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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

ALAN GIANA, on behalf of himself
and all others similarly situated,

Plaintiff,

vs.

SHEIN DISTRIBUTION CORP.;
ROADGET BUSINESS PTE., LTD.
d/b/a SHEIN; SHEIN TECHNOLOGY,
LLC; SHEIN US SERVICES, LLC;
and DOES 1-10,

Defendants.

Case No.: 2:25-cv-08637-SRM-ASx

**DEFENDANTS' MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT OF MOTION TO DISMISS
PLAINTIFF'S COMPLAINT**

Judge: Hon. Serena R. Murillo

Hearing Date: April 29, 2026

Time: 1:30 PM

Courtroom 5D, 5th Floor

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PRELIMINARY STATEMENT

This is not Plaintiff Alan Giana’s first bite at the apple. In April 2024, he sued Defendants in the Southern District of New York alleging ordinary copyright infringement over one of Plaintiff’s alleged artworks at issue in this case, “Coastal Escape.” The court (Rakoff, J.) granted Defendants’ motion to dismiss for lack of personal jurisdiction. Plaintiff now asks this Court to convert what was previously a routine copyright case over a few works into a sprawling copyright and RICO class action. As alleged, Defendants Shein Distribution Corporation, Shein US Services, LLC, Shein Technology, LLC, and Roadget Business Pte. Ltd. (collectively “Defendants” or “Shein”) jointly operate a popular e-commerce platform. Plaintiff claims that this platform is part of Shein’s broader scheme of criminal activity.

Plaintiff’s attempt to equate Shein with a criminal enterprise based on alleged copyright infringement of a handful of works out of the millions on its platform is fanciful and severely misguided. The RICO claims fail on multiple, independent grounds and must be dismissed. Many of the same fatal flaws infect Plaintiff’s civil copyright infringement claim, requiring dismissal of that claim as well.

Styled as a class action,¹ this case involves four paintings which Plaintiff alleges were offered for sale on Defendants’ e-commerce website without his authorization: “Coastal Escape,” “Cape May Light,” “Rays of Hope III,” and “Winter Barn III.” In addition to bringing a claim for civil copyright infringement, Plaintiff contends Defendants engaged in criminal copyright infringement and invokes the Racketeer Influenced and Corrupt Organizations Act (“RICO”), a statute enacted to combat organized crime.

¹ Plaintiff’s class action allegations are also substantively flawed. Those issues will be addressed, if necessary, when Plaintiff seeks class certification assuming any of Plaintiff’s claims can survive motions to dismiss.

1 To make that leap, Plaintiff must plausibly allege that Defendants operated a
2 criminal enterprise distinct from their ordinary business; that each Defendant
3 participated in the criminal enterprise; that they committed willful criminal copyright
4 infringement knowing their conduct was unlawful, thereby establishing RICO
5 predicates; and that they engaged in a pattern of racketeering activity. The Complaint
6 does not plausibly allege any of these elements.

7 At the threshold, the Complaint fails to allege a distinct RICO enterprise. The
8 purported “enterprise” is indistinguishable from Defendants’ ordinary e-commerce
9 business. Alleging that a business conducted regular activities unlawfully does not
10 transform it into a distinct criminal enterprise. This alone is fatal to the RICO claim.

11 Nor does the Complaint plausibly allege that any Defendant conducted or
12 directed the alleged enterprise. Beyond conclusory recitations of statutory language,
13 the Complaint describes Defendants acting in their standard corporate roles for their
14 own business affairs, not operating a criminal organization.

15 The Complaint also fails to plausibly allege criminal copyright infringement,
16 the purported RICO predicate. First, Plaintiff must allege that Defendants engaged in
17 infringing conduct within the U.S. because the Copyright Act does not apply
18 extraterritorially. The Complaint fails to do so; in fact, the allegations suggest the
19 purportedly infringing conduct occurred outside the U.S., which is insufficient to state
20 a claim for copyright infringement. Second, criminal copyright infringement requires
21 willful infringement of the specific works at issue. The Complaint emphasizes that
22 the alleged copying occurred through automated systems operating “with no human
23 intermediary.” There are no facts plausibly alleging that any Defendant recognized
24 Plaintiff’s works, knew they were copyrighted, or consciously decided to copy them.
25 As the statute provides, and as is particularly salient in automated contexts,
26 “reproduction or distribution of a copyrighted work, by itself,” cannot establish the
27 specific knowledge required for criminal liability. 17 U.S.C. § 506(a)(2).
28

1 Even if Plaintiff had adequately alleged predicate acts, the Complaint fails to
2 establish a pattern of racketeering activity. Plaintiff alleges that four of his paintings
3 were used on products that were made available on Defendants' platform but provides
4 virtually no details on when it occurred or how long it persisted, facts which are
5 necessary to establish a pattern. Plaintiff attempts to fill this gap by citing materials
6 he found online about unrelated copyright infringement claims brought by others
7 against Defendants. But internet posts are not plausible allegations, and the existence
8 of other lawsuits does not prove criminal copyright infringement.

9 Because the substantive RICO claim fails on multiple grounds, Plaintiff's
10 derivative RICO conspiracy claim must also be dismissed. Plaintiff's effort to "make
11 a mountain out of a mole hill" through conclusory and factually unsubstantiated RICO
12 allegations should be rejected and the RICO claims dismissed.

13 Finally, Plaintiff does not allege plausible facts supporting his claim for civil
14 copyright infringement. The Complaint is devoid of facts alleging the role of any
15 particular Defendant in the alleged infringement and, as noted above, there are no
16 facts demonstrating that the alleged infringing conduct occurred within the U.S.
17 Further, copyright infringement requires volitional conduct by the defendant, yet the
18 Complaint alleges that the purported infringement was accomplished through
19 automated systems without human interaction. Thus, the copyright infringement
20 claim should be dismissed as well.

21 **FACTUAL BACKGROUND**

22 **A. The Parties**

23 Plaintiff Alan Giana is a Florida citizen working as a digital artist and painter.
24 Compl. ¶ 19. He creates and licenses artwork for commercial use and registers his
25 copyrights with the U.S. Copyright Office. *Id.* ¶¶ 19, 56–61. He has been creating
26 and licensing art for approximately forty years. *Id.* ¶ 56.

27 The Complaint names four Shein-related entities as Defendants:
28

- 1 • **Shein Distribution Corporation.** A Delaware corporation with its
2 principal place of business in 777 S. Alameda Street, Los Angeles,
3 California 90021. Compl. ¶ 21(a). The Complaint alleges that Shein
Distribution “sells products in the United States through the Shein
mobile apps and websites.” *Id.*
- 4 • **Roadget Business Pte., Ltd.** A Singaporean entity which allegedly
5 “owns the Shein trademarks in the United States, as well as the Shein
6 websites and mobile apps” and has “responsibility for developing new
7 products for sale in the United States.” Compl. ¶ 21(b).
- 8 • **Shein Technology, LLC.** A Delaware corporation with its principal
9 place of business in 777 S. Alameda Street, Los Angeles, California
10 90021. Compl. ¶ 21(c). Shein Technology allegedly “identifies itself as
11 a U.S. technology company that supports Defendant Shein Distribution
12 Corporation’s sale of Shein products in the United States.” *Id.*
- 13 • **Shein US Services, LLC.** A Delaware corporation with its principal
14 place of business in 777 S. Alameda Street, Los Angeles, California
15 90021. Compl. ¶ 21(d). Shein US Services allegedly “identifies itself
16 as a services provider that supports Defendant Shein Distribution’s sale
17 of Shein products in the United States.” *Id.*

18 According to the Complaint, Defendants comprise an “e-commerce
19 conglomerate with annual revenue of over \$30 billion.” *Id.* ¶ 1. They operate in the
20 “fast fashion” industry, which Plaintiff characterizes as involving rapid production
21 cycles and competitive pricing. *Id.* ¶¶ 5, 29–30.

22 **B. Defendants’ Alleged Business Model**²

23 The Complaint alleges that Defendants rely on automated systems to identify
24 and select designs for use on products sold through their platforms. Specifically, it
25 states Defendants use “sophisticated algorithmic systems or other standardized
26 methods—including, without limitation, ‘artificial intelligence’ or ‘AI,’ algorithm-
27 based methods, data mining, other automated or digital tools, or other systematic
28 methods—to scour the internet for popular works.” Compl. ¶ 3.

29 ² Under the Rule 12(b)(6) standard, Defendants’ analysis assumes the truth of
30 the Complaint’s well-pleaded factual allegations. *See Ashcroft v. Iqbal*, 556 U.S. 662,
31 678 (2009); *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555–56 (2007). This
32 assumption is not an admission; Defendants dispute the Complaint, whose allegations
33 are fanciful, unsubstantiated, and false.

1 According to the Complaint, “Shein’s sophisticated, for-profit surveillance and
2 copying system results—by design—in product listings on Shein’s site that copy and
3 infringe the designs of others.” *Id.* ¶ 33. The Complaint emphasizes the automated
4 nature of this process. It alleges that “in many instances, identical copies of
5 copyrighted works are transmitted directly by Shein’s algorithm-based design system
6 or other systematic methods to Shein’s factories for production, with no human
7 intermediary or compliance process to ensure that the designs are not the property of
8 others.” *Id.* ¶ 5.

9 The Complaint reiterates that “[t]he *automated, algorithmic nature* of
10 Defendants’ copying makes their infringement inherently systematic.” *Id.* ¶ 49
11 (emphasis added). Plaintiff alleges that this process occurs at significant scale, with
12 “rapid mass production, generating thousands of new products per day.” *Id.* ¶¶ 5, 102.

13 **C. The Four Allegedly Infringed Works**

14 Plaintiff alleges that Defendants infringed four specific works:

- 15 • “**Coastal Escape**” (Reg. No. VAu# 1-110-099), which allegedly
16 appeared online for sale as “Beach Print DIY Diamond Painting Without
Frame.” *Id.* ¶¶ 65–67.
- 17 • “**Cape May Light**” (Reg. No. VAu# 691-995), which allegedly
18 appeared online for sale as “Cape May Sand Fence Lighthouse Canvas
Art Print” and which “currently remains for sale.” *Id.* ¶¶ 68–71.
- 19 • “**Rays of Hope III**” (Reg. No. VAu# 1-158-537), which allegedly
20 appeared online for sale as “1pc Stunning Faux Window Lighthouse
Beach View Canvas Wall Art,” and which “remains for sale on Shein.”
21 *Id.* ¶¶ 72–74.
- 22 • “**Winter Barn III**” (Reg. No. VAu# 1-273-170), which allegedly
23 appeared online for sale as a puzzle. *Id.* ¶¶ 75–77.

24 Each allegation uses identical language: “Defendants’ algorithmic technology
25 or other systematic methods identified [the allegedly infringed work] on the web and
26 copied it without authorization for display and sale as Shein products.” *Id.* ¶¶ 66, 69,
27 73, 76. Plaintiff claims each act of infringement constitutes criminal copyright
28 infringement—the alleged predicate acts under RICO. *Id.* ¶¶ 87–88.

1 Beyond identifying the works and describing the products, Plaintiff does not
2 specify when each alleged infringement occurred, which Defendant was allegedly
3 responsible for identifying, copying, displaying, manufacturing, or selling any
4 particular work, or whether Defendants received any notice from Plaintiff about these
5 works before this lawsuit was filed.

6 **D. Plaintiff's RICO Allegations**

7 To support his RICO claim, Plaintiff alleges that the four Shein entities
8 “operate as an association-in-fact enterprise with the common purpose of advancing
9 Shein’s business of selling clothing and apparel while systematically
10 misappropriating and profiting from the intellectual property of others.” *Id.* ¶ 84.
11 This purported enterprise consists of the same entities that comprise Defendants’
12 ordinary e-commerce operations. *Id.* ¶¶ 82, 84.

13 Beyond that, the Complaint identifies no criminal conduct by any Defendant.
14 As alleged, it describes routine business functions of each: Shein Distribution is a
15 “seller and payment collection entity” that “handles U.S. sales and distribution;”
16 Roadget “owns the intellectual property and digital platforms;” Shein Technology
17 “operates the automated, algorithmic, systemic and/or AI-driven systems;” and Shein
18 US Services “provides operational support.” *Id.* ¶¶ 15, 82. The infringement
19 allegations are equally sparse, asserting that Defendants’ “algorithmic technology or
20 other systematic methods” wronged Plaintiff. *Id.* ¶¶ 66, 69, 73, 76.

21 The Complaint also fails to plead plausible facts establishing Defendants’
22 knowledge or intent to infringe Plaintiff’s works. Instead, Plaintiff mimics the
23 statutory language by asserting in conclusory fashion that Defendants “willfully
24 infringed” Plaintiff’s copyrights “for the purposes of commercial advantage and
25 private gain,” *id.* ¶¶ 88–89, without any facts supporting that conclusion. The
26 Complaint does not allege that any Defendant knew of Plaintiff or his works,
27 recognized their copyrighted status, reviewed them, or made a deliberate decision to
28 copy them. To the contrary, Plaintiff’s “central theory,” which is also factually

1 unsupported, refutes any plausible claim of infringement because the Complaint
2 alleges that Defendants employ “standardized, systematic, and/or automated
3 practices” that result in “systemic” infringement. *Id.* ¶¶ 2, 18. Without volitional
4 conduct by Defendants, including concrete allegations of specific infringing acts by
5 each Defendant, Plaintiff has not pleaded claims for civil or criminal copyright
6 infringement.

7 ARGUMENT

8 I. PLAINTIFF’S SECOND CAUSE OF ACTION FOR AN ALLEGED 9 RICO VIOLATION UNDER 18 U.S.C. § 1962(C) SUFFERS FROM 10 MULTIPLE FATAL DEFICIENCIES AND SHOULD BE DISMISSED

11 To state a civil RICO claim under 18 U.S.C. § 1962(c), a plaintiff must allege:
12 “(1) the conduct of (2) an enterprise that affects interstate commerce (3) through a
13 pattern (4) of racketeering activity or collection of unlawful debt” which was “(5) the
14 proximate cause of harm to the victim.” *Eclectic Props. E., LLC v. Marcus &*
15 *Millichap Co.*, 751 F.3d 990, 997 (9th Cir. 2014). “Racketeering activity” is
16 established by predicate acts “indictable” or “chargeable” under the criminal statutes
17 enumerated in 18 U.S.C. § 1961(1). The Complaint fails to sufficiently allege an
18 enterprise, conduct, any predicate acts, or a pattern, rendering the second cause of
19 action subject to dismissal.

20 A. Plaintiff Fails to Adequately Allege The Existence of a RICO 21 Enterprise Distinct From Defendants.

22 Congress enacted RICO to address “organized” criminal conduct where
23 individuals or groups “infiltrate,” or “corrupt” organizational structures to carry out
24 sustained wrongdoing—for example, mobsters taking over “legitimate business and
25 labor unions.” Pub. L. No. 91-452, 84 Stat. 922-23 (1970) (Congressional Statement
26 of Findings and Purpose). For that reason, Section 1962(c) requires a RICO plaintiff
27 to plead two distinct elements: a “person” who commits the alleged racketeering and
28 an “enterprise” through which those acts are conducted. *See In re Toyota Motor Corp.*

1 *Unintended Acceleration Mktg., Sales Pracs., & Prods. Liab. Litig.*, 826 F. Supp. 2d
2 1180, 1202–03 (C.D. Cal. 2011). Thus, the enterprise being corrupted must be
3 meaningfully distinct from the defendant; it cannot be the same entity “referred to by
4 a different name.” *Ellis v. J.P. Morgan Chase & Co.*, 950 F. Supp. 2d 1062, 1087–
5 88 (N.D. Cal. 2013).

6 As an initial matter, Plaintiff fails to identify any “person” distinct from the
7 “enterprise.” Plaintiff alleges that “[t]he Shein Defendants constitute an ‘enterprise,’”
8 Compl. ¶ 130, yet nowhere identifies the putative RICO “person.” This failure
9 requires dismissal. *Wheeler v. Thomas F. White & Co.*, 1998 WL 239266, at *8 (C.D.
10 Cal. Mar. 19, 1998) (failure to identify any of RICO’s elements insufficient), *aff’d*,
11 229 F.3d 1161 (9th Cir. 2000); *see also Pelfresne v. Vill. of Rosemont*, 174 F.R.D. 72,
12 78 (N.D. Ill. 1997) (failure to “identify the RICO ‘persons’” insufficient).

13 Plaintiff’s conclusory allegation that “[t]he Shein Defendants constitute an
14 ‘enterprise’” is also insufficient. Compl. ¶ 130. The Complaint alleges the
15 enterprise’s common purpose is “advancing Shein’s business of selling clothing and
16 apparel while systematically misappropriating and profiting from the intellectual
17 property of others.” Compl. ¶¶ 84, 131. Simply alleging that Defendants carried out
18 their primary business activity illegally fails to adequately allege a RICO enterprise.

19 *In re Toyota* (“*Toyota*”) illustrates this principle. 826 F. Supp. 2d 1180. There,
20 plaintiffs alleged Toyota, its parent, and its subsidiaries formed a RICO enterprise that
21 knowingly sold vehicles with acceleration defects they concealed. *Id.* at 1199–1200.
22 The court dismissed the RICO claims, holding plaintiffs merely alleged that
23 “Defendants’ primary business activity—the design, manufacture, and sale or lease
24 of Toyota vehicles—was conducted fraudulently.” *Id.* at 1202–03. Relying on
25 Supreme Court precedent, the court held that the corporation cannot be both the
26 “person” and “the tool” for criminal conduct. *Id.* As in *Toyota*, Plaintiff “merely
27 allege[s] that the Defendants are associated in a manner directly related to their own
28 primary business activities, which is insufficient to state a claim under § 1962(c).” *Id.*

1 Plaintiff's conclusory allegation that Defendants are "systematically
2 misappropriating" intellectual property makes no difference. Courts have repeatedly
3 held that relabeling ordinary business conduct as fraudulent or illegal does not create
4 a RICO enterprise. *In re JUUL Labs, Inc., Mktg., Sales Pracs., & Prods. Liab. Litig.*,
5 497 F. Supp. 3d 552, 599 (N.D. Cal. 2020); *Shaw v. Nissan N. Am., Inc.*, 220 F. Supp.
6 3d 1046, 1054 (C.D. Cal. 2016) ("reject[ing] attempts to characterize routine
7 commercial relationships as RICO enterprises.") (citation omitted).

8 *JUUL* is also instructive. In that case the plaintiffs alleged that JUUL and its
9 affiliates formed a "Nicotine Market Expansion Enterprise" to market vaping and
10 smoking products. 497 F. Supp. 3d at 596. The alleged goal was to entrench market
11 share by causing the public at large, and youth specifically, to become addicted to
12 nicotine or maintain addiction. *Id.* at 596–98. The court dismissed the RICO claims,
13 holding that JUUL and others were conducting their regular business—albeit,
14 allegedly fraudulently—and that failed to establish a distinct enterprise for purposes
15 of RICO. *Id.* at 598–600 (citing *Toyota* and *Shaw*).

16 So too here. Even accepting Plaintiff's farfetched allegations as true, they
17 merely describe Defendants conducting "the legitimate [business] of selling clothing
18 and fashion products" through unlawful means. Compl. ¶ 131. But alleging that
19 regular "business activity...was conducted fraudulently" is insufficient to establish a
20 RICO enterprise. *In re JUUL*, 497 F. Supp. 3d at 599 (citation omitted); *Toyota*, 826
21 F. Supp. 2d at 1202–03.

22 Confirming this deficiency, the Complaint identifies only standard corporate
23 functions for each Defendant:

- 24 • Shein Distribution "handles U.S. sales and distribution."
- 25 • Roadget "owns the intellectual property and digital platforms, including
26 the Shein website and app."
- 27 • Shein Technology "operates the automated, algorithmic, systemic,
28 and/or AI-driven copying systems."

- Shein US Services “provides operational support in the United States, including by running the Shein website and app.”

Compl. ¶ 82.

Moreover, the law is clear that a “parent corporation and its subsidiaries do not together constitute a RICO ‘enterprise,’” particularly where they operate as parts of a single corporate structure. *See Yagman v. Kelly*, 2018 WL 2138461, at *15 (C.D. Cal. Mar. 20, 2018); *BSA Framing, Inc. v. Applied Underwriters, Inc.*, 2018 WL 11462083, at *7–8 (C.D. Cal. Feb. 27, 2018) (dismissing complaint where “indicate[d] that the [] Defendants were ‘acting within the scope of a single corporate structure, guided by a single corporate consciousness’”) (citation and quotations omitted).

Defendants Shein Distribution, Roadget, Shein Technology, and Shein US Services are related corporate entities within a single corporate family. Three share the same principal place of business, Compl. ¶¶ 21(a), 21(c), 21(d), and all four operate under the “Shein” name and perform complementary functions within a unified corporate structure. Plaintiff even alleges these Defendants are all part of an e-commerce “conglomerate.” *Id.* ¶ 1.

At bottom, the alleged enterprise consists of related Shein entities carrying out their normal corporate functions in a way Plaintiff believes is illegal, which is insufficient to state a § 1962(c) claim.

B. Plaintiff Fails to Adequately Allege That Each Defendant Participated In The Conduct of The Enterprise.

RICO does not penalize everyone who touches an allegedly illegal scheme—it reaches only those who “**conduct** or participate ... **in the conduct** of [an] enterprise’s affairs.” 18 U.S.C. § 1962(c) (emphasis added). The Supreme Court has interpreted the term “**conduct**” as requiring “an element of direction,” meaning each defendant must “have some part in directing [the enterprise’s] affairs.” *Reves v. Ernst & Young*, 507 U.S. 170, 177–79 (1993). Without this limitation, anyone even minimally

1 involved with an enterprise—secretaries, delivery personnel, accountants providing
2 audits, lawyers giving advice—could face RICO liability. Simply put, “[m]ore is
3 required than ‘simply being involved.’” *In re WellPoint, Inc. Out-of-Network UCR*
4 *Rates Litig.*, 865 F. Supp. 2d 1002, 1034 (C.D. Cal. 2011). The Ninth Circuit has
5 considered three factors in analyzing direction: whether the defendant: (1) occupies a
6 position in the chain of command, (2) knowingly implements upper management
7 decisions, or (3) plays an indispensable role in achieving the enterprise’s goal. *Walter*
8 *v. Drayson*, 538 F.3d 1244, 1249 (9th Cir. 2008). Performing services for the
9 enterprise does not rise to the level of direction. *Id.*

10 Two cases illustrate the point. In *Walter*, a lawyer allegedly advised trustees
11 who embezzled a family trust. She counseled them not to send monthly reports to
12 beneficiaries and withheld documents herself. 538 F.3d at 1246. Still, the Ninth
13 Circuit held she did not direct the enterprise’s affairs. The attorney provided
14 professional services as an outsider—she held no formal position in the trust and
15 played no part in managing its affairs. *Id.* at 1248.

16 *WellPoint* is also instructive. Insurance companies allegedly created a rigged
17 database to defraud and underpay out-of-network providers. Plaintiffs claimed
18 WellPoint “directed” this scheme by submitting “false” data to the database, making
19 decisions about the database, and using the flawed data to pay less to various
20 providers. 865 F. Supp. 2d at 1016–18. The court dismissed the allegations,
21 explaining that even though WellPoint acted for gain, its actions (like submitting data)
22 showed it was acting for itself and on its own—not controlling or directing what other
23 insurers did. *Id.* at 1034–35.

24 Plaintiff’s allegations fail for similar reasons. Beyond verbatim recitations of
25 statutory language—which are disregarded under *Twombly*, 550 U.S. at 555—the
26 Complaint describes corporate entities performing routine business functions, not
27 Defendants directing affairs of a criminal enterprise. Compl. ¶¶ 21, 82, 86. The
28 Complaint identifies no decision-making hierarchy, no strategic direction from some

1 Defendants implemented by others, and no conduct beyond each entity’s own
2 business operations. RICO liability requires that Defendants “conduct[] or
3 participate[] in the conduct of the ‘*enterprise’s* affairs,’ not just their *own* affairs.”
4 *Reves*, 507 U.S. at 185 (emphasis in original). The Complaint fails to plausibly allege
5 this.

6 **C. Plaintiff Fails to Plausibly Plead a Violation of a Predicate Act**

7 “[A] plaintiff must adequately plead the elements of each predicate act,
8 satisfying the pleading standard that would apply if the predicate act were a stand-
9 alone claim.” *Nutrition Distrib. LLC v. Custom Nutraceuticals LLC*, 194 F. Supp. 3d
10 952, 957 (D. Ariz. 2016); *Villarroel v. Recology Inc.*, 775 F. Supp. 3d 1050, 1070
11 (N.D. Cal. 2025) (similar). Where the alleged predicate acts are insufficiently pled,
12 dismissal is required. *See Eclectic Props.*, 751 F.3d at 997.

13 **1. The Complaint Fails to Allege Infringement Entirely Within**
14 **the United States**

15 As United States “copyright law does not apply” extraterritorially, a plaintiff
16 must allege infringing conduct that occurred “*entirely* within the United States.”
17 *Allarcom Pay Television, Ltd. v. Gen. Instrument Corp.*, 69 F.3d 381, 387 (9th Cir.
18 1995) (emphasis added); *Danjaq, S.A. v. MGM/UA Commc’ns Co.*, 773 F. Supp. 194,
19 202–03 (C.D. Cal. 1991), *aff’d sub nom.*, 979 F.2d 772 (9th Cir. 1992). But the
20 Complaint lacks factual allegations connecting Plaintiff’s four works to actionable
21 infringement occurring entirely within the U.S. While Plaintiff generally alleges that
22 “products and services” are sold by Defendants in the “United States” and in “this
23 District,” Compl. ¶ 15, he fails to allege who did what, how, or where with respect to
24 Plaintiff’s four specific works, offering only conclusory statements—“copied,”
25 “manufactured,” “distributed,” “displayed,” “earned profits.” Compl. ¶¶ 64, 66, 69,
26 73, 76, 127.

27 These missing details matter because copyright liability is territorially limited.
28 *Allarcom*, 69 F.3d at 387. Plaintiff’s own account of Defendants’ operations points

1 away from domestic infringement. He alleges Defendants’ process is entirely
2 “automated,” with systems identifying content on the internet and transmitting
3 designs to “[f]oreign” suppliers who then manufacture goods. Compl. ¶¶ 5, 33, 49,
4 51, 82(e). Without pleading specific facts, the Complaint asks the Court to infer
5 domestic action by Defendants from a narrative that points abroad.

6 For example, the Complaint alleges that Defendants’ “algorithmic technology
7 or other systematic methods identified [each work] on the web and copied it without
8 authorization.” Compl. ¶¶ 66, 69, 73, 76. The Complaint suggests the copying
9 occurred outside of the U.S. by alleging Shein’s algorithm “transmit[s] the design for
10 an infringing work to its suppliers for manufacture,” *id.* ¶ 51, and “[f]oreign
11 suppliers...manufacture the infringing products at Shein’s direction.” *Id.* ¶ 82(e).

12 Although the Complaint alleges that Defendants “displayed Mr. Giana’s
13 artwork on Defendants’ website without any authorization or permission,” *id.* ¶¶ 64,
14 127, courts have repeatedly held that website accessibility alone does not establish
15 domestic infringement. *See, e.g., Sound N Light Animatronics Co., LTD v. Cloud b,*
16 *Inc.*, 2016 WL 7635950, at *5 (C.D. Cal. Nov. 10, 2016) (“internet postings do[] not
17 give rise to the plausible inference that copies of the infringing work were distributed
18 within the United States”); *Liqiang Wei v. Jiazhong Sun*, 2018 WL 1833897, at *3–4
19 (N.D. Cal. Apr. 18, 2018) (dismissing as website posting failed to establish domestic
20 infringement); 7 *Patry on Copyright* § 25:86.20 (Sept. 2025 update) (same). Thus,
21 Plaintiff’s undated screenshots suggesting products were available on Defendants’
22 platform does not constitute criminal infringement—or even a civil copyright claim.
23 *See AK Futures LLC v. LCF Labs Inc.*, 2022 WL 17887590, at *5 (C.D. Cal. Sept.
24 28, 2022) (party “cannot be directly liable for copyright infringement” for “merely
25 facilitat[ing]” transactions).

26 As to distribution, § 106(3) requires “sale or other transfer of ownership.” 17
27 U.S.C. § 106(3). Merely, “offering for sale” or “transportation” within the United
28 States are insufficient. *AK Futures LLC*, 2022 WL 17887590, at *5 (“[T]he mere

1 transportation of infringing goods inside the United States” is insufficient); *New*
2 *Name, Inc. v. Walt Disney Co.*, 2007 WL 5061697, at *3–4 (C.D. Cal. Dec. 3, 2007)
3 (“offering for sale” insufficient). The Complaint contains no facts establishing that
4 any Defendant distributed the works in the U.S. Nor can Plaintiff rely on an unpled
5 theory of contributory infringement to salvage this claim. Section 506(a), Plaintiff’s
6 chosen predicate act, reaches only direct infringement. While courts have developed
7 common law doctrines for derivative liability in *civil* copyright cases, those doctrines
8 do not extend to *criminal* law. There are no “common law offenses,”—criminal
9 convictions depend solely on conduct “explicitly prescribed by Congress” in a statute.
10 *Jerome v. United States*, 318 U.S. 101, 104 (1943).³ Defendants’ Section 506 liability
11 turns entirely on what each Defendant allegedly did within the United States. That
12 alleged conduct is missing from the Complaint.

13 Because the Complaint does not allege that each Defendant committed
14 infringing acts as to Plaintiff’s four works “*entirely* within the United States,” Plaintiff
15 has failed to plead a copyright claim, *Allarcom*, 69 F.3d at 387 (emphasis added), and
16 thus failed to sufficiently plead a predicate act under RICO.

17 **2. Plaintiff Fails to Plausibly Allege Willfulness.**

18 Willfulness distinguishes criminal copyright infringement from civil
19 infringement. The Ninth Circuit has held that “willfully” under § 506(a) requires a
20 “voluntary, intentional violation of a known legal duty.” *United States v. Liu*, 731
21 F.3d 982, 990 (9th Cir. 2013) (citation omitted). That demands proof that a defendant
22 knew they were “acting illegally rather than simply that [they] knew [they were]
23

24 ³ RICO defines as racketeering activity “only” acts listed “under one of the
25 statutes identified in § 1961(1).” *RJR Nabisco v. Eur. Cmty.*, 579 U.S. 325, 339
26 (2016). The Ninth Circuit has consistently held that acts not enumerated in § 1961(1)
27 cannot support RICO claims. *Reddy v. Litton Indus., Inc.*, 912 F.2d 291, 294–95 (9th
28 Cir. 1990) (lack of standing); *Banks v. ACS Educ.*, 638 F. App’x 587, 589 (9th Cir.
2016).

1 making copies.” *Id.* at 985, 989–92. The Complaint does not plausibly allege such
2 knowledge; to the contrary, its allegations suggest Defendants lacked it.

3 First, the Complaint states no facts showing that any Defendant willfully
4 infringed Plaintiff’s specific works. Rather, the Complaint alleges that the
5 infringement occurred through automated systems “with *no human intermediary*,”
6 Compl. ¶ 5, and through Defendants’ “*algorithmic technology or other systematic*
7 *methods*.” *Id.* ¶¶ 64, 66, 69, 73, 76 (emphases added). Those allegations negate,
8 rather than support, a plausible inference of intent.

9 The Ninth Circuit’s decision in *Liu* confirms the insufficiency of Plaintiff’s
10 allegations. In *Liu*, defendant, who operated a commercial CD and DVD replication
11 business, was convicted of criminal copyright infringement based on reproduction of
12 music compilations, motion pictures, and software. 731 F.3d at 985–87. The Ninth
13 Circuit reversed the conviction despite evidence that Liu was “aware of copyright
14 laws” and “sued for copyright infringement in the past.” *Id.* at 992. The court
15 distinguished between general awareness of potential copyright infringement—which
16 is insufficient—and actual knowledge tied to the specific “disks at issue.” *Id.* at 992–
17 93. Here too, the Complaint contains no allegations suggesting Defendants actually
18 knew of Plaintiff’s works or that any action with respect to them “was unlawful.”⁴ *Cf.*
19 *YYGM SA v. Redbubble, Inc.*, 75 F.4th 995, 1001 (9th Cir. 2023) (noting that
20
21

22 ⁴ This is consistent with the fundamental principle of copyright law that
23 generalized knowledge of potential infringement is insufficient to establish liability.
24 See *UMG Recordings, Inc. v. Shelter Cap. Partners LLC*, 718 F.3d 1006, 1021–22
25 (9th Cir. 2013) (“[M]erely hosting” content “with the general knowledge that one’s
26 services could be used to share infringing material, is insufficient to meet the actual
27 knowledge requirement”); *Perfect 10, Inc. v. Giganews, Inc.*, 2014 WL 8628031, at
28 *7 (C.D. Cal. Nov. 14, 2014) (“general awareness that infringement may be occurring
is usually irrelevant to the specific question of whether a particular defendant violated
a particular copyright held by a particular plaintiff”) (quotations and citations
omitted).

1 contributory copyright infringement “require[s] knowledge of specific infringers or
2 instances of infringement”).

3 Second, Plaintiff’s attempt to substitute unfounded business-model allegations
4 for specific knowledge fails. The Complaint asserts that Defendants operate a system
5 designed to copy internet content, that Defendants treat litigation as a “business
6 expense,” and that Defendants have faced prior lawsuits. Compl. ¶¶ 33, 37, 40, 47,
7 49. But the Complaint’s references to third-party lawsuits and purported
8 infringements of others’ works are irrelevant. Plaintiff lacks “standing to prosecute
9 its RICO claims based on Defendants alleged violations of copyrights owned by third
10 parties.” *Sybersound Recs., Inc. v. UAV Corp.*, 2006 WL 8434619, at *9 (C.D. Cal.
11 Jan. 6, 2006), *aff’d*, 517 F.3d 1137 (9th Cir. 2008). Further, “[n]either lawsuits nor
12 settlements” constitute factual allegations sufficient to establish RICO violations.
13 *Ricketts v. CBS Corps.*, 439 F. Supp. 3d 1199, 1226 (C.D. Cal. 2020), *aff’d sub nom.*,
14 2022 WL 1046252 (9th Cir. Apr. 7, 2022). More fundamentally, these allegations do
15 not establish willfulness under Ninth Circuit law. In *Liu*, the defendant’s CD and
16 DVD replication business was designed for copying, yet the Ninth Circuit *still*
17 required specific knowledge tied *directly* to the works at issue—despite the nature of
18 the enterprise and evidence that the defendant was “aware of copyright laws” and
19 “sued for copyright infringement in the past.” *Id.* at 992–93.

20 The Complaint further undermines Plaintiff’s own theory by alleging that
21 Defendants add “thousands of new products per day” amounting to “many millions”
22 of articles each year. Compl. ¶¶ 5, 102. This industrial scale makes it implausible
23 that any decision-maker reviewed, recognized, or formed intent regarding these four
24 specific works among millions of products. The sheer volume alleged negates rather
25 than supports the inference of work-specific knowledge.⁵

26
27 ⁵ In *Perry v. Shein Distrib. Corp.*, 2024 WL 5423771 (C.D. Cal. Nov. 8, 2024),
28 the court found willfulness allegations against Shein sufficient. *Id.* at *3. That

**D. Plaintiff Impermissibly Lumps All Defendants Together Without
Alleging Which Defendant Committed Which Predicate Acts.**

Where RICO claims are asserted against multiple defendants, plaintiffs must allege “at least two predicate acts by *each* defendant,” *In re WellPoint, Inc.*, 865 F. Supp. 2d at 1035 (citations omitted) (emphasis in original), and identify “which Defendants are alleged to have committed which crimes on what occasions.” *Villarroel*, 775 F. Supp. 3d at 1070 (citations omitted). Plaintiff does not satisfy this requirement.

Collective pleading pervades multiple aspects of the Complaint. *E.g.*, Compl. ¶ 84 (“The Shein Defendants operate as an association-in-fact enterprise”); ¶¶ 86–92 (alleging all “Shein Defendants” engaged in racketeering); ¶ 132 (“Each of the Shein Defendants directed, conducted, and/or participated in the conduct of the enterprise’s affairs”); ¶ 133 (“Defendants committed at least two predicate acts”). For example, for each infringement allegation, the Complaint uses the collective term “Defendants” and alleges that “Defendants’ algorithmic technology or other systematic method identified [the work] on the web and copied it without authorization for display and sale as Shein products,” without specifying which, if any, of the four named entities committed which acts. *Id.* ¶¶ 66, 69, 73, 76.

decision is distinguishable for two reasons. *First*, the *Perry* court relied on Rule 9(b)’s language that “[m]alice, intent, knowledge, and other conditions of a person’s mind may be alleged generally” to hold that mental states need not be plausibly pleaded. But this overlooks the Supreme Court’s holding in *Iqbal* that Rule 9(b) merely “excuses a party from pleading...intent under an elevated pleading standard,” without displacing Rule 8’s plausibility requirement which demands supporting facts. *Iqbal*, 556 U.S. at 686–87; *Eclectic Props.*, 751 F.3d at 995 n.5; *see also Whiteside v. Hover-Davis, Inc.*, 995 F.3d 315, 323 (2d Cir. 2021) (“the mere allegation of willfulness is insufficient” absent supporting facts). *Second*, the *Perry* court never mentioned the Ninth Circuit’s decision in *Liu*, which unambiguously held that willfulness requires “voluntary, intentional violation of a known legal duty.” 731 F.3d at 990.

1 As the *Villarroel* court explained, allegations against a “group of Defendants”
2 are insufficient to state a RICO claim because each defendant is entitled to “adequate
3 notice” of the specific criminal acts that defendant allegedly committed, so they can
4 respond accordingly. 775 F. Supp. 3d at 1070; *Toyota*, 826 F. Supp. 2d at 1201
5 (complaint failed “to ascribe any predicate act to a particular Defendant”); *Vaughan*
6 *v. Wardhaugh*, 2024 WL 2853972, at *3 (N.D. Cal. May 10, 2024) (complaint “does
7 not allege what predicate acts those specific Defendants committed”); *Muldoon v.*
8 *DePuy Orthopaedics, Inc.*, 2024 WL 3522204, at *12 (N.D. Cal. July 23, 2024)
9 (complaint did not “allege which particular defendant did which act”). Because
10 Plaintiff’s Complaint does not articulate what each Defendant allegedly did wrong
11 and instead treats them as a single, undifferentiated mass, the Court should dismiss it.

12 **E. Plaintiff Fails to Adequately Allege a Pattern of Racketeering**
13 **Activity.**

14 A RICO claim requires a “pattern” of predicate acts showing “a relationship
15 between the predicates” and “continuity.” *McGowan v. Weinstein*, 505 F. Supp. 3d
16 1000, 1011 (C.D. Cal. 2020) (citations omitted). Continuity may be “closed-ended”
17 or “open-ended.” *Id.* Plaintiff plausibly alleges neither.

18 Closed-ended continuity requires pleading “a series of related predicates
19 extending over a substantial period of time,” while acts “extending over a few weeks
20 or months” are insufficient because RICO targets “long-term criminal conduct.” *Id.*
21 at 1012–13 (citations omitted). Plaintiff provides minimal temporal facts. He alleges
22 that two of his artworks appeared online one day before filing. Compl. ¶¶ 69 n.12, 73
23 n.13. For the other two artworks, he provides no temporal facts at all. *Id.* ¶¶ 66, 76.
24 More broadly, the Complaint does not allege when the four works were copied, when
25 any allegedly infringing products were purportedly sold, how long they remained
26 available, or whether the incidents occurred sequentially or simultaneously.
27 Continuity is “centrally a temporal concept.” *McGowan*, 505 F. Supp. 3d at 1011
28

1 (citations omitted). Identifying four works on sparse temporal facts does not establish
2 it.⁶

3 Open-ended continuity requires “past conduct that by its nature projects into
4 the future with a threat of repetition,” and it cannot be established where the alleged
5 conduct has a “built-in ending point.” *McGowan*, 505 F. Supp. 3d at 1014 (citations
6 omitted). Plaintiff’s Complaint fails to meet this standard as well. First, without facts
7 showing threat of repetition as to Plaintiff, the alleged scheme has a built-in ending
8 point and does not “project into the future with a threat of repetition.” *Id.*; *Metaxas*
9 *v. Lee*, 503 F. Supp. 3d 923, 941–46 (N.D. Cal. 2020). Second, Plaintiff pleads no
10 facts showing a concrete threat of future alleged racketeering directed at him.
11 Plausibility is a “context-specific task that requires the reviewing court to draw on its
12 judicial experience and common sense.” *Iqbal*, 556 U.S. at 679. The Court need not
13 accept Plaintiff’s assertion that a large-scale scheme to deprive artists worldwide of
14 copyright is afoot when so few facts support it.

15 Because Plaintiff lacks standing to pursue RICO claims based on third-party
16 infringements, *Sybersound*, 2006 WL 8434619, at *8, his references to other lawsuits
17 and settlements are irrelevant and do not constitute evidence of a predicate crime.
18 *Ricketts*, 439 F. Supp. 3d at 1226. Plaintiff’s attempt to shore up his four alleged
19 infringements with allegations culled from across the internet does not push his RICO
20 pattern theory “across the line from conceivable to plausible.” *Twombly*, 550 U.S. at
21 570. Stripped of rhetoric about other artists, news articles about other lawsuits, social-
22 media posts, and vague assertions about Defendants’ general business model, the
23

24 ⁶ Closed-ended continuity is absent also because the Complaint only alleges, at
25 most, a single course of conduct harming a single plaintiff. The Ninth Circuit has
26 repeatedly held that “a single alleged fraud with a single victim” does not constitute
27 a closed-ended RICO pattern. *Medallion Television Enters., Inc. v. SelecTV of Cal.,*
28 *Inc.*, 833 F.2d 1360, 1363–64 (9th Cir. 1987). Taking the relevant allegations as true,
they describe a singular plan with a single victim and a single type of injury.

1 Complaint alleges only this: four of Plaintiff’s works, out of the millions of products
2 on Defendants’ platform, were allegedly infringed. Compl. ¶¶ 65–80, 102. This is
3 not sufficient to establish a RICO pattern.

4 Courts reject efforts to establish pattern through speculation about harm to
5 others. In *McGowan*, Judge Wright found assertions that an enterprise “has set its
6 sights on countless victims” to be conclusory—focusing instead on the well-pleaded
7 facts specific to the plaintiff herself, not assertions about unknown harms to others.
8 505 F. Supp. 3d at 1011–12. Similarly, the court in *Metaxas* held that allegations of
9 broader misconduct against regulatory agencies did not change the “fundamental
10 character” of the case, which was defined by specific allegations of wrongdoing
11 against plaintiff—“a single scheme...with a single victim.” 503 F. Supp. 3d at 941–
12 42. The court found that “additional instances of racketeering activity that Defendants
13 purportedly committed” were merely “ancillary.” *Id.* at 943.⁷ Plaintiff’s allegations
14 of “pattern” here fare no better and constitute another independent basis for
15 dismissing the RICO claim.

16
17
18
19
20 ⁷ That Plaintiff purports to represent a class does not allow him to use class
21 allegations to prove his individual claims. To represent a class, “the named plaintiff
22 must be a member of the class” with his own “live claim against the
23 defendant.” Steven Gensler, *1 Federal Rules of Civil Procedure, Rules and*
24 *Commentary* § 23:18. Without his own live claim, he “lacks standing.” *Id.*; *Marin*
25 *Cnty. Chapter of Nat’l Org. for Women v. Marin Cnty.*, 82 F.R.D. 605, 607 (N.D. Cal.
26 1979) (decertifying class after plaintiffs’ individual claims failed). Plaintiff cannot
27 sidestep this by relying on class members’ allegations after his individual claims fail.
28 That would be circular—he needs his own live claim to represent the class in the first
place. It would also permit him to “prosecute RICO claims” based on “alleged
violations of copyrights owned by third parties”—something this Circuit forbids.
Sybersound, 2006 WL 8434619, at *9.

1 **II. THE RICO CONSPIRACY CLAIM (THIRD CAUSE OF ACTION)**
2 **FAILS WITH THE SUBSTANTIVE CLAIMS.**

3 Because Plaintiff has failed to adequately plead a substantive RICO violation
4 under § 1962(c), he cannot maintain a conspiracy claim under § 1962(d). *Hill v. Opus*
5 *Corp.*, 841 F. Supp. 2d 1070, 1103 (C.D. Cal. 2011) (collecting cases); *Metaxas*, 503
6 F. Supp. 3d at 946. The RICO conspiracy claim must be dismissed as well.

7 **III. PLAINTIFF FAILS TO ALLEGE PLAUSIBLE FACTS TO SUPPORT**
8 **HIS CIVIL COPYRIGHT INFRINGEMENT CLAIM (FIRST CAUSE**
9 **OF ACTION).**

10 The civil copyright claim suffers from many of the same defects that doom the
11 criminal claims discussed above. “To state a claim for direct copyright infringement,
12 Plaintiff must demonstrate causation (or volitional conduct).” *BMG Rts. Mgmt. (US)*
13 *LLC v. Jooy Inc.*, 644 F. Supp. 3d 602, 607 (C.D. Cal. 2022) (allegations that
14 technology automatically copied, stored, and promoted user-created videos with
15 infringing music were insufficient to establish volitional conduct for direct
16 infringement by platform). “Automatic copying, storing, or transmission of
17 copyrighted materials is insufficient to allege volitional conduct.” *Id.* As explained
18 above, the Complaint alleges that the infringement occurred through automated
19 systems “with *no human intermediary*,” Compl. ¶ 5, and through Defendants’
20 “*algorithmic technology or other systematic methods.*” *Id.* ¶¶ 64, 66, 69, 73, 76, 80
21 (emphasis added). Consequently, Plaintiff has not plausibly alleged facts
22 demonstrating volitional conduct by any Defendant to support his copyright
23 infringement claim.

24 Further, as explained above, the Complaint fails to allege facts demonstrating
25 infringing conduct by any Defendant which occurred wholly within the United States,
26 which is fatal. *Allarcom*, 69 F.3d at 387; *Danjaq, S.A.*, 773 F. Supp. at 202–03 (no
27 liability for authorizing public screening abroad); *see supra* Section I(C)(1).
28 Plaintiff’s collective pleading and impermissible “everyone did everything”

1 allegations violate Rule 8(a)(2)'s notice requirement. *Destfino v. Reiswig*, 630 F.3d
2 952, 958–59 (9th Cir. 2011); *see supra* Section I(D). As such, Plaintiff fails to allege
3 facts to support a direct copyright infringement claim against any of the named
4 Defendants. For these reasons, Plaintiff's First Cause of Action for Copyright
5 Infringement should be dismissed as well.

6 **CONCLUSION**

7 For the foregoing reasons, the Court should dismiss Plaintiff's Complaint.

8 DATED: January 26, 2026

Respectfully submitted,

11 By /s/ Michael E. Williams

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19 *LLC, and Shein US Services, LLC*

L.R. 11-6.2 CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for Defendants Shein Distribution Corporation, Roadget Business Pte., Ltd., Shein Technology, LLC, and Shein US Services, LLC, certifies that this brief contains 6686 words, which complies with the word limit of L.R. 11-6.1.

DATED: January 26, 2026

By /s/ Michael E. Williams
Michael E. Williams

CERTIFICATE OF SERVICE

I, the undersigned counsel of record for Defendants Shein Distribution Corporation, Roadget Business Pte., Ltd., Shein Technology, LLC, and Shein US Services, LLC, certify that the foregoing instrument was served pursuant to the Federal Rules of Civil Procedure on the date identified below upon all counsel of record via ECF.

DATED: January 26, 2026

By /s/ Michael E. Williams
Michael E. Williams