

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

FENDI S.R.L.,

Plaintiff,

v.

THE PARTNERSHIPS and
UNINCORPORATED ASSOCIATIONS
IDENTIFIED ON SCHEDULE “A”,

Defendants.

Case No. 1:24-cv-05629

District Judge John F. Kness

Magistrate Judge Beth W. Jantz

DECLARATION OF JOHN HAARLOW, JR.

I, John Haarlow, Jr., declare as follows:

1. 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 Fendi S.R.L. (“Fendi”). Except as otherwise expressly stated to the contrary, I have personal knowledge of the following facts and, if called as a witness, I could and would competently testify as follows:

2. According to U.S. Customs and Border Protection (“CBP”), in Fiscal Year 2021 “CBP made over 27,000 seizures . . . with an estimated manufacturer’s suggested retail price (MSRP) of over \$3.3 billion, which represents an increase of 152% over the previous Fiscal Year, when goods valued at \$1.3 billion MSRP were seized for IPR [Intellectual Property Rights] violations.” (Fiscal Year 2021 Intellectual Property Rights Seizure Statistics Report at 5, Exhibit 1 hereto.) In Fiscal Year 2021, over 24,000 of the IPR seizures (about 89 percent of the total) were shipped via mail or express services (as opposed to cargo or other means). *Id.* at 37. Over 50

percent of the IPR seizures (with an MSRP of over \$2.5 billion) originated from China and Hong Kong. *Id.* at 35.

3. According to a report released by the U.S. Chamber of Commerce Global Intellectual Property Center (GIPC) titled *Measuring the Magnitude of Global Counterfeiting*, as much as 86 percent of all global counterfeit products originate in Chinese and Hong Kong markets. (See June 20, 2016 GIPC article GIPC summarizing the report, Exhibit 2 hereto.)

4. A report commissioned by Business Action to Stop Counterfeiting and Piracy and the International Trademark Association entitled *The Economic Impacts of Counterfeiting and Piracy* included findings that counterfeit and pirated products account for billions in economic losses, resulting in hundreds of thousands of lost jobs for legitimate businesses and broader economic losses, including lost tax revenue. (Exhibit 3 hereto at 6.)

5. Counterfeiters use a variety of tactics to evade enforcement efforts. Specifically, counterfeiters like Defendants in the present case will often register new online marketplace accounts under new aliases once they receive notice of a lawsuit.

6. Once notice of a lawsuit is received, counterfeiters such as Defendants move funds from their online payment accounts to off-shore accounts outside the jurisdiction of this Court.

7. For these reasons, in the absence of an *ex parte* Order, Defendants could and likely would move any assets from accounts in financial institutions subject to this Court's jurisdiction to off-shore accounts.

8. A copy of the unpublished Orders cited in Fendi's Memorandum in Support of the Motion for a Temporary Restraining Order is attached hereto as Exhibit 4.

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

Executed July 18, 2024 at Hinsdale, Illinois.

/s/ John Haarlow, Jr.
John Haarlow, Jr.
Counsel for Plaintiff Fendi S.R.L.