

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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PEARSON EDUCATION, INC., :
JOHN WILEY & SONS, INC., :
CENGAGE LEARNING INC. AND :
THE MCGRAW-HILL COMPANIES, INC., :

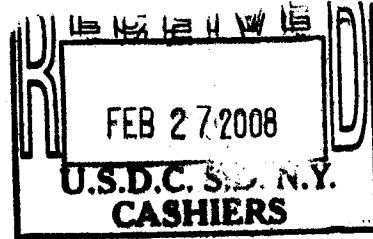
Plaintiffs,

-against-

ZHENGSHU GU AND JUN LIAO BOTH :
D/B/A TOM DANIELS D/B/A C_BOOKS :
D/B/A CTRADE-BOOKS D/B/A :
REDAPPLE D/B/A LLBOOKS AND :
JOHN DOES NOS. 1-5, :

Defendants.

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07 Civ. 9601 (SHS)

AMENDED COMPLAINT

Plaintiffs Pearson Education, Inc. ("Pearson"), John Wiley & Sons, Inc. ("Wiley"), Cengage Learning Inc. ("Cengage") and The McGraw-Hill Companies, Inc. ("McGraw-Hill"), by their undersigned attorneys, for their amended complaint against defendants Zhengshu Gu and Jun Liao both d/b/a Tom Daniels d/b/a C_Books d/b/a Ctrade-Books d/b/a RedApple d/b/a LLBooks and John Doe Nos. 1 through 5, aver:

Nature of the Action

1. Plaintiffs are bringing this action to enforce their copyrights and trademarks against defendants' unlawful

sale in the United States of non-United States versions of plaintiffs' educational books.

Jurisdiction and Venue

2. This Court has subject matter jurisdiction over the first two claims in this action pursuant to 28 U.S.C. §§ 1331 and 1338 because they arise under the Copyright Act, 17 U.S.C. § 101 et seq., or the Lanham Act, 15 U.S.C. § 1051 et seq. This Court has subject matter jurisdiction over the third claim in this action pursuant to 28 U.S.C. § 1367 because it is so related to the claims within the original jurisdiction of this Court that they form part of the same case or controversy within the meaning of Article III of the United States Constitution.

3. Upon information and belief, venue is proper in this District pursuant to 28 U.S.C. § 1391.

Parties

4. Pearson is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at One Lake Street, Upper Saddle River, New Jersey 07458.

5. Wiley is a corporation organized and existing under the laws of the State of New York with its principal place of business at 111 River Street, Hoboken, New Jersey 07030.

6. Cengage is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 200 First Stamford Place, 4th Floor, Stamford, Connecticut 06902.

7. McGraw-Hill is a corporation organized and existing under the laws of the State of New York with its principal place of business at 1221 Avenue of the Americas, New York, New York 10020.

8. Defendants Zhengshu Gu and Jun Liao both d/b/a Tom Daniels d/b/a C_Books d/b/a Ctrade-Books d/b/a RedApple d/b/a LLBooks are natural persons residing at 14606 Cove View Circle, Midlothian, Virginia 23112.

9. Upon information and belief, defendants John Doe Nos. 1-5 are associates of Zhengshu Gu and Jun Liao both d/b/a Tom Daniels d/b/a C_Books d/b/a Ctrade-Books d/b/a RedApple d/b/a LLBooks whose identities are presently unknown to plaintiffs.

The Businesses of Plaintiffs

10. Each plaintiff publishes a variety of works, including educational books.

11. As a standard practice, each plaintiff requires its authors to assign the copyright to them or grant them the exclusive rights of reproduction and distribution in the United

States. This practice enables each plaintiff to maximize dissemination of each work.

12. Plaintiffs invest significant monies to publish their copyrighted works. Plaintiffs, for example, make substantial investments in royalties, content creation, licensing, copyediting, proofreading, typesetting, layout, printing, binding, distribution, and promotion.

13. Plaintiffs earn a substantial portion of their revenue from the publication of their copyrighted works and would suffer serious financial injury if their copyrights were not enforced. A substantial decline in their income could cause plaintiffs to cease publishing one or more deserving books or journals. This would adversely impact the creation of new works, scholarly endeavor, and scientific progress.

14. Plaintiffs' educational books authorized for sale in the United States are of the highest quality (the "United States Editions"). These books are generally printed with strong, hard-cover bindings with glossy protective coatings and, in some cases, contain extra features such as sewn ribbon bookmarks. Plaintiffs frequently offer academic supplements, such as CD-ROMs, computer passwords that provide purchasers with access to academic websites corresponding to the textbooks, and study guides with the United States Editions.

15. Plaintiffs generally create different versions of their educational books that are intended for sale in specific geographic markets outside of the United States (the "Foreign Editions"). The Foreign Editions materially differ from the United States Editions. The Foreign Editions have thinner paper and different bindings, different cover and jacket designs, fewer internal ink colors, if any, lower quality photographs and graphics, and generally lower prices than the United States Editions. Also, the Foreign Editions often lack academic supplements, such as CD-ROMs, website passwords, or study guides. The Foreign Editions are generally marked to indicate their lower cost by a legend indicating, in substance, that the title is a "Low Price Edition" and/or authorized for sale only in a particular country or geographic region. The Foreign Editions are uniformly manufactured outside of the United States.

Plaintiffs' Copyrights and Trademarks

16. Plaintiffs routinely register their copyrights. Pearson has generally registered its works (the "Pearson Copyrights"), including those identified on Schedule A. Wiley has generally registered its works (the "Wiley Copyrights"), including those identified on Schedule B. Cengage has generally registered its works (the "Cengage Copyrights"), including those identified on Schedule C. McGraw-Hill has generally registered

its works (the "McGraw-Hill Copyrights"), including the works identified on Schedule D.

17. Plaintiffs also own, themselves or through their parent or affiliate companies, trademarks that they use to differentiate their products from those of their competitors.

18. Pearson PLC, Pearson's ultimate parent company, is the owner of and Pearson is an exclusive licensee of, with the accompanying right and duty to protect and enforce Pearson PLC's rights therein, the well-known trademarks "Pearson," "Pearson Education" and "Prentice Hall." Pearson is the direct holder of the well-known trademark "Benjamin Cummings." Pearson's affiliate corporation Addison Wesley Longman, Inc., is the owner of, and Pearson is the exclusive licensee of, with the accompanying right and duty to protect and enforce its and its affiliate company's rights therein, the well known trademarks "Addison Wesley" or "Addison-Wesley" (the "Pearson Trademarks"). The United States Registrations for the Pearson Trademarks are identified on Schedule E.

19. Among Wiley's well-known trademarks are "John Wiley & Sons," "Wiley," and the "John Wiley Colophon" (the "Wiley Trademarks"). The United States Registrations for the Wiley Trademarks are identified on Schedule F.

20. Among McGraw-Hill's well-known trademarks are "McGraw-Hill," "The McGraw-Hill Companies" and "Irwin" (the

"McGraw-Hill Trademarks"). The United States Registrations for the McGraw-Hill Trademarks are identified on Schedule G.

The Infringing Acts of Defendants

21. Defendants have without permission purchased Foreign Editions of plaintiffs' books manufactured outside of the United States and resold them to purchasers in the United States through the Internet at the websites AbeBooks.com, Biblio.com, and Valorebooks.com and using the e-mail addresses Cbooks12@gmail.com and Ilikeapple12@gmail.com.

FIRST CLAIM FOR RELIEF

(Copyright Infringement - 17 U.S.C. § 501)

22. Plaintiffs repeat the averments contained in paragraphs 1 through 21 as if set forth in full.

23. Pearson has received United States Certificates of Copyright Registration for the Pearson Copyrights.

24. Wiley has received United States Certificates of Copyright Registration for the Wiley Copyrights.

25. Cengage has received United States Certificates of Copyright Registration for the Cengage Copyrights.

26. McGraw-Hill has received a United States Certificates of Copyright Registrations for the McGraw-Hill Copyrights.

27. The Pearson, Wiley, Cengage and McGraw-Hill Copyrights are valid and enforceable.

28. Defendants have infringed the Pearson, Wiley, Cengage and McGraw-Hill Copyrights in violation of 17 U.S.C. § 501.

29. Defendants' acts have irreparably damaged and, unless enjoined, will continue to irreparably damage plaintiffs. Plaintiffs have no adequate remedy at law for these wrongs and injuries. Plaintiffs are, therefore, entitled to a preliminary and permanent injunction restraining and enjoining defendants and their agents, servants, employees, and attorneys and all persons acting in concert with them, from infringing the Pearson, Wiley, Cengage and McGraw-Hill Copyrights.

30. Defendants have willfully infringed the Pearson, Wiley, Cengage and McGraw-Hill Copyrights.

31. Plaintiffs are entitled to recover all damages sustained as a result of defendants' unlawful conduct including (1) defendants' profits, or (2) plaintiffs' damages, or alternatively (3) statutory damages.

SECOND CLAIM FOR RELIEF
(Trademark Infringement - 15 U.S.C. § 1114(a))

32. Plaintiffs repeat the averments contained in paragraphs 1 through 31 above as if set forth in full.

33. Pearson is the exclusive licensee of the Pearson Trademarks, with the accompanying right and duty to protect and enforce Pearson's rights therein. Pearson's licensor parent and

affiliate companies have obtained United States Trademark Registrations for the Pearson Trademarks.

34. Wiley owns the Wiley Trademarks, for which it has obtained United States Trademark Registrations.

35. McGraw-Hill owns the McGraw-Hill Trademarks, for which it has obtained United States Trademark Registrations.

36. The Pearson, Wiley, and McGraw-Hill Trademarks are valid and enforceable.

37. Defendants have infringed the Pearson, Wiley, and McGraw-Hill Trademarks in violation of 15 U.S.C. § 1114(a) by using them on and/or in connection with the works that they have sold.

38. Defendants' acts complained of herein have irreparably damaged plaintiffs and may continue to do so. The damage to plaintiffs includes harm to their good will and reputation in the marketplace for which money cannot compensate. Plaintiffs have no adequate remedy at law for these wrongs. Plaintiffs are, therefore, entitled to a preliminary and permanent injunction restraining and enjoining defendants, their agents, servants, employees, and attorneys and all persons acting in concert with them from using the Pearson, Wiley, and McGraw-Hill Trademarks or any colorable imitation of them.

39. Defendants have willfully infringed the Pearson, Wiley, and McGraw-Hill Trademarks.

40. Plaintiffs are entitled to recover (1) defendants' profits from the infringing books, (2) plaintiffs' damages, (3) the costs of the suit, and (4) reasonable attorneys' fees.

THIRD CLAIM FOR RELIEF

(Common Law Unfair Competition Under State Law)

41. Plaintiffs repeat the averments contained in paragraphs 1 through 40 above as if set forth in full.

42. Defendants' acts complained of herein have damaged and may continue to damage plaintiffs irreparably. The damage to plaintiffs includes harm to their goodwill and reputation in the marketplace for which money cannot compensate. Plaintiffs have no adequate remedy at law for these wrongs and injuries. Plaintiffs are, therefore, entitled to a preliminary and permanent injunction restraining and enjoining defendants, their agents, servants, employees, and attorneys and all persons acting in concert with them from using the Pearson, Wiley, and McGraw-Hill Trademarks or any colorable imitation of them, to restitution of defendants' ill-gotten gains, and to punitive damages in an amount to be determined by the trier of fact in this action.

WHEREFORE, plaintiffs demand judgment:

A. Preliminarily and permanently enjoining defendants, their agents, servants, employees, and attorneys and

all those acting in concert with them from infringing the Pearson, Wiley, Cengage and McGraw-Hill Copyrights in violation of 17 U.S.C. § 501;

B. Awarding plaintiffs their damages or defendants' profits, or alternatively, at plaintiffs' election, statutory damages, as a result of defendants' willful infringement of the Pearson, Wiley, Cengage and McGraw-Hill Copyrights;

C. Preliminarily and permanently enjoining defendants, their agents, servants, employees, and attorneys and all those acting in concert with them from infringing the Pearson, Wiley, and McGraw-Hill Trademarks in violation of 15 U.S.C. § 1114(a);

D. Awarding plaintiffs their damages and/or defendants' profits from their willful infringement of the Pearson, Wiley, and McGraw-Hill Trademarks pursuant to 15 U.S.C. § 1117(a);

E. Directing that defendants engage in such additional activities, including, but not limited to, recalls of products and corrective advertising, as may be necessary and appropriate to mitigate the damage defendants have caused;

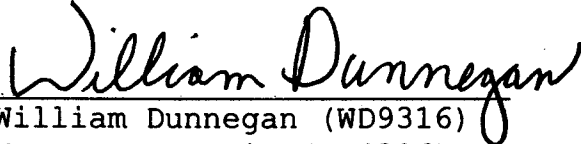
F. Awarding plaintiffs their costs in this action, including their reasonable attorneys' fees pursuant 17 U.S.C. § 505 and 15 U.S.C. § 1117;

G. Awarding plaintiffs punitive damages in an amount to be determined by the trier of fact in this action; and

H. Granting such other and further relief as to this Court seems just and proper.

Dated: New York, New York
February 26, 2008

DUNNEGAN LLC

By  William Dunnegan (WD9316)

Megan L. Martin (MM4396)

Attorneys for Plaintiffs

Pearson Education, Inc.,

John Wiley & Sons, Inc.,

Cengage Learning Inc., and

The McGraw-Hill Companies, Inc.

350 Fifth Avenue

New York, New York 10118

(212) 332-8300

Schedule A
"Pearson Copyrights"

Title
Date of Registration
Registration Number

Foundations of Microeconomics,
2nd Edition
August 9, 2001
TX0005434127

Power Electronic Systems
April 5, 2001
TX0005285671

Algorithms in C++, Parts 1-4
June 29, 1992
TX0003358887

Accounting
December 23, 1991
TX0003215992

Understanding Financial Statements
December 10, 1997
TX0004674181

Scheduling Theory,
Algorithms, and Systems
October 3, 2001
TX0005447212

Algorithms for Statistical
Signal Processing
October 31, 2001
TX0005732923

An Introduction to Database
Systems
March 31, 1986
TX0001789563

Information Technology
January 9, 2004
TX0005886964

Introduction to Econometrics
December 20, 2002
TX0005659183

Java Network Programming and
Distributed Computing
April 26, 2002
TX0005515302

Aspect-Oriented Software
Development with Use Cases
February 3, 2005
TX0006105432

Distributed Systems
October 25, 2001
TX0005451449

Multimedia Communication Systems
July 15, 2002
TX0005600206

Information Retrieval
July 15, 1992
TX0003370098

Digital Systems:
Principles and Applications
July 20, 2000
TX0005138471

Java Network Programming and
Distributed Computing
April 26, 2002
TX0005515302

Numerical Methods Using MATLAB
February 27, 2004
TX0005917228

Fundamentals of
Signals and Systems
May 4, 2000
TX0005208480

Understanding Digital
Signal Processing
January 16, 1997
TX0004453909

First Course in
Continuum Mechanics
January 24, 1993
TX0003731069

Computer Integrated Manufacturing
May 12, 2004
TX0005962831

Macroeconomics
February 28, 1996
TX0004215849

Essentials of
Organizational Behavior
July 8, 1999
TX0005014758

Software Project Management
June 25, 2003
TX0005815227

Effective C++
November 13, 1997
TX0004669032

Cost Accounting
January 2, 1991
TX0002991534

Cryptography and Network Security
September 18, 2002
TX0005618035

Adaptive Filter Theory
October 3, 2001
TX0005446396

Decision Support Systems
and Intelligent Systems
November 10, 1997
TX0004660463

International Investments
January 11, 2001
TX0005236925

An Introduction to the
Analysis of Algorithms
February 28, 1996
TX0004201220

Nonlinear Systems
January 15, 2002
TX0005475771

Applying Use Case Driven
Object Modeling with UML
July 12, 2001
TX0005329268

Differential Geometry
and Its Applications
February 13, 1997
TX0004484070

Algorithms in Java (Parts 1-4)
August 29, 2002
TX0005600257

UML Distilled
October 28, 1999
TX0005069653

Fundamentals of
Parallel Processing
September 5, 2002
TX0005619279

Operating System Concepts
December 7, 1993
TX0003699560

Discrete Mathematics
November 2, 2001
TX0005466817

Global Marketing Management
September 19, 2001
TX0005450507

The Art and Science of C
December 12, 1994
TX0003978504

Linear Algebra
and Its Applications
December 20, 2002
TX0005659182

Design Patterns
August 29, 1995
TX0004191861

Elementary Differential Equations
November 10, 2003
TX0005982969

Systems Analysis and Design
January 23, 2001
TX0005229634

Data Mining
October 15, 2002
TX0005622899

Manufacturing
Engineering & Technology
April 5, 2001
TX0005309032

Advanced Modern Algebra
June 3, 2002
TX0005539838

Signal Integrity--Simplified
November 10, 2003
TX0005860889

Introduction to Industrial
And Systems Engineering
December 22, 1992
TX0003454381

A First Course in Probability
October 3, 2001
TX0005446395

The Unified Software
Development Process
May 4, 1999
TX0004988616

Uml 2 and the Unified Process
November 1, 2005
TX0006294772

Concrete Mathematics
April 29, 1994
TX0003807669

Software Project
Management in Practice
April 26, 2002
TX0005517562

Digital Systems
July 20, 2000
TX0005138471

Video Processing
and Communications
October 25, 2001
TX0005421765

Satellite Communications
December 13, 1988
TX0002464089

The C++ Standard Library
October 22, 1999
TX0005077597

Design Patterns in Java
May 25, 2006
TX0006380157

A Practical Guide to
Testing Object-Oriented Software
April 13, 2001
TX0005285700

Construction Contracts
July 20, 2000
TX0005249695

Theory of Vibration
with Applications
December 2, 1997
TX0004676525

Unix Systems Programming
August 12, 2003
TX0005807440

Introduction to
Control System Technology
March 26, 2003
TX0005747015

Wireless Communications & Networks
December 15, 2006
TX0006495035

Essentials of System
Analysis and Design
April 8, 2003
TX0005734493

Engineering Electromagnetics
December 2, 1997
TX0004674026

Research Methods
in Business Studies
April, 27, 1995
TX0004039802

C: A Reference Manual
March 8, 2002
TX0005488020

Agile Project Management
June 21, 2004
TX0005986162

Occupational Safety
Management and Engineering
April 5, 2001
TX0005308095

Java Software Solutions
August 14, 2002
TX0005568496

Languages and Machines
January 16, 1997
TX0004453910

Object-Oriented Programming in C++
September 28, 1999
TX0005057509

Programming Abstractions in C
November 3, 1997
TX0004663876

UNIX Network Programming
November 2, 1998
TX0004771613

Schedule B
"Wiley Copyrights"

Title

Date of Registration

Registration Number

VLSI Digital
Signal Processing Systems
March 5, 1999
TX0004945575

Pattern Classification
August 11, 2006
TX0006418016

Design and Analysis of Experiments
July 27, 2000
TX0005250245

Modern Portfolio Theory
and Investment Analysis
October 15, 2002
TX0005623026

Financial Accounting
in an Economic Context
May 2, 2005
TX0006162290

Schedule C
"Cengage Copyrights"

Title
Date of Registration
Registration Number

Managing Human Resources
July 29, 2003
TX0005771533

Entrepreneurship:
Theory, Process and Practice
September 29, 2006
TX0006434925

Introduction to
Wireless and Mobile Systems
October 29, 2002
TX0005665266

Electronic Commerce
October 24, 2006
TX0006451224

Organizational Communication
December 30, 1998
TX0004872703

Management
May 9, 2007
TX0006577475

Human Resource Selection
March 19, 2007
TX0006547440

Basic Marketing Research
October 25, 2006
TX0006451497

Organizational Behavior
October 2, 2006
TX0006433256

Computer Science
April 24, 2000
TX0005204089

Schedule D
"McGraw-Hill Copyrights"

Title
Date of Registration
Registration Number

Essentials of
Contemporary Management
July 24, 2003
TX0005782146

Simulation Modeling and Analysis
February 1, 2000
TX0005124654

Strategic Management of
Technology and Innovation
February 13, 2004
TX0005916425

TCP/IP Protocol Suite
February 8, 2005
TX0006119094

Strategy
October 10, 2003
TX0006175913

Management Communication
February 14, 1997
TX0004479214

Semiconductor Physics and Devices
November 13, 2002
TX0005608842

Portfolio Management
February 14, 1997
TX0004483517

Design of Analog
CMOS Integrated Circuits
January 25, 2001
TX0005339805

Financial Statement Analysis
December 20, 2000
TX0005190578

An Introduction to Object-
Oriented Programming with Java
August 4, 2000
TX0005281523

Financial Markets
& Corporate Strategy
November 13, 2001
TX0005471539

Optical Fiber Communications
April 25, 2000
TX0005199866

Business and
Administrative Communication
March 10, 2003
TX0005695948

Simulation Using ProModel
February 12, 2000
TX0005040403

Communication Systems
July 19, 2001
TX0005349327

International Financial Management
October 14, 2003
TX0005816374

Complete Wireless Design
March 19, 2001
TX0005265545

Methods, Standards,
and Work Design
December 20, 2002
TX0005667324

Introduction to
Environmental Engineering
March 24, 1998
TX0004744262

Fundamentals of
Graphics Communication
April 27, 2004
TX0005956718

Applied Linear Regression Models
September 20, 2004
TX0006038420

IC Layout Basics
December 6, 2001
TX0005470364

Marketing: The Core
February 4, 2004
TX0006030091

Database Systems Concepts
July 31, 2001
TX0005420188

Environmental Science
May 5, 2003
TX0005733460

Modern Processor
Design Fundamentals of
Superscalar Processors
November 22, 2002
TX0005657680

Fundamental Methods of
Mathematical Economics
March 14, 1984
TX0001301529

Electromagnetics with Applications
December 20, 1999
TX0005032273

Schedule E
Pearson Trademarks

<u>U.S. Trademark</u>	<u>Registration Number</u>	<u>Class</u>
1. "Pearson"	2,599,724	009, 016, 035, 042
2. "Pearson"	2,600,081	041
3. "Pearson"	2,652,792	009, 016
4. "Pearson"	2,679,355	016
5. "Pearson"	2,691,830	041
6. "Pearson"	2,694,359	009
7. "Prentice-Hall"	1,332,044	016
8. "Prentice-Hall"	1,332,639	042
9. "Prentice-Hall"	1,375,654	009
10. "Addison Wesley"	2,188,798	016
11. "Addison-Wesley"	2,400,130	016
12. "Benjamin Cummings"	2,674,589	016
13. "Benjamin Cummings"	2,671,773	041
14. "Benjamin Cummings"	2,671,772	041
15. "Benjamin Cummings"	2,621,299	016
16. "Benjamin Cummings"	1,189,279	016

Schedule F
Wiley Trademarks

	<u>U.S. Trademark</u>	<u>Registration Number</u>	<u>Class</u>
1.	"JW" Colophon	2,168,941	009, 042
2.	"Wiley"	1,003,988	009, 016, 036, 038
3.	"Wiley"	2,159,987	009, 042

Schedule G
McGraw-Hill Trademarks

<u>U.S. Trademark</u>	<u>Registration Number</u>	<u>Class</u>
1. "McGraw-Hill"	1,350,345	16
2. "McGraw-Hill"	2,899,528	16, 41
3. "The McGraw-Hill Companies"	3,103,212	9,16,35,36,37, 38,39,40,41,42
4. "Irwin"	1,718,118	16