

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

HONG KONG LEYUZHEN
TECHNOLOGY CO. LIMITED,
Plaintiff

v.

SZCHENHONG,
Defendant

No. 25-cv-02808

Judge Jeremy C. Daniel

ORDER

The plaintiff's motion for default judgment [32] is granted. The Court awards the plaintiff a total of \$45,000 in statutory damages and injunctive relief as set forth in a separate order.

STATEMENT

The plaintiff obtained a default against the defendant. (R. 31.) The plaintiff subsequently moved for entry of default judgment, (R. 32), and seeks enhanced statutory damages and injunctive relief, (R. 32-1 at 12). The plaintiff filed a memorandum and supporting materials in support of the relief it seeks, (R. 32), and attended a hearing on its motion, (R. 34). The plaintiff asked the Court to grant the plaintiff the relief sought. At no time after obtaining the default against the defendant did the plaintiff ask to have a jury determine the amount of statutory damages. *See Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 355 (1998) (“if a party so demands, a jury must determine the actual amount of statutory damages under § 504(c) in order ‘to preserve ‘the substance of the common-law right of trial by jury.’ ”). By presenting its arguments and evidence to the Court, and by asking the Court to grant relief based on those arguments and that evidence, the plaintiff waived its right to a jury trial on the issue of statutory damages. *See, e.g., Lacy v. Cook Cnty., Illinois*, 897 F.3d 847, 860 (7th Cir. 2018) (explaining that, despite a presumption against waiver of the right to a jury trial, a party can waive its jury trial rights by participating in and failing to object to a non-jury trial fact-finding proceeding.).

This case concerns the defendant's infringement of three copyrighted photographs owned by the plaintiff. The photographs depict a model wearing an article of clothing. The plaintiff used the photographs to market its clothing line. The defendant also used the photographs to market its clothing line. Because the

defendant did so without the plaintiff's permission, the defendant infringed the plaintiff's copyright.

The plaintiff has elected statutory damages as its remedy. Under 17 U.S.C. § 504(c)(1), statutory damages may range from \$750 to \$30,000 per work infringed. The upper limit of that range increases to \$150,000 where the defendant willfully infringed. 17 U.S.C. § 504(c)(2). The plaintiff seeks enhanced statutory damages of \$15,000 for the first photograph, \$30,000 for the second, and \$90,000 for the third. (R. 32-2.) These amounts increase with the number of items sold by the defendant; that is, items marketed by the defendant using the first photograph sold the least and items marketed by the defendant using the third photograph sold the most.

Beyond that generalization, the Court does see any relationship between the number of items sold by the defendant and the photograph used. The defendant's revenue tied to items marketed using the first photograph was \$179.75; the plaintiff seeks \$5,000 in statutory damages. The defendant's revenue tied to items marketed using the second photograph was \$13,360.55; the plaintiff seeks \$10,000 in statutory damages. The defendant's revenue tied to items marketed using the third photograph was \$28,920.52; the plaintiff seeks \$30,000 in statutory damages. The plaintiff seeks to treble each of those amounts based on the defendant's willful infringement.

But the Court does not see how the defendant's sales factor into the statutory damages determination in this case. The defendant did not infringe by selling copies of the plaintiff's photographs. As explained in a prior order, there is no evidence of knockoff or counterfeit products as the plaintiff claims no copyright in the design of the clothing and the defendant's products do not display the copyright-protected photographs. (*See* R. 18 at 2.)

And the plaintiff did not submit any evidence that demonstrates how, if at all, the defendant's use of the plaintiff's photographs contributed to the defendant's sales. For instance, a marketing expert could have opined that use of certain photographs could increase sales by a certain percentage or that products marketed with photographs are more successful than those marketed without photographs. Alternatively, the plaintiff could have presented data that showed that its sales increased when it started using the three photographs to market its products. Instead of submitting evidence to support any connection between the defendant's sales and statutory damages, the plaintiff asks this Court to conclude that one hundred percent of the defendant's sales are attributable to the defendant's use of the plaintiff's photographs. That defies logic—the product itself, including its material and design, must have some value.

The Court also does not see how the plaintiff's investment in its brand factors into the statutory damages determination. This is not a trademark case. Yet several of the plaintiff's arguments sound in trademark law. For instance, the plaintiff argues

that it has invested between \$8,000,000 and \$12,000,000 to advertise and promote its brand. That says nothing about the value of the photographs. The plaintiff conceded as much when, at argument, the plaintiff said it did not know the extent to the three photographs at issue factored in to those numbers. What's more, the photographs do not show the plaintiff's name or trademarks. As such, the plaintiff's trademark theories miss the mark.

Further, the plaintiff has not presented any evidence as to what it spent to obtain, protect, or market the three photographs. While the plaintiff referred to "\$80,000 to secure the company's copyright registrations," (R. 32-1 at 8), at argument, the plaintiff could not specify how much it spent to secure the three copyrights at issue. This lack of specificity applies to many of the plaintiff's arguments—the plaintiff throws out several numbers and legal theories but never connects those numbers or theories to the issues in this case.

Instead, as the plaintiff argued at the motion hearing, the plaintiff expected the Court to just accept the facts of the complaint as true and to accept the plaintiff's view on damages. But Rule 55(b)(2) states that a "court may conduct hearings or make referrals—preserving any federal statutory right to a jury trial—when, to enter or effectuate judgment, it needs to: (A) conduct an accounting; (B) determine the amount of damages; (C) establish the truth of any allegation by evidence; or (D) investigate any other matter." Fed. R. Civ. P. 55(b)(2). In determining the amount of statutory damages, this Court looks to various factors, including the value of the infringed intellectual property, the nature and extent of the infringement, and the range of statutory damages available. This is not an exhaustive list, as district courts have broad discretion to award statutory damages within the statutory range. *See, e.g., Chi-Boy Music v. Charlie Club, Inc.*, 930 F.2d 1224, 1229 (7th Cir. 1991) (explaining that district courts have "wide discretion" and do not have to "follow any rigid formula" when determining statutory damages).

Here, the plaintiff provided no competent evidence of the value of the particular photographs at issue. Instead, it opted to speak generally about its larger copyright portfolio and its investment in its brand. The nature and extent of the infringement is significant, as the defendant used photographs on its website when it had no right to those photographs. While the photographs themselves are akin to stock photographs, it is significant that the plaintiff claims that it does not license the three photographs. This is the only fact presented by the plaintiff that warrants an amount above the statutory minimum.

With that in mind, the Court finds that an appropriate statutory damages award for each photograph infringed to be \$5,000. That seems greater than what it would cost to license a stock photograph, which is necessary to account for the plaintiff's desire to keep exclusive use of the photographs. The Court agrees with the plaintiff that treble damages are appropriate. Accordingly, the Court awards the

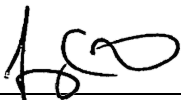
plaintiff \$15,000 in statutory damages for each photograph infringed; for a total of \$45,000 in statutory damages.

The Court also finds that injunctive relief is appropriate and will issue that injunction separately. The Court notes that the plaintiff submitted a proposed order (attached hereto as Exhibit A) that includes relief not supported by the record. For instance, the plaintiff seeks to enjoin the defendant from “using the Copyright Protected Images or any reproductions, infringing copies, or colorable imitations in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine Rotita product or not authorized by Plaintiff to be sold in connection with the Copyright Protected Images.” This conflates appropriate relief in a copyright case with relief appropriate in a trademark case. The appropriate remedy is to enjoin the defendant’s use of the copyrighted photographs, which is what the Court will do.

This case has nothing to do with the plaintiff’s brand, and it has nothing to do with knockoffs or counterfeits of the plaintiff’s products. As such, there is no good faith basis to seek such broad relief. What’s particularly troubling is that the Court previously denied the same relief when the plaintiff sought a temporary restraining order.

Further, the plaintiff seeks an order directing third parties to take certain actions. Other than Temu, the plaintiff has not shown a connection to any of these third-party providers. Nor has the plaintiff shown a reason that the Court should order a third-party to disable or otherwise stop hosting the defendant’s website. While nothing prevents the plaintiff from providing third-party providers with this Court’s orders, which would allow them to decide the appropriate course in light of the defendant’s infringement, they are not parties to this case and have not been heard. Further, the plaintiff seeks the ability to serve third-parties “holding funds” for the defendant with a copy of the order and have those third-parties restrain and enjoin any accounts connected to the defendant. This bypasses the traditional method of collecting a judgment and is fraught with risk for abuse. The Court refuses to delegate its authority to the plaintiff in this, or any, way. The plaintiff can issue a citation to discover assets and then file a motion for turnover like any other judgment debtor.

Date: July 11, 2025



JEREMY C. DANIEL
United States District Judge

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

HONG KONG LEYUZHEN TECHNOLOGY
CO. LIMITED,

Plaintiff,

v.

SZCHENHONG,

Defendant.

Case No.: 1:25-cv-02808-JCD-KLHH

Honorable Jeremy C. Daniel

Magistrate Keri L. Holleb Hotaling

FINAL DEFAULT JUDGMENT ORDER

This action having been commenced by Plaintiff, HONG KONG LEYUZHEN TECHNOLOGY CO., LTD. (“Plaintiff”) against the Defendant, SZCHENHONG, and using the Temu Online Marketplace mall id 4718387220673 (collectively, the “Defendant Internet Store”), and Plaintiff having moved for entry of Default Judgment against the Defendant (the “Defaulting Defendant” or “Defendant”).

Plaintiff having properly completed service of process on Defaulting Defendant, the combination of providing notice via electronic publication or e-mail, along with any notice that Defaulting Defendant received from payment processors, being notice reasonably calculated under all circumstances to apprise Defaulting Defendant of the pendency of the action and affording them the opportunity to answer and present their objections; and

The Defaulting Defendant having not answered in any way, and the time for answering having expired, so that the allegations of the Complaint are uncontroverted and are deemed admitted;

THIS COURT HEREBY FINDS that it has personal jurisdiction over Defaulting Defendant because Defaulting Defendant directly targets their business activities toward consumers in the United States, including Illinois. Specifically, Plaintiff has provided a basis to conclude that Defaulting Defendant has targeted sales to Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more seller aliases, offer shipping to the United States, including Illinois, and has sold products using Plaintiff's federally registered copyrights, which are protected by U.S. Copyright Registration Nos. VA0002379899, VA0002379907, and VA0002379930 (the "Copyright Protected Images") to residents of Illinois. In this case, Plaintiff has presented screenshot evidence that Defendant's e-commerce store is reaching out to do business with Illinois residents by operating one or more commercial, interactive internet stores through which Illinois residents can purchase products using infringing versions of the Copyright Protected Images. [See Dkt. Nos. 14-7], which includes screenshot evidence confirming that Defendant's e-commerce store does stand ready, willing, and able to ship its unauthorized goods to customers in Illinois bearing infringing versions of the Copyright Protected Images.

THIS COURT FURTHER FINDS that Defaulting Defendant is liable for direct federal copyright infringement (17 U.S.C. § 504).

Accordingly, this Court orders that Plaintiff's Motion for Entry of Default Judgment is GRANTED as follows, that Defaulting Defendant is deemed in default, and that this Default Final Judgment is entered against Defaulting Defendant.

THIS COURT FURTHER ORDERS that:

1. Defaulting Defendant, its officers, agents, servants, employees, attorneys, and all persons acting for, with, by, through, under, or in active concert with them be permanently enjoined and restrained from:

- a. using the Copyright Protected Images or any reproductions, infringing copies, or colorable imitations in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine Rotita product or not authorized by Plaintiff to be sold in connection with the Copyright Protected Images;
- b. passing off, inducing, or enabling others to sell or pass off any product as a genuine Rotita product or any other product produced by Plaintiff, that is not Plaintiff's or not produced under the authorization, control, or supervision of Plaintiff and approved by Plaintiff for sale using the Copyright Protected Images;
- c. committing any acts calculated to cause consumers to believe that Defaulting Defendant's products are those sold under the authorization, control, or supervision of Plaintiff, or are sponsored by, approved by, or otherwise connected with Plaintiff; and
- d. manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Plaintiff, nor authorized by Plaintiff to be sold or offered for sale, and which bear any of Plaintiff's Copyright Protected Images, including the Copyright Protected Image, or any reproductions, infringing copies or colorable imitations.

2. Defaulting Defendant and any third party with actual notice of this Order who is providing services for any of the Defaulting Defendant, or in connection with any of the Defaulting

Defendant's Internet Stores, including, without limitation, any online marketplace platforms such as Amazon Payments, Inc. ("Amazon"), Walmart Inc. ("Walmart"), and Wish U.S. Holdings LLC and ContextLogic Inc. d/b/a Wish.com ("WISH"), Alibaba Group Holding Ltd. ("Alibaba"), PPD Holdings dba Temu.com ("Temu" or the "Platform" and collectively referred to as the "Third Party Providers"), shall within seven (7) calendar days of receipt of this Order cease:

- a. using, linking to, transferring, selling, exercising control over, or otherwise owning the Defendant Internet Stores, or any other online marketplace account that is being used to sell or is the means by which Defaulting Defendant could continue to sell goods using the Copyright Protected Images; and
- b. operating and/or hosting websites that are involved with the distribution, marketing, advertising, offering for sale, or sale of any product bearing the Copyright Protected Images or any reproductions, infringing copies or colorable imitations thereof that is not a genuine Rotita product or not authorized by Plaintiff to be sold in connection with the Copyright Protected Images.

3. Upon Plaintiff's request, those with notice of this Order, including the Third-Party Providers as defined in Paragraph 2, shall within seven (7) calendar days after receipt of such notice, disable and cease displaying any advertisements used by or associated with Defaulting Defendant in connection with the sale of infringing goods using the Copyright Protected Images.

4. Pursuant to 17 U.S.C. § 504(c)(2), Plaintiff is awarded statutory damages against the Defaulting Defendant SZCHENHONG in the amount of (\$45,000.00), which shall then be enhanced to (\$135,000.00) for the willful infringement of the Copyright Protected Images as set forth below:

Defendant SZCHENHONG; Temu mall id: 4718387220673:

Temu infringing goods id	Statutory Award Amount	Treble Enhanced for Willful Infringement Award
601099522152098 Copyright Infringed: VA0002379899	\$5,000	\$15,000.00
601099534366035 Copyright Infringed: VA0002379907	\$10,000	\$30,000.00
601099516614630 Copyright Infringed: VA0002379930	\$30,000	\$90,000.00
	TOTAL:	\$135,000.00

5. Any Third Party Providers holding funds for Defaulting Defendant, including Temu, Amazon, Walmart, PayPal, Alibaba and WISH, shall, within seven (7) calendar days of receipt of this Order, permanently restrain and enjoin any accounts connected to Defaulting Defendant or the Defendant's Internet Store from transferring or disposing of any funds (up to the statutory damages awarded in Paragraph 4 above) or other of Defaulting Defendant's assets.

6. All monies (up to the amount of the statutory damages awarded in Paragraph 4 above), including monies held by Third Party Providers such as Amazon, Walmart, PayPal, Alibaba, Temu, and WISH, shall be restrained and released to Plaintiff as partial payment of the above-identified damages, and Third Party Providers, such as Amazon, Walmart, Alibaba, Temu, and WISH, are ordered to restrain and release to Plaintiff the amounts from Defaulting Defendant's financial accounts within fourteen (14) calendar days of receipt of this Order.

7. Until Plaintiff has recovered full payment of monies owed to it by any Defaulting Defendant, Plaintiff shall have the ongoing authority to commence supplemental proceedings under Federal Rule of Civil Procedure 69.

8. In the event that Plaintiff identifies any additional online marketplace accounts or financial accounts owned by Defaulting Defendant, Plaintiff may send notice of any supplemental proceeding, including a citation to discover assets, to Defaulting Defendant by e-mail at any e-mail addresses provided for Defaulting Defendant by third parties.

9. The One Thousand Dollars (\$1,000) surety bond posted by Plaintiff is hereby released to Plaintiff or its counsel, Bayramoglu Law Offices. The Clerk of the Court is directed to return the surety bond previously deposited with the Clerk of the Court to Plaintiff's counsel.

This is a Final Default Judgment.

Dated: July ____, 2025

Honorable Judge Jeremy C. Daniel
United States District Judge