**IN THE UNITED STATES DISTRICT COURT**
**FOR THE NORTHERN DISTRICT OF ILLINOIS**
**EASTERN DIVISION**

| | |
|---|---|
| HONG KONG LEYUZHEN TECHNOLOGY CO., LIMITED,<br><br>Plaintiff,<br><br>v.<br><br>THE INDIVIDUALS, CORPORATIONS, LIMITED LIABILITY COMPANIES, PARTNERSHIPS AND UNINCORPORATED ASSOCIATIONS IDENTIFIED IN SCHEDULE "A" HERETO,<br><br>Defendants. | **Case No. 1:24-cv-12324-JJT-LKM**<br><br>**Honorable Judge John J. Tharp, Jr.**<br><br>**Magistrate Laura K. McNally** |

**DECLARATION OF SHAWN A. MANGANO, ESQ. IN SUPPORT OF PLAINTIFF'S MOTION FOR ENTRY OF A TEMPORARY RESTRAINING ORDER**

I, Shawn A. Mangano, Esq., of the City of Las Vegas, in the State of Nevada, declare as follows:

1. Except as otherwise expressly stated to the contrary, this declaration is based upon my personal knowledge of the following facts and, if called as a witness, I could and would competently testify to the statements made herein.

2. I make this declaration in support of Plaintiff's Motion for Entry of a Temporary Restraining Order, including a temporary injunction, a temporary asset restraint, expedited discovery, and service of process by email and/or electronic publication.

3. I am an attorney at law, duly admitted to practice before the Courts of the State of Illinois and the United States District Court for the Northern District of Illinois. I am one of the attorneys for Plaintiff Hong Kong Leyuzhen technology Co. Limted ("Plaintiff"). In my experience in combating online infringement as an intellectual property attorney, I am

knowledgeable about key aspects of intellectual property protection including, but not limited to, trademarks, copyrights, other intellectual property, sales, on-line sales, and associated international operations. I make this declaration from my matters within my own knowledge unless stated otherwise.

4. According to a January 2011 MarkMonitor report entitled “Traffic Report: Online Piracy and Counterfeiting,” the combined traffic to 48 sites selling counterfeit goods was more than 240,000 visits per day on average or more than 87 million visits per year. A 2012 MarkMonitor article entitled “White Paper: Seven Best Practices for Fighting Counterfeit Sales Online” reported that counterfeiters’ illicit online activities will cost legitimate businesses billions in lost revenue annually. True and correct copies of these reports are attached hereto as **Exhibit 1**.

5. According to an intellectual property rights seizures statistics report issued by the U.S. Customs and Border Protection agency of the U.S. Department of Homeland Security, the manufacturer’s suggested retail price of goods seized by the U.S. government in fiscal year 2020 was over $1.3 billion. A true and correct copy of this report is attached hereto as **Exhibit 2**. A 2016 report by Business Action to Stop Counterfeiting and Piracy (“BASCAP”) and the International Trademark Association (“INTA”) entitled “The Economic Impacts of Counterfeiting and Piracy” included findings that counterfeit and pirated products account for an estimated $461 billion in losses in international trade in 2013, resulting in tens of thousands of lost jobs for legitimate businesses and broader economic losses, including lost tax revenue. These figures are expected to increase each year. A true and correct copy of this report is attached hereto as **Exhibit 3**.

6. A true and correct copy of the Internet Corporation for the Assigned Names and Numbers (“ICANN”) Registrar Accreditation Agreement is attached hereto as **Exhibit 4**.

According to section 3.3 of the Registrar Accreditation Agreement established by ICANN, an individual or entity that registers a domain name is required to provide, on an interactive web page, its accurate contact details including a valid email and mailing address, amongst other information.

7. A true and correct copy of the Hague Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil and Commercial Matters, to which China is a signatory, and the status table of signatures, ratifications, and accessions provided by the Hague Conference on Private International Law ("HCCH"), are collectively attached hereto as **Exhibit 5**. According to Article I of the Hague Convention, the "convention shall not apply where the address of the person to be served with the document is not known."

8. A machine translated version of the "Civil Procedure Law of the People's Republic of China (as amended by the Decision of August 31, 2012, on Amending the Civil Procedure Law of the People's Republic of China)" from the World Intellectual Property Organization's online Lex Database Search, is attached hereto as **Exhibit 6** and accessible at (https://wipolex.wipo.int/en/text/475467). Chapter VII, Section 2, of the Civil Procedure Law governs service of process. Article 92 of the law provides that, "if the whereabouts of a recipient of the service is unknown, or if a document cannot be served by the other methods reflected in the law, a document shall be served by public announcement."

9. Plaintiff owns all exclusive rights in various copyrights for the Rotita Brand product line (the "Asserted Brand"), including without limitation copyrights covered by U.S. Copyright Office (the "Asserted Brand Copyrights"). A list of the true and correct registration numbers of the federal copyright registrations for the three (3) infringed copyrights of the Asserted Brand Copyrights are attached as Exhibit 1 to the Complaint.

10. Plaintiff designed, invented, caused to subsist in material form and first published copyrighted material related to the Asserted Brand product line as early as 2021 on the company's Asserted Brand identified website domain, and instantly attracted substantial international success. Plaintiff is the official source of the Asserted Brand products in the United States.

11. Since at least 2009, the Asserted Brand is, and has been, the subject of substantial and continuous marketing and promotion by Plaintiff. Plaintiff has expended substantial time, money, and other resources in advertising and otherwise promoting the Asserted Brand, which consists, in part, of extensively displaying the Asserted Brand Copyrights in connection with offering its products for sale on the company's website. As a result, the Asserted Brand products and the Asserted Brand Copyrights are widely recognized and exclusively associated by consumers, the public, and the trade as being products sourced from Plaintiff's Asserted Brand.

12. The success of Asserted Brand products has resulted in significant counterfeiting and/or the offering of knockoff products of inferior quality. Consequently, Plaintiff has investigated and identified numerous online stores on through the Amazon platforms identified in Schedule "A" attached to the Complaint (collectively, "Defendants' Online Stores"), which were misappropriating the Asserted Brand Copyrights to offer for sale, sell, and import competing products to consumers in the State of Illinois and throughout the United States.

13. Undersigned counsel performed, supervised, and/or directed investigations related to Internet-based infringement of the Asserted Brand Copyrights. To date, our investigation shows that Defendants are using Defendants' Online Stores to sell knockoff Asserted Brand products from foreign countries such as China to consumers in the U.S. and elsewhere while using, without authorization, the Asserted Brand Copyrights to do so. I have directly (or someone working under my direction supervision has) analyzed each of the Defendants' Online Stores and determined that

the stores were using the Asserted Brand Copyrights without authorization to offer knockoff Asserted Brand products of inferior quality for sale to consumers in the United States, including to consumers in the State of Illinois. This conclusion was reached through visual inspection of the products listed for sale on Defendants' Online Stores, the price at which the knockoff Asserted Brand products were offered for sale, and other features commonly associated with websites selling counterfeit and/or knockoff products.

14. True and correct copies of screenshot printouts showing Defendant's Online Stores on which the Asserted Brand Copyrights are displayed without authorization, as well as pages confirming the ability to order and ship knockoff Asserted Brand products to the United States are attached as **Exhibit 7**.

15. Upon information and belief, Defendants typically set up online stores on well-known e-commerce platforms and, to unknowing consumers, appear to be authorized online retailers, outlet stores, or wholesalers selling genuine counterfeit products. Defendant's Online Stores appear sophisticated and accept payment in U.S. dollars via credit cards, and PayPal. Defendants' Online Stores often include images and design elements that make it very difficult for consumers to identify them as counterfeit or unauthorized knockoff brand sellers. Defendants therefore perpetuate the illusion of legitimacy by using indicia of authenticity and security that consumers have come to associate with authorized online retailers. Plaintiff has not licensed or authorized Defendants to use the Asserted Brand Copyrights, and none of the Defendants are authorized to use the copyright protected works at issue in this action.

16. Defendants deceive unknowing consumers by using photographs and 3-D artwork contained in the Asserted Brand Copyrights without authorization within the content to attract various search engines crawling the Internet looking for websites relevant to consumer searches

for Asserted Brand products. Additionally, Defendants typically use other unauthorized search engine optimization ("SEO") tactics and social media spamming so that the Defendants' listings show up at or near the top of relevant search results and misdirect consumers searching for genuine Asserted Brand products. Further, Defendants typically utilize similar illegitimate SEO tactics to propel new domain names to the top of search results after others are shut down.

17. Upon information and belief, Defendants have gone, and defendants in similar cases go to great lengths to conceal their identities and often use multiple fictitious names and addresses to register and operate their massive network of online stores. For example, many of Defendants' names and physical addresses used to register Defendants' Online Stores are incomplete, contain randomly typed letters, or fail to include cities or states. Defendants in similar counterfeit and knockoff product cases, also use privacy services that conceal the owners' identity and contact information and regularly create new websites and online marketplace accounts on various platforms using the identities listed in Schedule "A" to the Complaint, as well as other unknown fictitious names and addresses. Such Internet store registration patterns are one of many common tactics used by counterfeiting and product knockoff defendants to conceal their identities, the full scope and interworking of their massive counterfeiting operation, and to avoid being shut down.

18. Defendants' websites use, without authorization, the Asserted Brand Copyrights in similar or substantially similar ways to sell knockoff products of lesser quality at the same or similar pricing. Knockoff Asserted Brand products for sale in Defendants' Online Stores bear similar irregularities and indicia of being related to one another, suggesting that the Defendants' lesser quality products were manufactured by and come from a common source and that, upon information and belief, Defendants are interrelated. Defendants' Online Stores in similar cases

also include other notable common features, including use of the same domain name registration patterns, unique shopping cart platforms, accepted payment methods, checkout methods, meta data, illegitimate SEO tactics, user-defined variables, domain redirection, lack of contact information, identically or similarly priced hosting services, similar name servers, and the use of the same text and images.

19. In addition to operating under multiple fictitious names, Defendants in this case and defendants in other similar cases against online counterfeiters or knockoff sellers use a variety of other common tactics to evade enforcement efforts. For example, knockoff sellers like Defendants will often register new domain names or online marketplace accounts under new aliases once they receive notice of a lawsuit. Counterfeiters and knockoff sellers also often move website hosting to rogue servers located outside the United States once notice of a lawsuit is received. Counterfeiters and knockoff sellers also typically ship products in small quantities via international mail to minimize detection by U.S. Customs and Border Protection.

20. Based on my experience in investigating counterfeit and knockoff products, including the instant investigation, knockoff sellers such as Defendants typically operate multiple credit card merchant accounts, such as Amazon and PayPal, hidden behind layers of payment gateways so that they can continue operation despite legal enforcement efforts. Further, defendants, such as the Defendants in this case, typically maintain offshore bank accounts and regularly move funds from their various e-commerce accounts to these offshore accounts because they are outside the jurisdiction of United States' courts, such as this Court.

21. Moreover, Plaintiff suspects that given the nature of the counterfeit products being sold, which are promoted using an extensive array of the company's copyright protected images throughout a network of thousands of alleged infringers, that this is a highly sophisticated and

coordinated counterfeit operation whereby all online platform stores are provided with illegal, substandard, knockoff products produced from one or more central textile manufacturing facilities. In short, the named Schedule "A" Defendants lack the resources, ability, and capacity to manufacture the degree of counterfeit products being distributed through their associated online sales platforms without the support of a larger, criminal organization/network.

22. Monetary damages alone cannot adequately compensate Plaintiff for ongoing infringement because monetary damages fail to address the loss of control of and damage to the reputation and goodwill associated with Plaintiff's Asserted Brand. Furthermore, monetary damages are difficult, if not impossible, to completely ascertain due to the inability to fully quantify the monetary damage caused to the Asserted Brand's reputation and goodwill by Defendants' numerous willful acts of copyright infringement.

23. The goodwill and reputation of Plaintiff's Asserted Brand is irreparably damaged when the Asserted Brand Copyrights are used without authorization to display, sell, and offer for sale goods not authorized, produced, or manufactured by Plaintiff. In fact, many of these products are purchased under the assumption that they are actual Asserted Brand goods when, in fact, they are of inferior quality. This results in a negative experience by the consumer, which is unfairly and inappropriately associated with the Asserted Brand due to Defendants' infringing conduct and overall product misrepresentations. Simply put, Defendants' unauthorized conduct results in consumer brand confidence in Asserted Brand being damaged, which necessarily results in a loss of future sales and market share. The extent of harm to the Asserted Brand's reputation and goodwill and the possible diversion of customers due to loss in brand confidence are largely unquantifiable and, as such, demonstrate that Plaintiff has no immediately ascertainable adequate remedy at law to redress Defendants' infringing conduct.

24. Plaintiff is further irreparably harmed by the unauthorized use of the Asserted Brand Copyrights because knockoff sellers take away Plaintiff's ability to control the nature and quality of unauthorized products being displayed, sold, and offered for sale to the public. Loss of quality control over goods and, in turn, loss of control over the Asserted Brand's reputation is neither calculable nor precisely compensable, thereby further demonstrating that Plaintiff has no immediately ascertainable adequate remedy at law to redress Defendants' infringing conduct.

25. The sale of knockoff Asserted Brand products through the unauthorized display of the Asserted Brand Copyrights causes consumer confusion, which weakens the Asserted Brand's recognition and reputation. Consumers who mistakenly believe that the products they have purchased originated from Plaintiff will come to believe that Plaintiff's Asserted Brand offers low-quality products. Inferior quality products will result in increased skepticism and hesitance in consumers presented with genuine Asserted Brand products, resulting in a loss or undermining of the Asserted Brand's reputation and goodwill, thereby further demonstrating that Plaintiff has no immediately ascertainable adequate remedy at law to redress Defendants' infringing conduct.

26. Plaintiff is further irreparably damaged due to a loss of exclusivity. The Asserted Brand products are meant to be exclusive. Plaintiff's extensive marketing and distribution of Asserted Brand products as part of their various marketing activities are aimed at growing and sustaining sales of the Asserted Brand product line. The Asserted Brand Copyrights signify to consumers that the Asserted Brand products originate from Plaintiff and are manufactured to high quality standards. When counterfeiters use the Asserted Brand Copyrights without authorization, the exclusivity of Plaintiff's Asserted Brand products, as well as reputation, are damaged and eroded, resulting in a loss of unquantifiable future sales.

27. Defendants in this case, willfully and without authorization, use the Asserted Brand Copyrights to promote, advertise, offer to sell, and sell competing, poor quality goods through their Amazon stores. Defendants are creating a false association in the minds of consumers between their illegitimate knockoff websites and the authorized, legitimate Asserted Brand retailers by deceiving consumers through, among other things, the unauthorized display of the Asserted Brand Copyrights. These circumstances justify entry of a temporary restraining order to immediately stop the Defendants from improperly benefiting from their unauthorized use of the Asserted Brand Copyrights and to preserve the status quo until a hearing can be held in this matter.

28. In addition to having developed a sophisticated online sales network, the named Defendants are exceptionally skilled at identifying Schedule "A" plaintiffs, their allegedly infringed products, immediately disseminating this information throughout their network by posting on online websites such as "SellerDefense.cn." The dissemination of this information then immediately results in the named Defendants siphoning off all illicit funds held in their online accounts. This results in plaintiffs being deprived of any meaningful opportunity to redress the harm caused by Defendants' infringing conduct by attacking their financial resources.

29. Absent entry of a temporary restraining order without notice, Defendants can, and likely will, modify registration data and content, change hosts, redirect traffic to other websites under their control, and/or move any assets from U.S.-based bank accounts to offshore accounts.

30. Defendants Online Stores have been registered with the identified platform, which helps to increase their anonymity by interposing a third party between the consumer and them. Without being able to discover Defendants' bank and payment system accounts, any asset restraint would be of limited value because Plaintiff would not know the entities upon whom to serve

the applicable order. As such, expedited discovery is required to discover bank and payment-system accounts used by Defendants in furtherance of their copyright infringing aided, the Asserted Brand's knockoff sales operations. In this regard, Plaintiff's expedited discovery requested in its Proposed Temporary Restraining Order has been limited to include that which is only necessary to prevent further irreparable harm. This includes discovery of financial accounts necessary to freeze them so that the unauthorized and infringing activities will be contained.

31. As Defendants have engaged in many deceptive practices in hiding their identities and accounts, Plaintiff's seizure and asset restraint in the Proposed Temporary Restraining Order may have little meaningful effect without also being able to serve necessary discovery, through Federal Rule of Civil Procedure 45 or otherwise, on third parties potentially associated or acting in concert with the Defendants. As such, Plaintiff requests that it additionally be permitted to engage in third party discovery to the extent necessary to effectuate the narrow scope of inquiry identified above.

32. Further, it is respectfully submitted that *ex parte* relief is necessary to avoid immediate and irreparable injury. Indeed, if Defendants were to learn of these proceedings prematurely, the likely result would be the destruction of relevant documentary evidence and the hiding or transferring of assets to foreign jurisdictions, which would frustrate the purpose of the underlying law and would interfere with this Court's ability to grant relief. Specifically, it appears that the Defendants in this case hold most of their assets in the Republic of China or Hong Kong, making it easy to hide or dispose of assets, which will render an accounting by Plaintiff meaningless.

33. Plaintiff will suffer immediate and irreparable injury, loss, or damage if an *ex parte* Temporary Restraining Order is not issued.

I declare under penalty of perjury under the laws of the United States of America the foregoing is true and correct.

Executed on December 5, 2024 in Las Vegas, Nevada.

Respectfully Submitted

By: */s/ Shawn Mangano*
SHAWN MANGANO, ESQ.