

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

SPRINT SOLUTIONS, INC. and SPRINT
COMMUNICATIONS COMPANY L.P.,

Plaintiffs,

v.

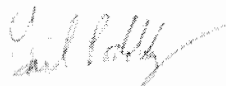
LIANG JIN SHAO, individually and d/b/a
LEO'S COMPUTER REPAIR and LIBERTY
LAUNDROMAT,

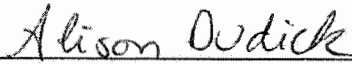
Defendants.

Civil Action No: 2:14-cv-00545-JHS

**STIPULATION FOR ENTRY OF FINAL JUDGMENT AND
PERMANENT INJUNCTION AGAINST DEFENDANTS
LIANG JIN SHAO, INDIVIDUALLY AND D/B/A
LEO'S COMPUTER REPAIR AND LIBERTY LAUNDROMAT**

Plaintiffs Sprint Solutions, Inc. and Sprint Communications Company L.P. and Defendants Liang Jin Shao, individually and d/b/a Leo's Computer Repair and Liberty Laundromat, hereby stipulate and agree to the entry of the Final Judgment and Permanent Injunction Against Defendants Liang Jin Shao, Individually and d/b/a Leo's Computer Repair and Liberty Laundromat, filed with this stipulation in the form attached hereto at **Exhibit 1-A**.

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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

SPRINT SOLUTIONS, INC. and SPRINT)
COMMUNICATIONS COMPANY L.P.,)
)
Plaintiffs,)
) Civil Action No: 2:14-cv-00545-JHS
v.)
)
LIANG JIN SHAO, individually and d/b/a)
LEO'S COMPUTER REPAIR and LIBERTY)
LAUNDROMAT,)
)
Defendants.)
_____)

**FINAL JUDGMENT AND PERMANENT INJUNCTION AGAINST
DEFENDANTS LIANG JIN SHAO, INDIVIDUALLY AND D/B/A
LEO'S COMPUTER REPAIR AND LIBERTY LAUNDROMAT**

Plaintiffs Sprint Solutions, Inc. and Sprint Communications Company L.P. (collectively, "Sprint" or "Plaintiffs") brought the above-captioned lawsuit against Defendants Liang Jin Shao, individually and d/b/a Leo's Computer Repair and Liberty Laundromat (collectively, "Defendants"), alleging that Defendants are engaged in an enterprise involving the unauthorized and deceptive purchase and resale of specially-manufactured wireless telephones designed for use on Sprint's wireless service, including the Sprint iPhone (collectively, "Sprint Phones" or "Sprint Handsets" or "Phones" or "Handsets"), the theft of Sprint's subsidy investment in the Phones, the unlawful access of Sprint's protected computer systems and wireless network, the trafficking of Sprint's protected and confidential computer passwords, and the willful infringement of Sprint's trademarks (collectively, the "Bulk Handset Trafficking Scheme" or the "Scheme").

Sprint Phones are sold subject to terms and conditions (“Terms and Conditions”) which conspicuously restrict and limit the sale and use of the Phones. These Terms and Conditions are set forth in printed inserts that are packaged with each Phone and are posted on Sprint’s website. Pursuant to the Terms and Conditions of Sprint Phones, purchasers agree, among other things: (a) to pay the monthly service charges and other related fees; (b) to pay an Early Termination Fee (“ETF”) for each line of service that is terminated before the contract term is concluded; (c) to activate the Sprint Phones on the Sprint CDMA network; (d) not to resell the Sprint Phones and related products and services; and (e) not to use the Phones for a purpose that could damage or adversely affect Sprint.

Sprint has asserted claims against Defendants for breach of contract, unfair competition, tortious interference with business relationships and prospective advantage, civil conspiracy, unjust enrichment, conspiracy to induce breach of contract, common law fraud, fraudulent misrepresentation, violations of the federal Computer Fraud and Abuse Act, 18 U.S.C. § 1030, *et seq.*, federal trademark infringement under 15 U.S.C. § 1114, federal common law trademark infringement and false advertising under 15 U.S.C. § 1125(a)(1)(A) and (B), contributory trademark infringement, conversion and injury to business or reputation and dilution of trademarks under 54 Pa.C.S.A. § 1124.

Defendants have filed an Answer and Affirmative Defenses in which they deny each of Sprint’s allegations and claims.

Based on the agreement of the parties, and having reviewed the Complaint and file and being otherwise duly and fully advised in the premises, it is hereby:

ORDERED, ADJUDGED and DECREED that:

1. This Court has jurisdiction over all the parties and all of the claims set forth in Sprint's Complaint.

2. The Court finds that Sprint has the right to use and enforce rights in the standard character Sprint® mark and stylized Sprint® trademarks (collectively, the "Sprint Marks"), as depicted below:



Sprint uses the Sprint Marks on and in connection with its telecommunications products and services. The Sprint Marks are valid, distinctive, protectable, famous, have acquired secondary meaning, and are associated exclusively with Sprint.

3. The Court finds that the Terms and Conditions and the language in and on the packaging constitute a valid and binding contract. The Court finds that (a) failing to pay for monthly service charges; (b) failing to pay ETF fees; (c) failing to activate the Phones on the Sprint wireless network; (d) reselling and exporting the Sprint Phones and related products and services; and (e) using the Phones for a purpose that could damage or adversely affect Sprint, constitute independent breaches of contract for which Sprint would be entitled to relief.

4. The Court finds that the conduct alleged in the Complaint, if proven, would constitute violations of the Lanham Act, 15 U.S.C. §§ 1114 and 1125(a)(1)(A) and (B) (federal trademark infringement and false advertising). The Court further finds that the alleged conduct, if proven, would constitute breach of contract, unfair competition, tortious interference with business relationships and prospective advantage, civil conspiracy, unjust enrichment, conspiracy to induce breach of contract, common law fraud, fraudulent misrepresentation, violations of the federal Computer Fraud and Abuse Act, 18 U.S.C. § 1030, *et seq.*, contributory trademark

infringement, conversion and injury to business or reputation; dilution of trademarks 54 Pa.C.S.A. § 1124.

5. Sprint has suffered damages, including loss of goodwill and damage to its reputation, as a result of Defendants' alleged conduct. On review and consideration of all relevant factors, Sprint is entitled to damages and injunctive relief on the claims as set forth in the Complaint.

6. Final judgment is hereby entered against Defendants Liang Jin Shao, individually and d/b/a Leo's Computer Repair and Liberty Laundromat, jointly and severally, and in favor of the Plaintiffs, on all of the claims set forth in Plaintiffs' Complaint in the principal amount of One Million Dollars and Zero Cents (\$1,000,000.00 (U.S.)), which shall bear interest at the legal rate, for which let execution issue.

7. Defendants and all of their past and present agents, employees, heirs, personal representatives, beneficiaries, relatives, and all other persons or entities acting or purporting to act for them or on their behalves, including, but not limited to, any corporation, partnership, proprietorship or entity of any type that is in any way affiliated or associated with Defendants or Defendants' representatives, agents, assigns, employees, independent contractors, associates, servants, and any and all persons and entities in active concert and participation with Defendants who receive notice of this Order, shall be and hereby are PERMANENTLY ENJOINED from:

- a. purchasing, selling, unlocking, reflashing, altering, advertising, soliciting and/or shipping, directly or indirectly, any Sprint Phones;
- b. supplying Sprint Phones to or facilitating or in any way assisting other persons or entities who Defendants know or should know are engaged in the purchase or sale of Sprint Phones or hacking, altering, erasing,

tampering with, deleting or otherwise disabling the software installed in Sprint Phones;

- c. engaging in any of the conduct described in the Complaint as the “Bulk Handset Trafficking Scheme;”
- d. supplying Sprint Phones to or facilitating or in any way assisting other persons or entities who Defendants know or should know are engaged in any of the acts prohibited under this Permanent Injunction, including, without limitation, the buying and/or selling of Sprint Phones; and
- e. knowingly using the Sprint Marks or any other trademark, service mark, trade name and/or trade dress owned or used by Sprint now or in the future, or that is likely to cause confusion with Sprint’s Marks, without Sprint’s prior written authorization.

8. The purchase, sale or shipment of any Sprint Phones without Sprint’s prior written consent within and/or outside of the continental United States is and shall be deemed a presumptive violation of this permanent injunction.

9. The addresses of Defendants are as follows:

Liang Jin Shao
705 W. Bristol Street
Philadelphia, Pennsylvania 19140


Liberty Laundromat
705 W. Bristol Street
Philadelphia, Pennsylvania 19140

10. Defendants waive any and all rights to challenge the validity of this Final Judgment in this Court or in any other court, and specifically waive their right of appeal from the entry of this Final Judgment.

11. The Court retains jurisdiction over this matter and the parties to this action in order to enforce any violation of the terms of this Permanent Injunction.

12. The Court hereby finds, pursuant to Fed. R. Civ. P. 54(b), that there is no just reason for delay and orders that Judgment shall be entered against Defendants as set forth herein.

DONE AND ORDERED this 28th day of October, 2014.


UNITED STATES DISTRICT JUDGE