

EXHIBIT L

09:36:21 1 THE CLERK: 24 C 11029, XYZ Corporation versus The
09:36:29 2 Individuals, for motion hearing.

09:36:33 3 MR. DROTER: Good morning, Your Honor. Joseph Droter
09:36:36 4 here for plaintiff.

09:36:37 5 THE COURT: Good morning.

09:36:38 6 MR. DROTER: Good morning.

09:36:39 7 THE COURT: I saw there was an amended complaint
09:36:44 8 naming one defendant; is that correct?

09:36:45 9 MR. DROTER: That is correct, yes.

09:36:47 10 THE COURT: And you are seeking a temporary
09:36:49 11 restraining order on that. I reviewed that and I will enter
09:36:52 12 the TRO as to that defendant today.

09:36:56 13 I still need to address some of the -- or one of the
09:37:02 14 issues raised in my order concerning the original complaint
09:37:06 15 and the joinder of defendants, and that goes to the jointly
09:37:09 16 and severally allegation. I did not see that in the amended
09:37:14 17 complaint, and I just need to understand why it was included
09:37:19 18 in the -- not why, but what evidence you had supporting its
09:37:23 19 inclusion in the original complaint.

09:37:26 20 MR. DROTER: So just to make sure I am understanding
09:37:30 21 correctly, you are referring to the original complaint prior
09:37:32 22 to us filing the amended complaint naming just the one
09:37:36 23 defendant and addressing all the other concerns raised by this
09:37:39 24 Court?

09:37:39 25 THE COURT: Correct.

09:37:40 1 And to be more specific, docket entry 5, I issued a
09:37:49 2 rule to show cause because the complaint alleged that
09:37:52 3 defendants without any authorization or license from the
09:37:56 4 plaintiff have jointly and severally, knowingly and willfully,
09:38:00 5 used and continued to use, the brand trademark.

09:38:05 6 I went on to cite Rule 11, which requires that
09:38:09 7 factual contentions have evidentiary support or if
09:38:13 8 specifically so identified will have evidentiary support after
09:38:16 9 reasonable opportunity for further investigation or discovery.

09:38:21 10 So my question is, what good faith basis did you have
09:38:24 11 for alleging that the 20 defendants in the original complaint
09:38:27 12 were acting jointly and severally?

09:38:30 13 MR. DROTTER: Our office does perform intensive
09:38:35 14 pre-filing for the discovery and the lawsuit, which is why we
09:38:39 15 do put certain defendants together in concert with the actual
09:38:44 16 entity plaintiff itself. With the assistance of them these
09:38:49 17 stores do essentially try to create the very similar look of
09:38:55 18 the actual plaintiff's store, online store itself, using their
09:38:58 19 own online stores. That is one way that we do take a look
09:39:02 20 into it.

09:39:02 21 Also the way that these defendants are using the
09:39:06 22 brand mark in such a similar way, almost in the same exact
09:39:10 23 sentence in their descriptions of that. With these small
09:39:14 24 stores, it is practically impossible for them to ship out that
09:39:19 25 amount of volume just by themselves.

09:39:22 1 THE COURT: Do you have any understanding of what
09:39:24 2 their volume is prior to filing a lawsuit?

09:39:27 3 MR. DROTER: Prior to filing the lawsuit, the most
09:39:29 4 information that we had would be from the reviews that exist
09:39:33 5 on these store fronts, with each size it is a different ason
09:39:39 6 (phonetic), with each side -- and there is usually about 15 to
09:39:43 7 30 asons per product, which means there are different color
09:39:48 8 combinations, different sizes, which indicates just a large
09:39:52 9 volume that they need to have ready on stock to be able to
09:39:55 10 ship out, which for an individual store by itself in a small
09:39:58 11 capacity does not usually exist without having the existence
09:40:02 12 of a connection of greater assistance in terms of
09:40:07 13 distributors, other I will say cohorts acting in concert to
09:40:11 14 try to --

09:40:12 15 THE COURT: Or access to a bot that generates reviews
09:40:16 16 to make the website look more active, or the store more
09:40:20 17 active?

09:40:21 18 MR. DROTER: It could be that.

09:40:22 19 So that is why with the TRO you get more information
09:40:26 20 or can put more pieces of the puzzle together after getting
09:40:29 21 information from the platform.

09:40:32 22 So plaintiff does have its information and belief
09:40:35 23 that upon discovering more information, after getting that
09:40:39 24 information from the platform, it does confirm our pre-filing
09:40:44 25 investigation suit.

09:40:49 1 THE COURT: Okay.

09:40:50 2 I see it differently in that, you know, I know it is
09:40:56 3 difficult to build your case, but Rule 11 requires you to do
09:41:01 4 that before alleging that defendants are acting jointly and
09:41:05 5 severally. Rule 15 is fairly liberal to allow you to adjust
09:41:10 6 to changing information as you receive it. And I don't know
09:41:16 7 that a hope or a belief that the defendants are doing as you
09:41:20 8 suspect is sufficient to comply with Rule 11.

09:41:28 9 So I will discharge the rule to show cause, but
09:41:33 10 advise you that -- because you know, I see you often, to be
09:41:38 11 mindful of what goes into your complaints, because I will be
09:41:42 12 evaluating their veracity and the good faith basis for the
09:41:47 13 allegations.

09:41:51 14 I have yet to see a Schedule A case where more than a
09:41:55 15 handful of defendants were actually related in some way,
09:41:59 16 shape, or fashion, and so that factors into my decisions on
09:42:08 17 the propriety of joinder.

09:42:11 18 I will grant the TRO as to the amended complaint, and
09:42:18 19 discharge the rule to show cause.

09:42:20 20 Thank you.

09:42:21 21 MR. DROTTER: Thank you very much, Your Honor.

09:42:22 22 One last thing, with the amended complaint it does
09:42:25 23 change the caption of the case, so just wanted to put it on
09:42:29 24 the record, an oral motion, to update the caption of the case
09:42:32 25 to the amended complaint compared to the original complaint

09:42:36

1 that was filed.

09:42:37

2 THE COURT: I will grant that oral motion to the
3 extent I don't get in trouble with the Clerk's Office, but I
4 will try to do that.

09:42:44

5 MR. DROTER: Thank you very much and have a great
6 day.

09:42:47

09:42:47

7 THE COURT: Thank you.

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10 C E R T I F I C A T E

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12 I certify that the foregoing is a correct transcript
13 from the record of proceedings in the above-entitled matter.

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15 /s/Krista Burgeson, CSR, RMR, CRR November 22, 2024
16 Federal Official Court Reporter Date

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