		1 ago 1 of 20
1 2 3 4 5 6 7 8	THOMAS P. BLEAU, ESQ. (SBN: 18 BLEAU / FOX, A P.L.C. 3575 Cahuenga Bl. West, #580 Los Angeles, CA 90068 Telephone: (323) 874-8613 Facsimile: (323) 874-1234 Email: bleaushark@aol.com HOOTAN TROY FARAHMAND (Santa Monica, Ca 90403 Telephone: (310) 560-0606 Facsimile: (310) 829-0225 Email: htflaw@aol.com	
9	Attorneys for Plaintiff TEXTILE SECRETS INTERNATION	NAI INC
10		THE, THE.
11	UNITED STAT	ES DISTRICT COURT
12	CENTRAL DIST	RICT OF CALIFORNIA
13	· *	CV08-06435 MMM PLAx
14	TEXTILE SECRETS	Case No.
15	INTERNATIONAL, INC., a California corporation,	COMPLAINT FOR:
16	Plaintiff,	1. COPYRIGHT INFRINGEMENT
17	VS.	2. VICARIOUS AND/OR
18		CONTRIBUTORY
19	M.M. AND R. INC. a New Jersey corporation, dba ECI, dba ECI New York, dba New Vision Apparel; MACY'S, INC., a Delaware corporation; and DOES 1 to 100, inclusive	COPYRIGHT INFRINGEMENT
20	York, dba New Vision Apparel; MACY'S, INC., a Delaware	
21	corporation; and DOES 1 to 100, inclusive,	DEMAND FOR JURY TRIAL
22	Defendants.	
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- Case 2:08-cv-06435-MMM-PLA Document 1 Filed 09/30/2008 Page 1 of 29

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COMES NOW Plaintiff Textile Secrets International, Inc. (hereinafter "Plaintiff" or "TSI"), by and through its undersigned attorneys, hereby prays to this honorable Court for relief and remedy based on the following:

INTRODUCTION

Plaintiff is a Los Angeles-based company engaged in the apparel industry as a textile converter of imported and domestic fabrications. As part of its business practices, Plaintiff creates, or purchases the exclusive rights, to twodimensional works of art and files and receives copyright registrations for these works. Plaintiff has these designs imprinted on fabric and makes exclusive sale of this fabric to its customers. No other party is authorized to make sales of product bearing Plaintiff's Proprietary designs without express permission from Plaintiff. This action is brought to recover damages for direct, vicarious and contributory copyright infringement arising out of the misappropriation of Plaintiff's exclusive designs by the Defendants, and each of them.

JURISDICTION AND VENUE

- This action arises under the Copyright Act of 1976, Title 17 U.S.C. § 1. 101 et seq.
- This Court has federal question jurisdiction under 28 U.S.C. § § 2. 1331 ("federal question jurisdiction") 1338 (a)&(b) ("patent, copyright, trademark and unfair competition jurisdiction") in that this action arises under the laws of the United States and, more specifically, Acts of Congress relating to patents, copyrights, trademarks, and unfair competition.
- Defendants are subject to the personal jurisdiction of the Court 3. because they reside, have agents, do or transact business in, or are otherwise found and have purposefully availed themselves of the privilege of doing business in, California and this District.

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Venue in this judicial district is proper under 28 U.S.C. § 1391 and § 4. 1400(a) in that this is the judicial district in which a substantial part of the acts and omissions giving rise to the claims occurred.

PARTIES

- Textile Secrets International, Inc.. ("Plaintiff") is a corporation 5. organized and existing under the laws of the State of California with its principle place of business located at 305 E. 9th Street, Suite 322, Los Angeles, California 90015. Plaintiff is an owner, designer, producer and distributor of fabrics and fabric patterns that it offers for sale and sells to the consuming public.
- Plaintiff is informed and believes and thereon alleges that Defendant 6. M.M. and R. Inc. ("MM&R") is a corporation organized and existing under the laws of the state of New Jersey with its principle place of business at 512 7th Ave., New York, New York, 10018 and doing business in and with the state of California under its corporate name, as well as under the names of ECI, ECI New York, and New Vision Apparel. Plaintiff is informed and believes and on that basis alleges that defendant MM&R manufactures, advertises, distributes, offers for sale and/or sells wearing apparel to the general public through retail stores throughout the United States.
- Plaintiff is informed and believes and thereon alleges that Defendant 7. Macy's, Inc. ("Macy's") is a corporation, organized and existing under the laws of the state of Delaware, with its principle place of business in the state of New York and doing business in the state of California.
- Plaintiff is informed and believes and thereon alleges that some of 8. Defendants DOES 1 through 50, inclusive, are manufactures and/or vendors of garments to Defendant, which DOE Defendants have manufactured and/or supplied and are manufacturing and/or supplying garments comprised of fabric printed with Plaintiff's copyrighted design(s) (as hereinafter defined) without Plaintiff's knowledge or consent or have contributed to said infringement. The true names,

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whether corporate, individual or otherwise of Defendants DOES 1 through 50, inclusive, are presently unknown to Plaintiff, which therefore sues said Defendants by such fictitious names and will seek leave to amend this complaint to show their true names and capacities when same have been ascertained.

- Defendants DOES 51 through 100, inclusive, are other parties not yet 9. identified who have infringed Plaintiff's copyrights, have contributed to the infringement of Plaintiff's copyrights, or have engaged in one or more of the wrongful practices alleged herein. The true names, whether corporate, individual or otherwise, of Defendants 51 through 10, inclusive, are presently unknown to Plaintiff, which therefore sues said Defendants by such fictitious names and will seek leave to amend this complaint to show their true names and capacities when same have been ascertained.
- Plaintiff is informed and believes and thereon alleges that at all times 10. relevant hereto each of the Defendants was the agent, affiliate, officer, director, manager, principle, alter-ego, and/or employee of the remaining Defendants was at all times acting within the scope of such agency, affiliation, alter-ego relationship and/or employment; and actively participated in or subsequently ratified and adopted, or both, each and all of the acts or conduct alleged, with full knowledge of all facts and circumstances, including, but not limited to, full knowledge of each and every violation of Plaintiff's rights and the damages to Plaintiff proximately caused thereby.

CLAIMS RELATED TO SUBJECT DESIGN

Prior to the conduct complained of herein, on or about January 1, 2007 11. Plaintiff acquired unlimited, sole and exclusive ownership of a design which it created in its office through its designers and its design staff, which design was transferred to fabric. ("Subject Design"). Plaintiff allocated the Subject Design the design name "GROUP-A 2007" and registered it with the United States Copyright Office, which granted the Copyright Registration No. VA 1-408-545 to the design,

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- At all times since the creation of the Subject Design, Plaintiff has 12. owned all worldwide right, title and interest in and to the Subject Design, including the copyrights thereto.
- Plaintiff formatted the Subject Design for use on textiles, sampled the Subject Design and negotiated sales of fabric bearing the Subject Design.
- Plaintiff is informed and believes and thereon alleges that, without Plaintiff's authorization, Defendants, and each of them, purchased, sold, manufactured, caused to be manufactured, imported and/or distributed fabric and/or garments comprised of fabric featuring a design which is identical, or substantially similar to the Subject Design in the manner depicted on Exhibit B attached hereto and incorporated by reference herein. (hereinafter "Infringing Garments"),
- At various retail stores owned and/or controlled by Defendants, and 15. each of them, Plaintiff's investigation discovered that garments comprised of fabric bearing the Subject Design or a pattern substantially and/or strikingly similar to Plaintiff's Subject Design were being offered for sale, which garments were manufactured and/or imported under the direction of the Defendants, and each of them. Plaintiff is informed and believes that thereon alleges that one or more of the named Defendants owns and/or otherwise controls these labels and also manufactures garments under those labels.
- Plaintiff issued letters demanding Defendants cease and desist in their 16. respective infringement of Plaintiff's intellectual property rights. Despite these demands, Plaintiff is informed and believes and thereon alleges that Defendants continued to sell Infringing Garments and product in violation of Plaintiff's rights as the copyright proprietor and owner of the Subject Design.
- Plaintiff has further demanded a full accounting of the fabrics and 17. apparel incorporating or consisting of the Infringing Garments that has been

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manufactured, distributed, offered for sale, bought and/or sold by some or all of the named defendants, and each of them. Plaintiff has further demanded from these defendants an accounting of the revenues and profits derived from the distribution and sale of the fabrics and apparel incorporating or consisting of the Infringing Garments.

- Plaintiff, through its counsel sent a demand to Cease and Desist letter 18. dated May 12, 2008 to Defendant, Macy's, Inc. Demand was made that Macy's, Inc. Cease and Desist from all advertising, promotion, offering for sale and shipment of said infringing garments with the Subject Design and recall all merchandise from all parties to which it has been delivered and to confirm in writing with ten days from the receipt of the letter (May 22, 2008). Macy's, Inc. did not respond that it would comply with the Cease and Desist request and based on information and belief, continued to sell the infringing garments with Plaintiff's Subject Design with knowledge that the defendant's conduct constitutes copyright infringement to the public. A true and correct copy of Plaintiff's subject Cease and Desist letter is attached hereto as Exhibit C.
- Plaintiff through its counsel sent a demand to Cease and Desist letter 19. dated May 30, 2008 to Defendant, MM&R. Demand was made that MM&R. Cease and Desist from all advertising, promotion, offering for sale and shipment of said infringing garments with the Subject Design and recall all merchandise from all parties to which it has been delivered and to confirm in writing with ten days from the receipt of the letter (May 22, 2008). MM&R. did not respond that it would comply with the Cease and Desist request and based on information and belief, continued to sell the infringing garments with Plaintiff's Subject Design with knowledge that the defendant's conduct constitutes copyright infringement to the public. A true and correct copy of Plaintiff's subject Cease and Desist letter is attached hereto as Exhibit D.

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FIRST CLAIM FOR RELIEF

(For Copyright Infringement – Against All Defendants, and each of them)

- Plaintiff repeats, re-alleges and incorporates herein by reference as 20. though fully set forth the allegations contained in Paragraph 1 through 19, inclusive, of this Complaint.
- The Subject Design is an original work of authorship and constitutes 21. copyrightable subject matter under the laws of the United States. The Subject Design has been printed on paper, exists in digital medium in a number of locations, and has been applied to numerous articles of clothing and related items manufactured and sold in the United States and abroad by Plaintiff.
- At all times since the creation of the Subject Design, Plaintiff has 22. complied with all aspects of the Copyright Acts of 1909 and 1976 and all other laws governing copyright, and secured the exclusive rights and privileges in and to the Subject Design. Plaintiff has at all times been the sole proprietor of all rights, title, and interest in and to the copyright in the Subject Design, and received from the Register of Copyrights a Certificate of Registration. Attached hereto as (Exhibit A) is a true and correct copy of said registration.
- Subsequent to Plaintiff's publication of the Subject Design, and (on 23. information and belief) with full knowledge of the rights of Plaintiff therein, Defendants infringed said copyright by copying said graphic and placing such image on Infringing Garments, and by selling such Infringing Garments in California, elsewhere in the United States, and abroad.
- All of Defendants' acts were performed without the permission, license 24. or consent of Plaintiff.
- Defendants' conduct constitutes infringement of Plaintiff's rights in 25. Plaintiff's Subject Design in violation of 17 U.S.C. §101 et seq.
- Defendants' conduct has caused and continues to cause great and 26. irreparable injury, loss and damage to Plaintiff and its ownership rights in

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Plaintiff's Pattern, and, unless such acts are enjoined, they will continue to cause such injury. Plaintiff has no adequate remedy at law.

- 27. Plaintiff is entitled to an injunction restraining defendants, their officers, directors, agents, employees, representatives and all persons acting in concert with them from engaging in further such acts of copyright infringement.
- Due to Defendants' acts of infringement, Plaintiff has suffered 28. substantial damages to its business in an amount to be established at trial.
- Due to Defendants' acts of infringement, Plaintiff has suffered general 29. and special damages in an amount to be established at trial.
- Due to Defendants' acts of copyright infringement as alleged herein, 30. Defendants, and each of them, have obtained direct and indirect profits they would not otherwise have realized but for their infringement of the Subject Design. As such, Plaintiff is entitled to disgorgement of Defendant's profits directly and indirectly attributable to defendant's infringement of the Subject Design in amounts which are not yet ascertainable but which are estimated to be not less than the jurisdictional minimum of this Court.
- Plaintiff is informed and believes and thereon alleges that Defendants, 31. and each of them, have continued to import, manufacture, cause to be manufactured and/or sell Infringing Garments after Plaintiff demanded that they cease and desist from engaging in same. Therefore, Defendants' acts of copyright infringement as alleged above were, and continue to be, willful, intentional and malicious with reckless disregard of the copyright holders rights, subjecting Defendants, and each of them, to liability for statutory damages under Section 50(c)(2) of the Copyright Act in the sum of up to one hundred fifty thousand dollars (\$150,000) per infringement. Further, Defendants', and each of their, willful and intentional misappropriation and/or infringement of Plaintiff's copyrighted Subject Design renders Defendants, and each of them, liable for statutory damages as described

herein. Within the time permitted by law, Plaintiff will make its election between actual damages and statutory damages.

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SECOND CLAIM FOR RELIEF

(For Vicarious and/or Contributory Copyright Infringement - Against All Defendants)

- Plaintiff repeats, re-alleges and incorporates herein by reference as 32. though fully set forth the allegations contained in Paragraph 1 through 31, inclusive, of this Complaint.
- Plaintiff is informed and believes and thereon alleges that Defendants, 33. and each of them, knowingly induced, participated in, aided and abetted in and resultantly profited from the illegal reproduction, importation, purchase, distribution and/or sales of product featuring the Subject Design as alleged hereinabove.
- Plaintiff is informed and believes and thereon alleges that Defendants, 34. and each of them, are vicariously liable for the infringement alleged herein because they had the right and ability to supervise the infringing conduct and because they had a direct financial interest in the infringing conduct.
- Defendants' conduct has caused and continues to cause great and 35. irreparable injury, loss and damage to Plaintiff and its ownership rights in Plaintiff's Pattern, and, unless such acts are enjoined, they will continue to cause such injury. Plaintiff has no adequate remedy at law.
- 36. Plaintiff is entitled to an injunction restraining defendants, their officers, directors, agents, employees, representatives and all persons acting in concert with them from engaging in further such acts of copyright infringement.
- By reason of the Defendants', and each of their acts of contributory 37. and/or vicarious infringement as alleged above, Plaintiff has suffered and will continue to suffer substantial damages to its business in amounts which are not yet ascertainable but which are estimated to be not less than the jurisdictional minimum

of this court, as well as additional general and special damages in an amount to be established at trial.

- 38. Due to Defendants' acts of contributory and/or vicarious copyright infringement as alleged herein, Defendants, and each of them, have obtained direct and indirect profits they would not otherwise have realized but for their infringement of the Subject Design. As such, Plaintiff is entitled to disgorgement of Defendants' profits directly indirectly attributable to Defendants' infringement of the Subject Design, in an amount to be established at trial.
- Plaintiff is informed and believes and thereon alleges that Defendants, 39. and each of them, have continued to manufacture and/or sell Infringing Garments after Plaintiff demanded that they cease and desist from engaging in the same. Therefore, Defendants' acts of copyright infringement as alleged above were, and continue to be, willful, intentional and malicious with reckless disregard of the copyright holders rights, subjecting Defendants, and each of them, to liability therefore, including statutory damages under Section 504(c)(2) of the Copyright Act in the sum of one hundred fifty thousand dollars (\$150,000) per infringement. Further Defendants', and each of their, willful and intentional misappropriation and/or infringement of Plaintiff's copyrighted Subject Design renders Defendant, and each of them, liable for statutory damages as described herein. Within the time permitted by law, Plaintiff will make is election between actual damages and statutory damages.

PRAYER FOR RELIEF

Wherefore, Plaintiff prays for judgment as follows:

Against All Defendants

- With Respect to Each Claim for Relief 1.
- a. That Defendants, their agents and servants to be enjoined from infringing Plaintiff's copyright in any manner;

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DEMAND FOR JURY TRIAL Plaintiff hereby demands a trial by jury in this action pursuant to F.R.C.P. 8 and the Seventh Amendment of the Constitution. DATED: September 29, 2008 BLEAU / FOX, a Professional Law Corporation THOMAS P. BLEAU, ESQ. Attorneys for Plaintiff TEXTILE SECRETS INTERNATIONAL, INC.

BLEAU/FOX, A P.L.C. LOS ANGELES

EXHIBIT "A"

Certificate of Registratic



This Certificate issued under the seal of the Copyright Office in accordance with title 17, United States Code, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

Marybeth Peters

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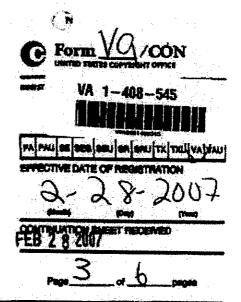
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Continuation Sheet for Application Forms

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IDENTIFICATION OF CONTINUATION SHEET. This sheet is a continuation of the application for copyright registration or the basic from submitted for the following work.

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GROUP-A 2007

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GROUP - A 2007

STYLE NO & ALTERNATIVE NAMES

1 ANH/357	"Tiffany Pop"
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3 ANH/330	"Duo Flower"
4 ANH/373	"Olivia Pop"
- 5 AU/07AD045S	"Chuckles"
6 AU/06AD6268	"Kiko"
7 AU/07AD0058	"Sparkles"
8 AU/06AD9S	"Baruccı"
9 AU/06AD192	"Neuveau Bloom"
10 GP 713	"Muin Feathers"
11 GP 248	"Hounds Tooth"
12 GP 692	"Heather"
13 GP 703	"Concord"
14 GP 709	"Natalia"
15 GP 711 & LJWB 2460	"Whatever"
16 HUA/035	"Q Bert"
17 HUA/034	"Lille"
18 HQ/102	"Bay Chester"
19 LJWB 249	"Fantaste Nouveau"
20 LES/017	"Shield"
21 SIC/ 021	"Rapple"
22 SIC/023	"Greck"
23 SIC/022	"Rocket"
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25 SIC/020	"Hounddig"
26 SIC/019	"Angel Angel"
27 SIC/015	"Dot Spots"
28 S(C/013	"Wilma"
29 SIC/010	"Leo"
30 SIC/017	"Mad"

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305 E 9th Street Siute#322

Christian/S

Los Angeles, CA 90015

EXHIBIT "B"



EXHIBIT "C"

BLEAU FOX

A PROFESSIONAL LAW CORPORATION

3575 CAHUENGA BLVD. WEST, SUITE 580 LOS ANGELES, CALIFORNIA 90068 (323) 874-8613 FACSIMILE (213) 874-1234

IN ASSOCIATION WITH LAW OFFICES OF H. TROY FARAHMAND DIRECT LINE (310) 560-0606 FACSIMILE (310) 829-0225 EMAIL - HTFLAW@AOL.COM

<u>SENT VIA UPS (1Z6967XW0290116841)</u>

Monday, May 12, 2008

Legal Department c/o MACY'S INC. 7 West Seventh Street Cincinnati, OH 45202 Phone 513-579-7000 Facsimile 513-579-7555

Re:

Our Client: Textile Secrets International, Inc. Certificate of Copyright Title: GROUP A 2007 Certificate of Copyright No.: VA 1 408 545 Infringing Product Design No.: SIC/013

DEMAND TO CEASE AND DESIST OF INFRINGEMENT OF PROPRIETARY **RIGHTS & VIOLATIONS OF COPYRIGHT LAWS**

Dear Sir or Madam:

This office represents Textile Secrets InternationI, Inc. ("TSI") for purposes of prosecuting the infringement of its intellectual property rights. As such, please direct all further communications concerning this matter to this office only. Any contact with my client in regards to this matter without this office's express written approval will be construed a violation and will be dealt with in the most severe manner possible. Our investigation has recently reveled your company, Macy's, Inc. ("Macy's"), have been and currently still are marketing, distributing and/or offering for sale garments which infringe our client's rights in a two-dimensional artwork which has been registered with the United States Copyright Office and has been allocated the copyright identification number set forth above ("Subject Design"). Any production and distribution for sale or otherwise of fabric or garments bearing the Subject Design by your company are unauthorized and constitute a violation of our client's intellectual property rights under federal copyright law.

Legal Department c/o Macy's Inc. 5/12/2008 Page 2 of 3

Specifically, your sales of these garments constitute a violation of 17 U.S.C.§ 501 et seq, ("Copyright Act"). Under the Copyright Act, your company is liable for all profits realized through the sales of infringing goods, all damages incurred by our client as a result of these sales, attorneys' fees, costs and pre-judgment interest. In the alternative, under 17 U.S.C. § 504(c), your company may be liable for statutory damages of up to One Hundred and Fifty Thousand Dollars (\$150,000.00).

Attached hereto is a photograph of the infringing garment sold by your company. You have marketed and sold these infringing garments, which bear internal design code VA 1-421-398 through your retail outlets for profit.

This correspondence shall serve as our client's formal demand that your company immediately **cease and desist** from all advertising, promotion, offering for sale and shipment of said garments with the Subject Design and recall all merchandise from all parties to which it has been delivered to. This correspondence shall further serve as our client's demand for an accounting of the following information:

- 1. The name, address, email and telephone number of the wholesaler or manufacturer, or both, who provided the infringing garments to your company;
- 2. The name, address, email, telephone number and company affiliation of the sales representatives(s) responsible for the transaction by which you obtained the infringing garments and/or the fabric comprising the infringing garments.
- The name, address and telephone number of any company involved in the production of the infringing garments;
- 4. The name, address and telephone number for any coman(ies) that manufactured Subject Garments, either domestically or internationally.
- 5. The name, address telephone number for any compan(ies) that brokered any transactions involving fabric printed with Subject Design and/or transactions involving Subject Garments.
- 6. The name, address and telephone number of and price paid to any party used in the delivery of the infringing fabric or garments;
- 7. The name of and full contact information of any individuals or entities which Macy's supplied the said garments to;
- 8. The purchase price per unit Macy's paid to the wholesaler or manufacturer or both, who provided the infringing fabric to Macy's;
- 9. The total quantity of the infringing garments units Macy's or its affiliates sold at any time up to and including the present;
- 10. The amount of profits derived by your company and its affiliates from the sale of the Subject Garments at any time up to and including the present;
- 11. Detailed current inventory reports of any such garments;

Legal Department c/o Macy's Inc. 5/12/2008 Page 3 of 3

- 12. Copy of Macy's's Commercial General Insurance policy;
- 13. A description and identification of any additional products your purchased from the wholesaler or manufacturer, or both, who provided this item to your company.

This information must be provided with accompanying documentation, including financial and other business records, supporting the responses given to these questions.

Macy's and its affiliates may be held liable for copyright infringement or contributory and/or vicarious copyright infringement, unfair competition or all three, for any infringing activity. Our client reserves the right to seek damages against Macy's in the form of statutory penalties, lost profits, disgorgements of profits, attorneys' fees, cost of suit and interest. Any continuing violations of our client's intellectual property rights, or any knowing, past violations of those rights, many subject you to punitive or willful infringement damages.

<u>Demand is hereby made that you confirm on behalf of Macy's in writing by May 22, 2008</u>. That Macy's has ceased and desisted from all advertising, promotion, offering for sale and shipment of said garments with the Subject Design and has recalled all merchandise from all parties to which it has been delivered to. At that time Macy's must also produce the documentation requested herein. Should Macy's fail or refuse to cease and desist from its wrongful conduct, or to provided an appropriate accounting, TSI will have no alternative but to file a complaint against Macy's seeking immediate injunctive relief, as well as compensatory, statutory and punitive damages, attorneys' fees and cost of suit.

This letter does not waive or limit, in any manner, any of our client's rights, including without limitation, the right to seek damages against Defendant and its affiliates for past and present violations of TSI's intellectual property rights, all of witch rights are reserved to the fullest extent of law and equity.

Your prompt attention to this matter is strongly urged. If you have any questions, please feel free to contact our office.

Very truly yours,

H. Troy Farahmand (310) 560-0606

Gertificate of Registratic



This Certificate issued under the seal of the Copyright Office in accordance with title 17, United States Code, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

SPECTIVE DATE OF RESIDENTATION

2-78-0-2

Marybeth Peters
Register of Copyrights, United States of America

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EXHIBIT "D"

LEAU FOX

A Professional Law Corporation

3575 CAHUENGA BLVD. WEST, SUITE 580 LOS ANGELES, CALIFORNIA 90068 (323) 874-8613 FACSIMILE (213) 874-1234

IN ASSOCIATION WITH LAW OFFICES OF H. TROY FARAHMAND DIRECT LINE (310) 560-0606 FACSIMILE (310) 829-0225 EMAIL - HTFLAW@AOL.COM

SENT VIA E-MAIL & FACSIMILE

Friday, May 30, 2008

ALLAN MILLER c/o ECI (aka) NEW VISION APPAREL (aka) MM & R INC 512 7TH AVE 30 FL **NEW YORK, NY 10018** TEL: 212/302-2244 FAX: 212/302-2399

amiller@ecinewyork.com

Counsel- Ken Schachter TEL: 212/730-1900 krschachter@ssgpc.com

Re:

Our Client: Textile Secrets International, Inc.

Certificate of Copyright Title: GROUP A 2007 Certificate of Copyright No.: VA 1 408 545 Infringing Product Design No.: SIC/013

DEMAND TO CEASE AND DESIST VIOLATIONS OF COPYRIGHT LAWS -ACTION TO BE TAKEN PURSUANT TO 17.U.S.C. § 501 et sea.

Dear Sirs:

This office represents Textile Secrets International, Inc. ("TSI") for purposes of prosecuting the infringement of its intellectual property rights. As such, please direct all further communications concerning this matter to this office only. Any contact with my client in regards to this matter without this office's express written approval will be construed a violation and will be dealt with in the most severe manner possible. Our investigation has recently reveled your company, ECI (aka) NEW VISION APPAREL (aka) MM & R INC ("ECI"), to be producing, manufacturing, distributing and/or

ALLAN MILLER Ken Schachter c/o ECI 5/30/2008 Page 2 of 4

offering for sale garments which infringe our client's rights in a two-dimensional artwork which has been registered with the United States Copyright Office and been allocated the copyright they copy right identification number set forth above (Subject Design"). Any production and distribution for sale or otherwise of fabric or garments bearing the Subject Design by your company are unauthorized and constitute a violation of our client's intellectual property rights under federal copyright law.

Specifically, your sales of these garments constitute a violation of 17 U.S.C.§ 501 et seq, (Copyright Act") Under the Copyright Act, your company is liable for all profits realized through the sales of infringing goods, all damages incurred by our client as a result of these sales, attorneys' fees, costs and pre-judgment interest. In the alternative, under 17 U.S.C. § 504(c), your company may be liable for statutory damages of up to One Hundred and Fifty Thousand Dollars (\$150,000.00).

From your own admissions and not verified by Macy's, Inc. attached hereto is a photograph of the infringing garment sold by your company. You have marketed and sold these infringing garments, which bear internal design code VA 1 408 545 to retail outlets, including without limitation, Macy's.

This correspondence shall serve as our client's formal demand that your company immediately cease and desist from all sales of fabric garments discussed herein. This correspondence shall further serve as our client's demand for an accounting of the following information:

- 1. The total quantity of the infringing fabric your company manufactured and/or purchased at any time up to and including the present;
- 2. The total quantity of the infringing garments and/or fabric your company sold at any time up to and including the present;
- 3. The purchase price per unit your company paid to the wholesaler or manufacturer or both, who provided the infringing fabric to company;
- 4. The purchase price paid per unit of printed fabric;
- 5. The name, address and telephone number of any party involved in the creation/acquisition of the infringed design;
- 6. Any documentation regarding any license, assignment or transfer of any kind regarding the use of the infringed design and the name, address and telephone number of any party involved in that transaction, including but not limited to, legal representation;
- 7. The name, address and telephone number of and purchase price paid to any converter who provided the infringing fabric to the company;
- 8. The name, address and telephone number of and purchase price paid to any mill that provided the infringing fabric to the company.
- 9. The name, address and telephone number of and price paid to any importer/exporter involved in the delivery of the infringing fabric and garments;

ALLAN MILLER Ken Schachter c/o ECI 5/30/2008 Page 3 of 4

- 10. The name, address and telephone number of and price paid to any party used in the delivery of the infringing fabric or garments;
- 11. The name of any party involved in cutting, sewing, stitching, and any other aspect of producing garments from the infringing fabric;
- 12. The total quantity of the infringing garments sold to date:
- 13. The total quantity of the infringing printed fabric;
- 14. The sales price per unit of the infringing garments sold to date;
- 15. The name, address and telephone number of the wholesaler or manufacturer, or both, who provided the infringing garments to your company.
- 16. The name, address and telephone number of any retailers to which your company sold the infringing garments;
- 17. A description and identification of any additional products your purchased from the wholesaler or manufacturer, or both, who provided this item to your company; and
- 18. The amounts of profits derived by your company its affiliates from the sale of the infringing garments at any time to and including the present.
- 19. The name, address, telephone number and company affiliation of the individual(s) responsible for providing you company with Subject Design;
- 20. The name, address and telephone number of any company to which your company provided the Subject Design;
- 21. The name, address and telephone number of any company involved in the production of the infringing garments:
- 22. The amount of profits derived by your company and its affiliates from the sale of the Subject Garments at any time up to and including the present;
- 23. The name, address, telephone number and company affiliation of the sales representatives(s) responsible for the transaction by which you obtained the infringing garments and/or the fabric comprising the infringing garments.
- 24. The name, address telephone number for any compan(ies) that printed fabric bearing the Subject Design.
- 25. The name, address telephone number for any compan(ies) that brokered any transactions involving fabric printed with Subject Design and/or transactions involving Subject Garments.
- 26. The name, address and telephone number for any coman(ies) that manufactured Subject Garments, either domestically or internationally.
- 27. The United States Custom Enter Number(s) for shipment(s) of: any fabric bearing the Subject Design, and/or any shipment of Subject Garments and/or any shipment of greige goods used in the production of the Subject Garments.

This information must be provided with accompanying documentation, including financial and other business records, supporting the responses given to these questions.

ALLAN MILLER Ken Schachter c/o ECI 5/30/2008 Page 4 of 4

ECI and its affiliates may be held liable, but not limited to copyright infringement or contributory and/or vicarious copyright infringement, unfair competition or all three, for any infringing activity. Our client reserves the right to seek damages against ECI in the form of statutory penalties, lost profits, disgorgements of profits, attorneys' fees, cost of suit and interest. Any continuing violations of our client's intellectual property rights, or any knowing, past violations of those rights, many subject you to punitive or willful infringement damages.

Demand is hereby made that you confirm on behalf of ECI in writing by June 6th, 2008. That ECI has ceased and desisted from the sale of the infringing garments utilizing our client's designs. At that time ECI must also produce the documentation requested herein. Should ECI fail or refuse to cease and desist from its wrongful conduct, or to provided an appropriate accounting, TSI with have no alternative but to file a complaint against ECI seeking immediate injunctive relief, as well as compensatory, statutory and punitive damages, attorneys' fees and cost of suit.

This letter does not waive or limit, in any manner, any of our client's rights, including without limitation, the right to seek damages against Defendant and its affiliates for past and present violations of TSI' intellectual property rights, all of witch rights are reserved to the fullest extent of law and equity.

Your prompt attention to this matter is strongly urged. If you have any questions, please feel free to contact our office.

Very truly yours,

/htf e-sig/ H. Troy Farahmand

(310) 560-0606