

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

HONG KONG LEYUZHEN TECHNOLOGY
CO. LIMITED,

Plaintiff,

v.

THE INDIVIDUALS, CORPORATIONS,
LIMITED LIABILITY COMPANIES,
PARTNERSHIPS AND UNINCORPORATED
ASSOCIATIONS IDENTIFIED IN
SCHEDULE "A" HERETO,

Defendants.

Case No. 1:24-cv-12324-JJT-LKM

Honorable Judge John J. Tharp, Jr.

Magistrate Judge Laura K. McNally

**DECLARATION OF LIANGJIE LI IN SUPPORT OF
PLAINTIFF'S MOTION FOR DEFAULT AND DEFAULT JUDGMENT**

I, Liangjie Li, of Hong Kong, a special administrative region of the People's Republic of China, 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 Default and Default Judgment (the "Motion").

3. I am the Chief Operations Officer for Plaintiff Hong Kong Leyuzhen Technology Co. Ltd. ("Plaintiff"). I make this declaration from my matters within my own personal knowledge unless stated otherwise.

4. Plaintiff markets and sells women's clothing and related items under the "Rotita" brand name ("Rotita").

5. Rotita is an extremely well-known source of women's clothing in the United States and has been the subject of rampant counterfeit sales through online platforms such as Amazon, Walmart, Alibaba, eBay, Aliexpress, and Temu (the "Platform"), which is the online sales platform at issue in this action. These are the six largest online retailers in the World – and Plaintiff does not sell its products through any one of them. Rather, Plaintiff only sells its genuine Rotita brand products through its website rotita.com.

6. Plaintiff seeks an award of statutory damages against all defaulted Schedule "A" Defendants (the "Defaulting Defendants") in this action. The Defaulting Defendants are accused of intentionally and willfully infringing Plaintiff's following three (3) federally registered copyrights asserted in this action: (1) VA0002380491; (2) VA0002380492; and (3) VA0002379893 (the "Copyright Protected Images").

7. It is without question that the Defaulting Defendants have engaged in the intentional misappropriation and unauthorized use of the Copyright Protected Images. In this regard, Plaintiff's Copyright Protected Images, often representing recent product releases, have almost instantaneously appeared on the Defaulting Defendants' online stores maintained with the Platform (the "Online Stores"). Moreover, the Defaulting Defendants have unquestionably been operating their Online Stores using the misappropriated Copyright Protected Images through a sophisticated counterfeit network utilizing a highly developed supply chain capable of supplying thousands of knockoff products featuring an array of Plaintiff's textile patterns and designs that could not otherwise be accomplished on an individual basis.

8. The basic nature of the copyright infringement scheme employed demonstrates that the Defaulting Defendants not only knew of the impropriety of their conduct but had to implement their counterfeit scheme through sophisticated sources and established supply chains. This is the

only possible scenario under which the Defaulting Defendants could immediately procure, without authorization, Plaintiff's new copyright protected product images and offer them for sale through their Online Stores. In addition, the Defaulting Defendants have intentionally used the Copyright Protected Images for soliciting counterfeit, knockoff Rotita product sales on a Platform that Plaintiff does not, and has not, utilized to sell its authentic products. Simply put, these facts not only establish the Defaulting Defendants' knowledge and intentional infringement of Plaintiff's Copyright Protected Images.

9. Plaintiff has paid the rate of \$500 per hour for Katherine M. Kuhn's, Esq.'s legal services in this action and in other pending actions. Plaintiff has also paid the rates of \$400 per hour for Joseph W. Droter, Esq.'s legal services in this action and in other pending actions. Plaintiff has also paid the rate of \$275 per hour for paralegal services provided by Heather Ikerd and Elizabeth Cummings in this action and in other pending actions.

10. Plaintiff's rough estimated gross revenue from United States sales likely exceeds \$20,000,000 USD per year. Of this amount, Plaintiff roughly estimates that over \$1,000,000 is derived from sales in the State of Illinois. Moreover, Plaintiff spends roughly anywhere from \$8,000,000 to \$12,000,000 USD each year to specifically advertise its Rotita brand in the United States through such online advertising sources as Google Ads, Facebook, and Bing. Furthermore, the company has spent more than \$80,000 in filing fees paid to the United States Copyright Office just to secure registration of copyright protected works being asserted in, currently, over fourteen (14) enforcement actions initiated in this judicial district. Simply put, Plaintiff is an extremely successful company that earns millions of dollars from product sales in the United States – including within the State of Illinois. To do so, Plaintiff annually spends tens of millions of dollars advertising in the United States to promote the sale of its brand.

11. Plaintiff expects to earn a net profit of approximately 30% on the sale of its Rotita brand products. This figure, however, includes substantial advertising expenses that the Defaulting Defendants would not have to pay since they are largely capitalizing on Plaintiff's advertising efforts by misappropriating its copyright protected images and imbedding the term "Rotita" in their Temu.com search engine optimization. Doing so causes their online stores to be displayed whenever someone searches for "Rotita" on Temu.com despite Plaintiff not selling authentic "Rotita" brand products on the platform. Based on the foregoing, I would estimate that the Defaulting Defendants' Online Stores operate at a net profit of between 40% to 50%. I believe that a disgorgement of the Defaulting Defendants' profits would fall within the net profit range. However, it is impossible to definitively calculate the Defaulting Defendants' total sales on the Platform through their Online Stores or to ascertain their expenses related to their infringing sales because they have failed to appear, defend, or otherwise participate in this action.

12. The Defaulting Defendants named in the company's copyright infringement enforcement actions are engaged in the practice of copying Plaintiff's copyright protected product images almost instantaneously after they are first displayed on the company's website and then associating these images with sale and promotion of unauthorized, counterfeit products of substandard quality, thereby deceiving consumers – including the citizens of the State of Illinois. Moreover, given the nature of Plaintiff's goods, such large-scale sales operations over multiple online retail platforms require considerable supply chain coordination that could not reasonably be accomplished independently by any of the named Defaulting Defendants. Simply put, Plaintiff maintains that the Defaulting Defendants are acting in concert, pursuant to a common scheme, whereby they independently copy the company's copyright protected images, without authorization, from its website or such unauthorized images are being provided by the same

common source associated with manufacturing the counterfeit products being sold on the Defaulting Defendants' Platform storefronts.

13. Plaintiff has suffered, and continues to suffer, irreparable harm through the Defaulting Defendants' unauthorized use of its federally registered copyright protected images asserted in this action. This results in the direct harm to Plaintiff's brand reputation and loss of consumer goodwill, both of which are harms that are virtually impossible to ascertain the resulting economic loss.

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

Executed on February 18, 2025, in Hong Kong.

By: Liangjie Li
LIANGJIE LI

CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of March 2025, I electronically filed the foregoing document with the clerk of the court for the U.S. District Court, Northern District of Illinois, Eastern Division, using the electronic case filing system. The electronic case filing system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means. Notice of this filing is provided to unrepresented parties for whom contact information has been provided via email and by posting the filing on a URL contained on our website <https://blointernetenforcement.com/>, and distributed to ecommerce platform, Temu.

By: /s/ Joseph W. Droter
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