the Commission investigate and remedy these unfair acts and methods of competition covering the entirety of Rebenet's imported foodservice product line, which has benefitted from the stolen Vesta Trade Secrets. In particular, Complainants seek a limited exclusion order, pursuant to Section 337(d) of the Tariff Act of 1930, as amended, excluding from entry into the United States all foodservice equipment and components thereof manufactured by, manufactured on behalf of, imported by, or imported on behalf of Respondents using any of the misappropriated Vesta Trade Secrets identified in this complaint (hereinafter "the Accused Products"). Complainants also request a permanent cease and desist order, pursuant to 19 U.S.C. § 1337(f), prohibiting the Respondents, their affiliates, subsidiaries, agents, and others acting on their behalf, from importing, marketing, advertising, demonstrating, warehousing inventory for distribution,

distributing, offering for sale, selling, licensing, repairing, maintaining, updating, using, or testing any Accused Products in the United States.

21. Complainants also request that the Commission impose a bond during the 60-day Presidential review period pursuant to 19 U.S.C. § 1337(e)(1) and (f)(1) to prevent further injury to Complainants and their related domestic industry.

## **II. COMPLAINANTS**

### **A. ITW**

22. ITW was founded in 1912 by a Chicago-based investor, Byron Smith, when he saw promise in a group of inventors with an idea to improve gear grinding. Exh. 2 (ITW Website). Expanding over the decades to manufacturing components and products for the OEM and aftermarket automotive, welding, construction, medical device, and industrial and commercial food equipment industries, ITW today employs approximately 48,000 individuals worldwide, and has operations in nearly 60 countries. ITW has been a Fortune 500 company for approximately twenty four years, and has been consistently investing in innovative technologies. Its patent portfolio now includes over 17,000 granted and pending patents worldwide. ITW is incorporated in Delaware and is headquartered in Glenview, Illinois. Exh. 3 (ITW 2018 Annual Report).

### **B. Vesta**

23. Vesta is headquartered in Guangzhou, China. Vesta sells products under the “JUSTA” and “New Yuehai” brands. Since its beginnings, Vesta has invested substantially in developing, engineering, and designing its foodservice equipment products and their components. Vesta started selling commercial foodservice equipment in the United States in 2006. Vesta manufactures commercial foodservice equipment using certain customized designs and components to ensure quality. Exh. 4 (Li Decl.) at ¶ 2.

24. Vesta partners with its equipment manufacturer customers in the United States, such as Adcraft, Vulcan, and Entrée LLC, to design and manufacture foodservice equipment products to the customers' specifications for sale under the customers' own brands. Exh. 4 (Li Decl.) at ¶ 51. These foodservice equipment products are, in turn, sold by dealers and distributors to restaurants, bars, and cafeterias. Exh. 4 (Li Decl.) at ¶ 52.

**C. Vesta Global Limited**

25. Vesta Global is the parent company of Vesta. It is organized under the laws of Hong Kong and is a subsidiary of ITW.

**D. Admiral Craft Equipment Corp.**

26. Adcraft is a leading manufacturer of equipment, utensils, and supplies to the commercial food service industry. Adcraft is headquartered in Westbury, New York and offers commercial foodservice equipment such as cheese melters, soup kettles, fryers, and griddles under the "Black Diamond" brand. Adcraft has 46 employees in the United States—many of whom work on the design, service and support of Vesta-manufactured equipment.

**III. RESPONDENTS**

**A. Rebenet**

27. Respondent Rebenet was founded in or around December 2015 in Guangzhou, China by Respondent Zhou while he was still employed by Vesta. Its principal place of business is Jintian Industrial Zone, No. 9, Huadong Town, Huadu District, Guangzhou, China. Rebenet manufactures, sells, and exports commercial foodservice equipment from China into the United States in direct competition with Vesta. Rebenet's website shows its product catalog here: <http://rebenet.net/>. Exh. 5 (Rebenet Website). On information and belief, Rebenet now has about 120 employees, approximately 50 of whom are former Vesta employees. Exh. 4 (Li Decl.) at ¶ 41. The products manufactured by Rebenet incorporate and

benefit from the Vesta Trade Secret information unlawfully taken from Vesta and are sold for importation into the U.S.

**B. Zhou Hao**

28. Respondent Zhou is a former employee of Vesta who served as Vesta's Purchasing Department Manager from May 2013 to April 2016, and was responsible for the purchase and supply of all production materials and equipment of Vesta. Exh. 4 (Li Decl.) at ¶¶ 4, 7, 25. Mr. Zhou currently serves as Rebenet's chairman and chief executive officer, as well as its legal representative. Exh. 4 (Li Decl.) at ¶ 7. Mr. Zhou is the second largest shareholder of Rebenet and has contributed capital of 9 million RMB, or roughly \$1.3 million USD. Exh. 4 (Li Decl.) at ¶ 7. On information and belief, Mr. Zhou has been directly and personally involved in the theft and use of the Vesta Trade Secrets in the manufacture, sale and importation of the Accused Products into the United States.

**C. Ma Hongwei**

29. Respondent Ma Hongwei is also a former employee of Vesta. Mr. Ma served as Vesta's International Sales Manager from April 2013 to April 2016, and was responsible for the sale of Vesta products. Exh. 4 (Li Decl.) at ¶¶ 4, 8, 25. During his employment with Vesta, Mr. Ma worked on client development, including by participating in trade shows. Exh. 4 (Li Decl.) at ¶ 8. In this capacity, Mr. Ma had access to Vesta's confidential customer list, Vesta's confidential pricing information, Vesta's confidential sales terms, and other proprietary commercial information. Exh. 4 (Li Decl.) at ¶ 6, 8. Mr. Ma currently serves as Sales Manager at Rebenet—a high-level management position at Rebenet. Exh. 4 (Li Decl.) at ¶ 8. On information and belief, Mr. Ma has been directly involved in the misappropriation and use of the Vesta Trade Secrets, including by participating in the sale and importation of the

Accused Products into the United States with knowledge that those products are the fruit of trade secret theft.

**D. Jiang Ji'an**

30. Respondent Jiang Ji'an is also a former employee of Vesta. Mr. Jiang served as Vesta's Assistant Manufacturing Supervisor from September 14, 2004 to December 31, 2015, and had a very active role in the manufacturing processes at Vesta, as well as material procurement. After leaving Vesta, Mr. Jiang immediately began working full time for Rebenet, where he currently serves as Rebenet's Manufacturing Manager—also a high-level management position at Rebenet. On information and belief, Mr. Jiang has been directly involved in the misappropriation and use of the Vesta Trade Secrets, including by participating in the sale and importation of the Accused Products into the United States with knowledge that those products are the fruit of trade secret theft.

**E. Ace Plus**

31. Respondent Ace Plus (or "Wei Jia" in Chinese) is a former broker of Vesta, and is currently a broker for Rebenet. Exh. 4 (Li Decl.) at ¶ 46. As Rebenet's broker, Ace Plus assists Rebenet in selling for importation its products into the United States. Exh. 1 (Powers Decl.) at ¶ 22. Ace Plus was founded in 2002 and engages in the sale of foodservice equipment and sales agent services. Ace Plus's website explains:

Our products lines of foodservice [sic] equipments includes electric and gas products, which are widely used in restaurants, hotels, snack bars, chain store and coffee shops etc. For the time being, we mainly sell our products to U.S.A. and European market.

Exh. 7 (Ace Plus website). Ace Plus was Vesta's broker from 2006 to March 2018. Exh. 4 (Li Decl.) at ¶ 46. Using the commercial Vesta Trade Secrets, Ace Plus has directly contacted current and former customers in Vesta's sales network in order to facilitate the sale of

Rebenet products and undercut Vesta's pricing. Exh. 1 (Powers Decl.) at ¶ 24. Ace Plus works closely with Respondent Liangsheng, who exports the orders of Rebenet products placed through Ace Plus. On information and belief, Respondent Zeng Zhaoliang (a.k.a. "William Zeng") is a principle of Ace Plus and played a role in founding Rebenet. On information and belief, Ace Plus thus has direct knowledge of the trade secrets stolen from Vesta and incorporated into the Rebenet product line or otherwise utilized to take sales from Vesta and its customers.

**F. Guangzhou Liangsheng Trading Co., Ltd.**

32. Respondent Liangsheng is a former export agent of Vesta, and is currently an export agent of Rebenet. As Rebenet's export agent, Liangsheng assists Rebenet in importing its products into the United States. Liangsheng was Vesta's export agent from 2006 to 2016. Exh. 4 (Li Decl.) at ¶ 47. Liangsheng works together with Ace Plus to export Rebenet products directly to current and former customers in Vesta's sales network. Exh. 1 (Powers Decl.) at ¶ 23. William Zeng from Ace Plus is also a principal of Liangsheng. Using William Zeng's knowledge of the Vesta Trade Secrets based on his prior relationship with Vesta and his involvement in forming Rebenet, Liangsheng has been able to directly target Vesta's sales network and circumvent the lengthy process of identifying potential customers and creating a business model with commercial terms attractive to market participants. Further, on information and belief, Liangsheng has direct knowledge of the trade secrets stolen from Vesta and incorporated into the Rebenet product line.

**G. Zeng Zhaoliang**

33. On information and belief, Respondent Zeng Zhaoliang (a.k.a. "William Zeng") is a principal of both Ace Plus and Liangsheng. Exh. 4 (Li Decl.) at ¶ 48. From 2006 to 2016, Mr. Zeng served as Vesta's main point of contact at Liangsheng. Exh. 4 (Li Decl.) at



¶¶ 46–48. In that position, he acquired highly sensitive proprietary information of Complainants and thereafter used that information without authority to facilitate the importation and sale of Rebenet’s Accused Products in the United States. Liangsheng and Ace Plus are alter egos of Mr. Zeng insofar as these entities serve as a thin veil of legitimacy to cover Mr. Zeng’s personal and ongoing unauthorized use of the Vesta Trade Secrets. Acting as a principal of both Respondents Ace Plus and Liangsheng, William Zeng has personally benefited from the unauthorized use of this proprietary information gained through his prior close working relationship with Vesta and information gained from Rebenet by knowing which Vesta customers to target with which Rebenet products and at what price. Further, on information and belief, Mr. Zeng has direct knowledge of the trade secrets stolen from Vesta and incorporated into the Rebenet product line.

#### **IV. COMPLAINANTS’ TRADE SECRETS**

34. The Vesta Trade Secrets can be grouped into two categories: (1) technical trade secrets, which are owned by Complainant ITW; and (2) commercial trade secrets, which are owned by Complainant Vesta Global. The first category generally includes Vesta’s material coding management system (MCMS), bill of material (BOM) management system (BOMMS), BOM lists, technical drawings, Vesta’s proprietary tooling (*e.g.*, molds), and other information critical to the manufacture and assembly of the foodservice equipment and components. The second category includes Vesta’s customer lists and data, supplier lists and data, materials supply chain information, and confidential terms of business, which are all critical to the efficient distribution and sale of foodservice equipment products. Exh. 4 (Li Decl.) at ¶ 23.

**A. Trade Secrets At Issue**

**1. Technical Trade Secrets**

35. The successful manufacture and distribution of high-quality foodservice equipment is complex business. A significant challenge for manufacturers of foodservice equipment is the efficient management of a large number of components, parts, and materials. For example, on an annual basis, Vesta manufactures more than 20,000 products across its 400 product lines, using more than 70,000 different materials. Each product can include anywhere from 40 to more than 1,000 different components. Vesta manufactures some components in-house and purchases others from its suppliers, whose identities Vesta protects as confidential. Products routinely require customization for customers based on their specific needs. Therefore, accurately tracking the specific components, parts, and materials for each product for each customer (by, e.g., the careful management of bills of materials (“BOMs”)) is an integral part of Vesta’s business.

36. It has taken Vesta more than 20 years of hard work including research, development, design, business development, sales, and relationship development to get its business to where it is today. Vesta differentiates itself in the market through the high quality of its products, an accomplishment achieved through decades of patient product development trial and error and customer feedback. This process has allowed it to identify specific materials, vendors, and parts which give its products their competitive advantages in the market. These years of efforts are captured in Vesta’s more than 20,000 BOMs and the technical drawings and specifications corresponding to each BOM. A compilation such as this cannot be reverse engineered simply from a finished Vesta product because it includes detailed information about the types of materials, tolerances, and dimensions for components

that are made according to Vesta's proprietary methods using Vesta's proprietary manufacturing equipment.

37. Through years of engineering efforts and customer interaction, Vesta has been able to develop BOMs that achieve the high quality demanded by U.S. customers. These BOMs are themselves a critical component of the overall manufacturing process and provide Vesta a significant advantage over its competitors. It can take years to develop a BOM for an individual product to ensure high quality that meets a specific customers' needs. Vesta's competitors have attempted to reverse engineer Vesta's products in order to imitate the Vesta products, with little success in matching the quality and durability of Vesta without years of comparable investment. Vesta has dedicated years to developing these BOMs and has carefully guarded this data as confidential and sensitive business information. Exh. 4 (Li Decl.) at ¶¶ 15-16.

38. To organize the proprietary information concerning the manufacture and assembly of Vesta's more than 20,000 products, Vesta developed a Material Coding Management System (MCMS) and a BOM Management System (BOMMS). The MCMS determines the specific coding rules for the materials that Vesta uses in its products and tracks characteristics such as durability and heat resistance. Because Vesta products are highly customized, it is critical to ensure the right sizes, dimensions, and materials for the products to suit customers' needs. Exh. 4 (Li Decl.) at ¶ 13. Vesta uses material codes to manage and deploy production materials based on the needs of specific customers. Each product—and each variation created to meet a specific customer need—has its own BOM, which carefully tracks the components, parts, and materials necessary to manufacture each product to the expected level of quality. The BOMMS provides and manages rules for the creation, use, and

revision of BOMs. Exh. 4 (Li Decl.) at ¶ 13. Vesta spent years developing these proprietary programs and has carefully guarded them as confidential and sensitive business information. Exh. 4 (Li Decl.) at ¶ 14.

39. Vesta also prepares detailed schematics containing all the information necessary to assemble and construct its foodservice equipment. Exh. 4 (Li Decl.) at ¶ 16. While BOMs identify the parts that are required to make the equipment, the schematics provide detailed guidance as to the manner in which those parts are used and assembled. Vesta's schematics are therefore complex and elaborate documents, often comprising hundreds of pages, that provide a detailed blueprint for the manufacturing of Vesta's foodservice equipment. Exh. 4 (Li Decl.) at ¶ 16. Again, Vesta has invested years and significant resources into the development of these schematics, and as such has carefully guarded this data as confidential and sensitive business information. Exh. 4 (Li Decl.) at ¶¶ 15–16.

40. Vesta has its suppliers use its proprietary tooling (*e.g.*, molds) to manufacture customized components for its products. Vesta has been developing its proprietary tooling for over 20 years. Exh. 4 (Li Decl.) at ¶ 17. Vesta contracts with its suppliers, entering agreements under which the suppliers are obligated to keep safe custody of the proprietary tooling (*e.g.*, molds) used to manufacture Vesta's customized components, and the suppliers are also obligated not to disclose or use the proprietary tooling to manufacture components for unauthorized third parties. Exh. 4 (Li Decl.) at ¶ 17. Vesta safeguards as trade secrets the designs of its customized components and the proprietary tooling and processes used to manufacture those components. Exh. 4 (Li Decl.) at ¶ 17. Vesta protects its proprietary tooling as confidential and sensitive business information. Exh. 4 (Li Decl.) at ¶ 17.

## **2. Commercial Trade Secrets**

41. Vesta's commercial trade secrets include non-public information related to both its suppliers and its customers. It has invested substantially in building a customer base and a supply network to manufacture its components. Exh. 4 (Li Decl.) at ¶ 18. Vesta has been developing its proprietary lists and associated data of customers and suppliers for over 20 years.

42. With respect to its customer list, Vesta safeguards, for example, its customers' names, the contact persons, sales volumes, customer specific design information, and pricing, all of which have enormous commercial value. Exh. 4 (Li Decl.) at ¶ 20.

43. With respect to its supplier list, Vesta safeguards, for example, the identities of the suppliers, the customized components the suppliers manufacture, and the proprietary tooling used by the suppliers, all of which have enormous commercial value. Exh. 4 (Li Decl.) at ¶ 19.

44. In addition, Vesta has developed commercial agreement terms on which it sells and delivers its products and purchases its materials and components over years of doing business. Vesta protects these terms as highly sensitive and proprietary business information. Exh. 4 (Li Decl.) at ¶ 21.

45. More information on Complainants' trade secrets is set forth in the Exh. 4 (Li Decl.) at ¶¶ 10–21.

### **B. Independent Economic Value of the Vesta Trade Secrets**

46. Taken together, the Vesta Trade Secrets described above represent the fruit of Vesta's more than 20 years of effort to research, design, develop, manufacture, assemble, market, sell, and distribute the Vesta Products and to run a successful business in the industry by, for example, creating and then curating the information necessary to manufacture quality

products which take advantage of the professional relationships Vesta has formed and fostered with its suppliers and its customers over the years.

47. Vesta derives independent economic value from the Vesta Trade Secrets. For example, Vesta's BOMs, BOMMS, MCMS, technical drawings, proprietary tooling, and schematics reflect years of quality engineering to determine the right materials and components for each product. Exh. 4 (Li Decl.) at ¶ 23. Vesta's commercial trade secrets, including its supplier information, customer lists, and commercial agreement terms, reflect years of development, engineering, customer feedback and distribution experience in the commercial foodservice equipment industry. Exh. 4 (Li Decl.) at ¶ 23. These critical assets and know-how allow Vesta to effectively compete in the commercial foodservice equipment market in the United States. Exh. 4 (Li Decl.) at ¶ 23. By the same token, the unlawful use of the Vesta Trade Secrets by Respondents has created—essentially overnight—a viable competitor with an unfair economic advantage over Vesta, namely, the “free” decades worth of research, development, engineering, and marketing it took from Vesta.

**C. Complainants' Efforts to Maintain Secrecy of Their Trade Secrets**

48. Complainants' technical and commercial trade secrets are not public, cannot be ascertained from other generally available sources, and have been the subject of reasonable efforts to maintain their secrecy.

49. A condition of employment at Vesta is that employees agree to confidentiality and non-competition agreements. Messrs. Zhou and Ma both signed such agreements in 2013. Exh. 4 (Li Decl.) at ¶ 25. The agreements expressly require, among other things, that after employment is terminated, “the Employee shall immediately return all owned drawings, blueprints, memorandums, client lists, recipes, financial statements, and personnel or

marketing materials of the Company, including the originals and copies to the Company.”

Exh. 4 (Li Decl.) at ¶ 25.

50. Vesta requires its suppliers to sign agreements limiting use of Vesta’s proprietary tooling for the benefit of Vesta only. Exh. 4 (Li Decl.) at ¶ 33. These agreements provide, among other things, that Vesta’s suppliers shall not disclose, demonstrate, or use the molds to or for anyone other than Vesta. Exh. 4 (Li Decl.) at ¶ 33. These agreements contain liquidated damages provisions in the event of breach by suppliers. Exh. 4 (Li Decl.) at ¶ 33.

51. Vesta also requires its suppliers to sign purchase agreements restricting its suppliers’ ability to sell components designed by Vesta to others. Exh. 4 (Li Decl.) at ¶ 34. These agreements specify, among other things, that all intellectual property is owned by Vesta and that the suppliers are required to keep confidential any information received from Vesta including even the existence of these agreements. Exh. 4 (Li Decl.) at ¶ 34. These agreements also contain liquidated damages provisions in the event of breach by suppliers. Exh. 4 (Li Decl.) at ¶ 34.

52. Vesta includes confidentiality markings on documents containing its proprietary information. Exh. 4 (Li Decl.) at ¶ 29. Vesta also includes confidentiality signage in work areas where proprietary information may be viewable. Exh. 4 (Li Decl.) at ¶ 29. With respect to the Vesta Trade Secrets, Vesta provides access to employees on a need-to-know basis to avoid unnecessary dissemination of the company’s proprietary information. Access is typically reserved for high-level managers. Exh. 4 (Li Decl.) at ¶ 30. In the event that an employee wishes to print or make a copy of confidential documents, they must first receive permission and then sign a document memorializing the occasion. Exh. 4 (Li Decl.) at ¶ 30.

53. Vesta utilizes information technology (IT) safeguards to protect access to its trade secrets. These measures include a firewall and password-protected access to its internal network. Exh. 4 (Li Decl.) at ¶ 31. In addition, Wi-Fi access is suspended when employees are viewing certain confidential information (*e.g.*, product schematics). Exh. 4 (Li Decl.) at ¶ 31.

54. Vesta also utilizes physical safety measures to protect its trade secrets. Individuals seeking access to Vesta's workshop must first go through a check-in procedure, which involves security personnel tasked with ensuring the confidentiality of Vesta's proprietary information. Exh. 4 (Li Decl.) at ¶ 32. In addition, paper copies of Vesta trade secrets such as the BOMMS and MCMS are kept in a locked room, which requires a physical key to enter. Exh. 4 (Li Decl.) at ¶ 32.

## **V. COMPLAINANTS OWN THE TRADE SECRETS**

55. Complainant Vesta Global, a subsidiary of ITW and the parent company of Vesta, owns the commercial Vesta Trade Secrets. Exh. 4 (Li Decl.) at ¶ 59. ITW owns the technical Vesta Trade Secrets. Exh. 4 (Li Decl.) at ¶ 60.

## **VI. UNFAIR ACTS**

56. Messrs. Zhou, Ma, Jiang, and Zeng stole the Vesta Trade Secrets and/or transferred them to Rebenet, Ace Plus, and Liangsheng, which thereafter used the Vesta Trade Secrets to unfairly compete with Vesta, Vulcan, Adcraft, and other customers such as Entrée, by manufacturing, importing, and selling the Accused Products to the Complainants' customers in the United States. These unfair acts have injured and threaten to injure Complainants and their customers in the United States. Exh. 4 (Li Decl.) at ¶¶ 51–58; Exh. 8



(Suchecki Decl.) at ¶¶ 13–15; Exh. 1 (Powers Decl.) at ¶¶ 14–20; Exh. 7 (Mohamed Decl.) at ¶¶ 13–14.

57. The Accused Products include Rebenet’s entire product catalog of foodservice equipment and components. This includes, but is not limited to, ovens, fryers, griddles, hotplates, broilers, and burners. On information and belief, Rebenet has used Complainants’ stolen trade secrets to develop, import and sell its full line of foodservice equipment in order to unfairly compete with Vesta. As required by 19 C.F.R. § 210.12(a)(12), the Accused Products at issue in this case are generally known in plain English as commercial kitchen equipment and components thereof for use in restaurants, bars, cafes, cafeterias, or the like.

**A. Trade Secret Misappropriation**

58. Respondents have violated Section 337 by stealing, disclosing, and using the Vesta Trade Secrets without authorization in violation of the Defend Trade Secrets Act of 2016 (“DTSA”), codified at 18 U.S.C. § 1836 et seq., the Uniform Trade Secrets Act (“UTSA,” as amended 1985), the Restatement of Torts (Rest. Torts §§ 757 and 758), and the plain language of Section 337(a)(1)(A).

**1. Unlawful Theft of the Vesta Trade Secrets**

59. During their employment with Vesta, Messrs. Zhou, Ma, and Jiang had access to Vesta Trade Secrets—both technical and commercial. They took these trade secrets without Vesta’s authorization and used them to start Rebenet for the sole purpose of gaining an unlawful advantage in competing directly with Vesta and its domestic industry customers. Exh. 4 (Li Decl.) at ¶ 4. In doing so, Messrs. Zhou, Ma, and Jiang violated the terms of their employment agreements, the confidentiality duties they owed to Vesta, and/or the applicable laws.

60. Mr. Zhou founded Rebenet in December 2015, while he was still employed by Vesta. Mr. Zhou left Vesta in April 2016 to formally join Rebenet. Exh. 4 (Li Decl.) at ¶ 4. Throughout the time when Mr. Zhou was surreptitiously working at both Vesta and Rebenet, he engaged in theft of Vesta's valuable trade secret information. Exh. 4 (Li Decl.) at ¶ 4. Mr. Ma and Mr. Jiang also stole Vesta company secrets leading up to and at the time of their departure from Vesta. Exh. 4 (Li Decl.) at ¶¶ 4, 40.

61. More specifically, Zhou, Ma, and Jiang were involved in unlawfully taking an expansive array of Vesta trade secret materials, including but not limited to (1) BOMs for various products, (2) the BOMMS, (3) the MCMS, (4) several comprehensive product blueprints, (5) Vesta's proprietary tooling, (6) Vesta's confidential supplier list, (7) Vesta's confidential customer list, and (8) Vesta's confidential sales agreements, including confidential terms of business. Messrs. Zhou, Ma, and Jiang then used and disclosed the Vesta Trade Secrets to Rebenet—the company Zhou founded with Jiang months earlier. Exh. 4 (Li Decl.) at ¶¶ 4, 40.

62. In addition, Mr. Zeng and his companies Ace Plus and Liangsheng began working with Rebenet to distribute the Accused Products using the Vesta Trade Secrets to the customers of Vesta, Vulcan, Adcraft and other distributors of Vesta products. Exh. 4 (Li Decl.) at ¶¶ 46–49.

## **2. Unlawful Use of the Vesta Trade Secrets**

63. Respondents used Vesta Trade Secrets to manufacture, sell into the United States, and import into the United States certain foodservice equipment and components thereof. Exh. 4 (Li Decl.) at ¶¶ 41–50.

64. Respondents knew that the Vesta Trade Secrets were acquired by improper means and that they were not authorized to use the Vesta Trade Secrets given the nature of the information, restrictions on confidential information of Vesta, the obligations that Messrs. Zhou, Ma, and Jiang owe to Vesta, and the relationship of trust that Ace Plus, Liangsheng, and Mr. Zeng had with Vesta.

65. Rebenet directly competes with Vesta in the foodservice equipment business. Since June 2016, Rebenet has, at the direction of Zhou, Ma, and Jiang, sold and/or imported into the United States the Accused Products—many of which look the same as Vesta’s products and all of which have directly benefitted from the misappropriated technical and commercial information. Exh. 4 (Li Decl.) at ¶¶ 41–45; Exh. 1 (Powers Decl.) at ¶¶ 14–20; Exh. 7 (Mohamed Decl.) at ¶¶ 13–14; Exh. 8 (Sucheki Decl.) at ¶¶ 13–15.

66. Rebenet has hired approximately 50 former Vesta employees; many of these employees owe Vesta a continuing duty of confidentiality. Exh. 4 (Li Decl.) at ¶¶ 41–42. All non-exempt employees are required to sign confidentiality and non-competition agreements, which prohibit the disclosure of “confidential information,” which includes “existing and potential customer lists and information,” “commercial opportunities,” and “the matters of . . . any . . . supplier.” Exh. 4 (Li Decl.) at ¶¶ 25–26. On information and belief, Rebenet targeted and hired these individuals through Zhou, Ma, and Jiang because of the confidential information they acquired about Vesta’s products and its business.

67. Utilizing Vesta’s proprietary BOMs, BOMMS, MCMS, tooling, and product blueprints, Rebenet has unlawfully copied various Vesta products. Rebenet and Messrs. Zhou, Ma, and Jiang have used information about Vesta’s BOMMS, MCMS, and BOMs to procure proprietary components from Vesta’s confidential suppliers.

68. The theft and use of the Vesta Trade Secrets has unfairly allowed Respondents to bypass years of independent engineering efforts that would have otherwise been necessary to match the quality of Vesta's products. The Vesta Trade Secrets provide some of the keys necessary for Rebenet, Ace Plus, and Liangsheng—and their respective principals—to unfairly compete with Vesta on product quality and terms of sale. Indeed, without the Vesta Trade Secrets, Rebenet would not have been able to achieve virtual parity in the quality of its knock-off products in such a short time. In turn, avoiding the investments Rebenet would have otherwise had to have invested in its own product development and marketing, has allowed Rebenet to undercut Vesta on prices and shift resources to other areas of its business (*e.g.*, new products). Simply put, the theft of the Vesta Trade Secrets has—essentially overnight—created a viable competitor offering high-quality products on par with Vesta's with minimal startup costs in an industry where years of engineering (in many cases, reverse engineering of Vesta products), research, and development are typically necessary before manufacturing a product for sale is even possible.

69. Indicative of the unlawful behavior confronting Complainants, on information and belief, in at least one instance occurring in March 2016, a Rebenet agent fraudulently misrepresented herself as an agent of Vesta to enter into a component purchase contract with one of Vesta's confidential suppliers in order to gain unauthorized access to Vesta's proprietary tooling and product molds. Exh. 4 (Li Decl.) at ¶¶ 36–39.

70. Mr. Zeng, Ace Plus, and Liangsheng have worked to import Rebenet products for sale to Vesta's customers in the United States, using Vesta's customer list and its confidential business terms. Exh. 4 (Li Decl.) at ¶¶ 46–49; Exh. 10 (Panjiva Web Printouts). Further, Mr. Zeng, Ace Plus, and Liangsheng made assurances to these Vesta customers that

Rebenet's products are the "same as Vesta" to claim the goodwill associated with Vesta's name and the high-quality products it sells.

71. From July 2017 to December 2018 alone, Liangsheng imported more than \$12 million worth of foodservice equipment to Comstock Castle Stove, Co., T&P Group of USA, Inc., and Webrestaraunt Inc. Exh. 9 (Panjiva Spreadsheet).

72. Complainants expect that discovery will identify additional categories of trade secrets that were unlawfully misappropriated, used, and/or disclosed as a part of Respondents' efforts to set up a business to unfairly compete with Complainants.

**B. Unfair Competition Through Breach of Employment and Confidentiality Agreements By Messrs. Zhou and Ma**

73. As a condition of their employment with Vesta, at least Messrs. Ma and Zhou each entered into a Labor Agreement and a Confidentiality and Non-Competition Agreement. Exh. 4 (Li Decl.) at ¶ 25.

74. Pursuant to their Labor Agreements, Messrs. Ma and Zhou were required upon termination to immediately return, among other things, all blueprints, customer lists, and personnel lists owned by the company. Exh. 4 (Li Decl.) at ¶ 25.

75. Further, pursuant to their Confidentiality and Non-Competition Agreements, Messrs. Ma and Zhou had a continuing obligation to protect Vesta's confidential information and not to disclose or use such information directly or indirectly, even after their employment with Vesta ended. Exh. 4 (Li Decl.) at ¶ 25.

76. Messrs. Ma and Zhou have breached and continue to breach Section 9.2 of their Labor Agreements and Section 1(a) of their Confidentiality and Non-Competition Agreements. Exh. 4 (Li Decl.) at ¶ 25. They retained and conveyed to Rebenet at least the following Vesta confidential information: customer and supplier lists, the terms of sales

contracts, pricing information, technical drawings, proprietary tooling, coding of components and materials, BOMMS, and MCMS. In addition, Messrs. Ma, Zhou, and Jiang as well as Rebenet have used and continue to use confidential information from Vesta to copy Vesta's products and undercut Vesta in the market. Exh. 4 (Li Decl.) at ¶¶ 35–40, 54.

77. Messrs. Zhou and Ma also violated the non-competition and non-solicitation provisions in Sections 2 and 3 of their Confidentiality and Non-Competition Agreements by (i) competing directly with Vesta prior to and upon their departure from Vesta and (ii) recruiting Vesta employees to work for Rebenet. Exh. 4 (Li Decl.) at ¶¶ 4, 41–42.

78. Messrs. Ma and Zhou have disclosed Vesta confidential information to Rebenet and others in violation of the Labor Agreements and the Confidentiality and Non-Competition Agreements, causing ongoing injury to the Complainants.

79. Vesta believes that these unfair acts are widespread and ongoing. In just the last several months, Vesta has had to terminate several employees after learning that they were working for Vesta and Rebenet simultaneously. The agreements signed by Messrs. Ma and Zhou are standard Vesta agreements. Many of the approximately 50 former Vesta employees now working for Rebenet are also under similar agreements with the same ongoing obligations of confidentiality, non-competition, and non-solicitation which they have breached and continue to breach in manufacturing, importing, and selling Rebenet products using the Vesta Trade Secrets. Complainants intend to seek discovery regarding other former Vesta employees that are violating their confidentiality obligations.

### **C. Unfair Competition Through Tortious Interference**

80. Rebenet, Mr. Zhou, Mr. Ma, and Mr. Jiang have violated Section 337 by intentionally interfering with Vesta's contractual relationships with its suppliers and its employees. *See* Rest 2d. Torts §§ 766, 766A, and 766B.

81. On information and belief, Messrs. Zhou, Ma, and Jiang used the Vesta Trade Secrets to induce Vesta's suppliers to breach their agreements with Vesta which has interfered and continues to interfere with Vesta's contractual relationships with its suppliers. For example, Messrs. Zhou, Ma, and Jiang as well as Rebenet were aware of the agreements between Vesta and its suppliers that limit use of Vesta's proprietary tooling and molds to manufacture components for Vesta only. Exh. 4 (Li Decl.) at ¶¶ 7, 33. But Zhou, Ma, Jiang and Rebenet went directly to Vesta's confidential suppliers to procure the same components that those suppliers reserved for Vesta, which resulted in those suppliers' breach of agreements with Vesta without any justification. Exh. 4 (Li Decl.) at ¶¶ 36–40.

82. On information and belief, in at least one instance occurring in March 2016—before Zhou, Jiang, and Ma officially separated from Vesta—a Rebenet agent fraudulently misrepresented herself as a Vesta agent to enter into a component purchase contract with one of Vesta's confidential suppliers in order to gain unauthorized access to Vesta's proprietary tooling and product molds. Exh. 4 (Li Decl.) at ¶¶ 36–39. As a result, the confidential supplier breached its exclusivity obligation with Vesta.

83. On information and belief, Rebenet and Messrs. Zhou, Jiang, and Ma have induced and continue to induce Vesta's current and former employees to breach their non-competition and confidentiality agreements with Vesta by joining Rebenet. Rebenet and Messrs. Zhou, Jiang, and Ma's acts have interfered and continue to interfere with Vesta's contractual relationships with its employees.

84. For example, Zhou, Ma, Jiang, and Rebenet have recruited Vesta employees who also owe confidentiality and non-competition obligations to Vesta and have knowingly

encouraged them to breach these agreements with Vesta without any justification. Exh. 4 (Li Decl.) at ¶¶ 41–42.

85. Complainants have suffered and continue to suffer injury on account of Zhou, Jiang, Ma and Rebenet’s interference with Vesta’s contractual relationships with its suppliers and employees.

## **VII. INSTANCES OF UNFAIR IMPORTATION AND SALE INTO THE UNITED STATES**

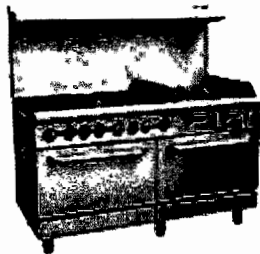
86. Respondents sell for importation, import, and/or sell after importation certain foodservice equipment and components thereof that are manufactured and/or distributed using one or more of the Vesta Trade Secrets.

87. Rebenet products are manufactured in China and have been imported into the United States. Exh. 10 (Panjiva Web Printouts); Exh. 1 (Powers Decl.) at ¶¶ 21–25.

88. Rebenet’s website includes the following photograph indicating that Rebenet offers its gas foodservice equipment for export to the United States:



**USA**  
**Export Gas Equipment**



Exh. 10 (Panjiva Web Printouts). Rebenet sells its foodservice equipment products for importation into the United States. Exh. 1 (Powers Decl.) at ¶¶ 21–25; Exh. 9 (Panjiva Spreadsheet).



89. Ace Plus has also sold Rebenet products for importation into the United States. Exh. 1 (Powers Decl.) at ¶¶ 21–25; Exh. 10 (Panjiva Web Printouts). For example, on January 25, 2018, Ace Plus sent a commercial invoice and communicated to employees of Adcraft that it had shipped Rebenet products including gas fryers, gas ranges, and gas convection ovens from Guangzhou, China to New York, New York. Exh. 1 (Powers Decl.) at ¶ 23.

90. Liangsheng has imported Rebenet products into the United States. Exh. 1 (Powers Decl.) at ¶ 23; Exh. 10 (Panjiva Web Printouts).

### **VIII. CLASSIFICATION UNDER THE HARMONIZED TARIFF SCHEDULE**

91. On information and belief, the Harmonized Tariff Schedule of the United States item numbers for gas and electric foodservice equipment are 8419.81.5080, 8419.81.9040, 8419.60.4070, 8419.8100, 8516.6000, 8516.60.4000, and the item numbers for parts thereof are 8419.90.9520, 8419.90.9580, 8516.90.5500.

### **IX. RELATED LITIGATION**

92. Vesta filed a complaint with local law enforcement officials in China when it learned of the theft of the Vesta Trade Secrets. No formal investigation has yet been instituted by law enforcement.

### **X. RESPONDENTS' UNFAIR ACTS HAVE SUBSTANTIALLY INJURED AND THREATEN TO SUBSTANTIALLY INJURE AN INDUSTRY IN THE UNITED STATES**

93. The threat and effect of Respondents' unfair acts described above are to destroy or substantially injure the domestic industry that exists by virtue of the significant investments and activities in the United States by Complainants and their customers. As set forth in the Confidential Declaration of Mark Suchecki ("Suchecki Decl."), the Confidential Declaration of Rick Powers ("Powers Decl."), the Confidential Declaration of Mihyar Mohamed ("Mohamed Decl."), and the Confidential Declaration of Allay Li ("Li Decl."),

there is an industry in the United States related to foodservice equipment and components thereof manufactured by or on behalf of Complainant Vesta. Vesta's extensive manufacturing, distribution, and service network includes more than a dozen domestic dealers and distributors with significant investments in plant, equipment, and employment of labor and capital. Some of these distributors design their own branded equipment which Vesta manufactures. Exh. 1 (Powers Decl.) at ¶ 4.

94. For purposes of this complaint, the relevant domestic industry consists of the domestic investments and activities of Complainants, as well as those of authorized Vesta distributor Entrée, related to products manufactured by Vesta, and dealers who sell and install the products of Complainants.<sup>4</sup>

**A. Domestic Industry**

95. The significant investment in plant, labor, and capital through Complainants' and Entrée's manufacturing, distribution, technical support, and service network satisfies the domestic industry requirement of Section 337. Distributors such as Adcraft, Entrée, and Vulcan have made and continue to make significant investments in the United States in connection with the distribution, maintenance, service and repair of foodservice equipment and the components thereof, including, but not limited to, Vesta's foodservice equipment such as its line of gas fryers, six-burner gas-ranges, and electric ovens, which make extensive use of Complainants' trade secrets, and which compete with Respondents' unfair imports. Exh. 8 (Sucheki Decl.) at ¶¶ 3–15; Exh. 1 (Powers Decl.) at ¶¶ 2–20; Exh. 7 (Mohamed Decl.) at ¶¶ 2–14.

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<sup>4</sup> Complainants intend to seek discovery regarding investments made by dealers in activities relating to the Vesta-manufactured products including, for example, installation at end user sites.

96. Adcraft has invested and continues to invest in the design, development, distribution, and service of foodservice equipment in the domestic industry. Through its network of distributors and dealers throughout the United States, Adcraft makes significant investment in plant, equipment, labor, and capital to the foodservice equipment domestic industry. Adcraft maintains a staff of trained employees whose sole responsibility is to provide technical support to service technicians throughout the country. Exh. 1 (Powers Decl.) at ¶ 11. These employees offer live advice, instructions, and technical know-how to service technicians in real-time to assist the service technicians in service and repair of Vesta-manufactured foodservice equipment products under warranty obligations. Exh. 1 (Powers Decl.) at ¶ 11. Adcraft has also invested and continues to invest in warehouses and facility space throughout the United States to support its substantial inventory needs. Exh. 1 (Powers Decl.) at ¶¶ 8–11. Each year, Adcraft makes significant investments in labor through supporting its network of aftermarket services, including through employment costs associated with Adcraft employees, independent repair technicians, and service coordinators. Exh. 1 (Powers Decl.) at ¶ 7. For a more detailed description of Adcraft’s substantial investments in the domestic industry, *see* Exh. 1 (Powers Decl.) at ¶¶ 2–12.

97. Vulcan has invested and continues to invest in the design, engineering, testing, distribution and service of foodservice equipment in the domestic industry. Through its network of distributors and dealers throughout the United States, Vulcan makes significant investment in plant, equipment, labor, and capital to the foodservice equipment domestic industry. Among other things, Vulcan’s network of dealers deliver and install Vesta products for Vulcan’s end-user customers. Exh. 7 (Mohamed Decl.) at ¶ 10. In addition, Vulcan invests and continues to invest in facility space throughout the United States. Exh. 7 (Mohamed

Decl.) at ¶ 11. For a more detailed description of Vulcan's substantial investments in the domestic industry, *see* Exh. 7 (Mohamed Decl.) at ¶¶ 2–11.

98. Entrée has invested and continues to invest in the distribution and service of foodservice equipment in the domestic industry. Entrée maintains a staff of trained employees whose sole responsibility is to provide technical support to service technicians throughout the country. Exh. 8 (Sucheki Decl.) at ¶ 7. These employees offer live advice, instructions, and technical know-how to service technicians in real-time while they service Vesta-manufactured foodservice equipment products to assist them in the service and repair of these products under warranty obligations. Exh. 8 (Sucheki Decl.) at ¶ 7. Further, Entrée has invested and continues to invest in facility space in the United States related to its extensive aftermarket services network. Exh. 8 (Sucheki Decl.) at ¶ 11. Each year, Entrée makes significant investments in labor through supporting its network of aftermarket services, including through employment costs associated with Entrée employees, independent repair technicians, and service coordinators. Exh. 8 (Sucheki Decl.) at ¶¶ 7, 10. For a more detailed description of Entrée's substantial investments in Complainants' domestic industry, *see* Exh. 8 (Sucheki Decl.) at ¶¶ 3–11.

99. ITW, on Vesta's behalf, employs a North American Business Development Manager located in South Bend, Indiana. This employee is responsible for supporting Vesta's U.S. customers and helping advance the design, development and distribution of Vesta's products in the U.S. market.

100. Dealers and distributors of Vesta, Vulcan, Adcraft, and Entrée also invest domestically in Vesta-manufactured products insofar as they expend time and resources in the installation of these products at the site of the end user. Inasmuch as most of these products

are used in commercial establishments and must be installed in compliance with various building codes, installation is usually undertaken by professionals. Complainants intend to seek discovery about the size and nature of these investments.

101. While Vesta's manufacturing operations are primarily located abroad, the work of ITW, Vulcan, Adcraft, Entrée, other Vesta customers, and the dealers and distributors of Vesta-manufactured products add substantial value to the Vesta-manufactured products.

**B. Injury to the Domestic Industry**

102. Respondents have utilized the Vesta Trade Secrets in importation and sale into the United States of foodservice equipment to harm the domestic industry by unfairly competing with Vesta, Entrée, Adcraft, and Vulcan's distribution, sales, and services. All Respondents are involved, with knowledge of the stolen trade secrets, in the importation and/or sale of the Accused Products.

103. Respondents Rebenet, Mr. Zhou, Mr. Jiang, and Mr. Ma knowingly used the Vesta Trade Secrets in order to unlawfully compete with Vesta. By utilizing at least the BOM lists, BOMMS, MCMS, technical drawings, and Vesta proprietary molds through its misrepresentations to confidential Vesta suppliers, Rebenet leap-frogged decades of research and development to begin production of Vesta product knock-offs with minimal effort. In addition, Respondents Rebenet, Ace Plus, Liangsheng, Mr. Zhou, Mr. Jiang, Mr. Ma, and Mr. Zeng utilized Vesta's commercial trade secrets such as its customer lists and confidential commercial terms to directly target Vesta's customers and its sales network and offer its knock-off products at significantly lower pricing. This unlawful competition has caused direct economic injury to the Complainants' domestic industry, as further described below, and indirect injury to the reputation of Vesta and ITW.

104. More specifically, information Mr. Zhou and Mr. Jiang stole from Vesta including, among other things, BOM lists, BOMMS, MCMS, technical drawings, and confidential lists have allowed Rebenet to inexpensively manufacture foodservice equipment products that matches the quality and design of those offered by Vesta—and products that its agents William Zeng, Ace Plus, and Liangsheng represent are “same as Vesta.”

105. Similarly, the commercial Vesta Trade Secrets taken by Respondents including Vesta’s proprietary customer lists and confidential pricing and sales terms were used to target Vesta’s customers and sales network with commercial terms that Respondents knew would undercut Vesta’s products.

106. Competition from Respondents’ sale of Rebenet Accused Products has caused substantial injury in the United States and threatens to cause substantial injury in the future. Sales of Respondents’ Accused Products have cost Entrée, Adcraft, and/or Vulcan: (a) lost sales; (b) reduction in revenue and profits; and (c) lost market position. Exh. 8 (Suchecky Decl.) at ¶¶ 13–15; Exh. 1 (Powers Decl.) at ¶¶ 14–20. Respondents sell the Accused Products to both competing distributors and downstream customers of Entrée, Adcraft, and Vulcan. Exh. 8 (Suchecky Decl.) at ¶ 14; Exh. 1 (Powers Decl.) at ¶¶ 15–16.

107. More specifically, Adcraft, which purchases and resells Vesta’s entire line of commercial gas foodservice equipment under its own BLACK DIAMOND brand, has lost substantial annual revenue and profits from sales to customers who have ceased purchasing gas equipment from Adcraft in favor of Rebenet. Exh. 1 (Powers Decl.) at ¶¶ 15, 18. Adcraft now also faces increased competition from other distributors like Saba Corporation that purchase directly from Respondents. Exh. 1 (Powers Decl.) at ¶¶ 15–18.

108. Similarly, Entrée, which also sells Vesta products under its own brand, and one of Entrée's distributors in North Carolina, now face direct competition from Rebenet, which is selling foodservice equipment directly to another distributor based in North Carolina.

109. By stealing and using the Vesta Trade Secrets, Respondents have been able to offer prices consistently lower than Vesta, Adcraft, Entrée, Vulcan and others. Exh. 4 (Li Decl.) ¶ 56. As a result, both Entrée and Adcraft have lost business, and stand to be further harmed in the form of future lost sales, market share, and revenues. Exh. 8 (Sucheki Decl.) at ¶¶ 12–15; Exh. 1 (Powers Decl.) at ¶¶ 14–20.

110. Sales of the Accused Products also threaten to further injure the domestic industry in the future. Exh. 4 (Li Decl.) at ¶¶ 56–58; Exh. 1 (Powers Decl.) at ¶ 20; Exh. 8 (Sucheki Decl.) at ¶ 15; Exh. 7 (Mohamed Decl.) at ¶ 13. Respondents have been actively importing and selling the Accused Products to dealers in the United States to unfairly compete with Complainants and their customers, offering pricing that is lower than the Complainants' and their customers, and representing the Accused Products as the same as Vesta's products. Upon information and belief, Respondents have plans to continue and expand their importation and sale of Accused Products in the U.S., and Rebenet has sufficient production capacity or has plans to increase its production capacity to meet the expansion. On information and belief, Respondents' unfair acts will result in further lost sales, reduction in revenue, and lost market position of the Complainants and their customers.

111. As set forth below, Complainants seek, among other things, a limited exclusion order for a period of at least 20 years in duration based on the amount of time it took Vesta to develop the Vesta Trade Secrets. The Vesta Trade Secrets represent intensive effort to research, design, develop, manufacture, test, market, distribute, and sell its current product

catalog using the processes and relationships it has taken time and care to develop. It would have taken Rebenet at least 20 years to get to where Vesta is today had it not simply stolen Vesta's business.

## **XI. RELIEF REQUESTED**

112. Complainants respectfully requests that the United States International Trade Commission:

- (i) institute an immediate investigation, pursuant to Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, into the unlawful importation into the United States, the sale and importation into the United States by Respondents of certain foodservice equipment and components thereof that were designed, developed, manufactured or marketed using or otherwise benefitting from (1) use of the Vesta Trade Secrets misappropriated by Respondents, (2) Respondents' breach of employment and confidentiality agreements, or (3) Respondents' tortious interference with Vesta's contractual relations;
- (ii) determine that Respondents' importation, sale and importation into the United States of certain foodservice equipment and components thereof that were designed, developed, manufactured or marketed using or otherwise benefitting from (1) use of the Vesta Trade Secrets misappropriated by Respondents, (2) Respondents' breach of employment and confidentiality agreements, or (3) Respondents' tortious interference with Vesta's contractual relations, constitute one or more violations of Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337;

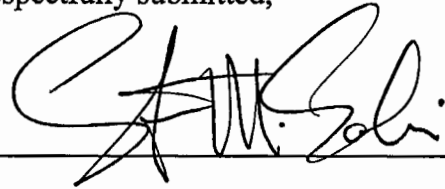


- (iii) issue a limited exclusion order, pursuant to Section 337(d) of the Tariff Act of 1930, as amended, excluding from entry into the United States all foodservice equipment and components thereof imported, sold for importation, and/or sold after importation by Respondents into or within the United States, that were designed, developed, manufactured or marketed using or otherwise benefitting from (1) use of the Vesta Trade Secrets misappropriated by Respondents, (2) Respondents' breach of employment and confidentiality agreements, or (3) Respondents' tortious interference with Vesta's contractual relations, that is permanent or for a period of twenty (20) years;
- (iv) issue a permanent cease and desist order, pursuant to 19 U.S.C. § 1337(f), prohibiting Respondents, their affiliates, subsidiaries, agents, and others acting on their behalf, from importing, marketing, advertising, demonstrating, warehousing inventory for distribution, distributing, offering for sale, selling, licensing, repairing, maintaining, updating, using, testing, or transferring outside the United States for sale in the United States any foodservice equipment and components thereof that were designed, developed, manufactured, or marketed using (1) the Vesta Trade Secrets misappropriated by Respondents, (2) the unfair advantage gained from Respondents' breach of employment and confidentiality agreement, or (3) the unfair advantage gained from Respondents' tortious interference with Vesta's contractual relations;
- (v) impose a bond during the 60-day Presidential review period pursuant to 19 U.S.C. § 1337(e)(1) and (f)(1) to prevent further injury to Complainants and their related domestic industry; and

- (vi) issue such other and further relief as the Commission deems just and proper based on the facts determined by the investigation and the authority of the Commission.

Dated this 30th day of May, 2019.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sturgis M. Sobin", is written over a horizontal line.

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