

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

HONG KONG YU'EN
E-COMMERCE CO. LIMITED,

Plaintiff,

v.

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

Defendants.

Case No.: 1:25-cv-11286-CPK-YBK

**PLAINTIFF’S MOTION FOR ENTRY OF DEFAULT AND
DEFAULT JUDGMENT AGAINST DEFENDANTS**

Plaintiff Hong Kong Yu’En E-Commerce Co. Ltd. (“Plaintiff”) hereby moves for entry of Default and Default Judgment against the Individuals, Corporations, Limited Liability Companies, Partnerships, and Unincorporated Associations Identified in Schedule A. Plaintiff files a Memorandum of Law in support. Plaintiff’s Motion for Entry of Default and Default Judgment resolves the case.

DATED: October 30, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of October 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. Notice of this filing is provided to unrepresented parties for whom contact information is listed below and has been provided via email and by posting the filing on a URL contained on our website <http://blointernetenforcement.com>, and a link to said website in the email provided by third-party, Walmart.

By: a /s/ Joshua H. Sheskin
Joshua H. Sheskin (FL Bar No. 93028)
BAYRAMOGLU LAW OFFICES LLC

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

HONG KONG YU'EN
E-COMMERCE CO LIMITED,

Plaintiff,

v.

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

Defendants,

Case No.: 1:25-cv-11286-CPK-YBK

**PLAINTIFF’S MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR ENTRY
OF DEFAULT AND DEFAULT JUDGMENT AGAINST DEFENDANTS**

Plaintiff Hong Kong Yu’En E-Commerce Co. Ltd. (“Plaintiff”) hereby submits this Memorandum of Law in support of its Motion for Entry of Default and Default Judgment (the “Motion”) pursuant to Federal Rule of Civil Procedure 55 (“Rule 55”) against the Individuals, Corporations, Limited Liability Companies, Partnerships, and Unincorporated Associations listed in Schedule “A” (the “Defaulting Defendants” or “Defendants”). Plaintiff’s Motion is based on this Memorandum of Law, the Joshua H. Sheskin Declaration (“Sheskin Declaration”), the papers, and pleadings on file in this case. Plaintiff’s Motion for Entry of Default and Default Judgment disposes of the case.

I. INTRODUCTION

Plaintiff’s request for entry of default is straightforward; the Court authorized electronic service of process on the Defendants via email, along with issuing a Temporary Restraining Order (the “TRO”) in this matter on September 24, 2025 [Dkt. No. 20]. Plaintiff effectuated service on

Defendants and filed a Return of Service on October 8, 2025 [Dkt. No. 24]. As set forth in the docket entry for the Return of Service, a response to Plaintiff's operative Complaint was due on or before October 29, 2025.

Pursuant to Federal Rule of Civil Procedure 12(a)(1)(A) ("Rule 12(a)(1)(A)"), the Defaulting Defendants had twenty-one (21) days to answer or otherwise respond to Plaintiff's Complaint in this case. As of the filing of this Motion, 22 days have passed since electronic service was made on the Defendant. (Sheskin Decl. ¶ 3.) To date, the Defaulting Defendants have not responded to Plaintiff's Complaint. (*Id.*). Therefore, the Clerk of the Court is required to enter default against the Defaulting Defendants under Rule 55(a).

Pursuant to Rule 55(b)(2), Plaintiff now also respectfully moves this Court for entry of a default judgment finding the Defaulting Defendants liable on all counts asserted in Plaintiff's Complaint. [Dkt. No. 1]. These asserted counts include claims for Trademark Infringement and Counterfeiting (Count I), and Unfair Competition (Count II), False Designation of Origin (Count III), and violation of the Illinois Uniform Deceptive Trade Practices Act (the "Uniform Deceptive Trade Practices Act") (Count IV).

In connection with its claims for relief, Plaintiff seeks an award of statutory damages under 15 U.S.C. § 1117(c) against the Defaulting Defendants, which should be enhanced due to their willful infringement of the MODLILY Trademark, as evidenced by United States Registration Certificate 5,994,759 (the "Brand Trademark"). Plaintiff also requests that the Court issue a permanent injunction against the Defaulting Defendants. *See* 15 U.S.C. § 1116(d). Alternatively, Plaintiff requests a permanent injunction based on the Defaulting Defendants' willful violation of the Uniform Deceptive Trade Practices Act.

As alleged in the Complaint, the Defaulting Defendants have offered for sale and/or sold products, including clothing and other merchandise, through the unauthorized use of the Brand Trademark (the "Counterfeit Products") on the Walmart.com online sales platform (the "Platform") to market and sell counterfeit products resembling Plaintiff's authentic MODLILY brand products, thereby deceiving consumers about the quality, nature, and source of the goods

being purchased. [Dkt. No. 16-4 at ¶ 20, 21]. Additionally, the Defaulting Defendants are accused of operating as part of a coordinated, sophisticated counterfeit network that uses a common supply chain and manufacturing source to fulfill orders for counterfeit MODLILY brand products. [Dkt. No. 16-4 at ¶15]. These facts clearly show that the Defaulting Defendants have willfully and intentionally infringed on Plaintiff's Brand Trademark, supporting the company's request for enhanced statutory damages.

Procedurally, Rule 55(b)(2) provides for a court-ordered default judgment that establishes, as a matter of law, that defendants are liable to the plaintiff on each cause of action alleged in the complaint. *United States v. Di Mucci*, 879 F.2d 1488, 1497 (7th Cir. 1989). When the court determines that a defendant is in default, the factual allegations of the complaint are deemed true and may not be challenged, and the defendants are liable as a matter of law for each cause of action alleged. *Black v. Lane*, 22 F.3d 1395, 1399 (7th Cir. 1994). The plaintiff meets the requirements for entry of the requested default judgment under Rule 55(b)(2).

II. ARGUMENT

A. Jurisdiction And Venue Are Proper in This Court

This Court has original subject matter jurisdiction over the claims in this case under the Lanham Act, 15 U.S.C. § 1051 et seq., 28 U.S.C. §§ 1338(a)-(b), and 28 U.S.C. § 1331. Venue is proper in this Court under 28 U.S.C. § 1391, and the Court can exercise personal jurisdiction over Defendants because they directly target business activities at consumers in Illinois and cause harm to the Plaintiff's business within this district. [*Id.*]; *see also uBID, Inc. v. GoDaddy Grp., Inc.*, 623 F.3d 421, 423-24 (7th Cir. 2010) (without an evidentiary hearing, the plaintiff only needs to make a prima facie case for personal jurisdiction; all offered facts should be accepted as true, and factual disputes should be resolved in its favor).

In addition to the foregoing, the Court has determined that it can properly exercise specific personal jurisdiction over the Defendants, in issuing the TRO on September 24, 2025 [Dkt. No. 20]. Moreover, the Court additionally issued a Preliminary Injunction on October 10, 2025, further

solidifying this determination. [Dkt. No. 28]. Accordingly, it is unquestionable that the Defaulting Defendants are subject to personal jurisdiction in this action.

B. Plaintiff Has Met the Requirements for Entry of Default Under Rule 55(A)

Pursuant to Rule 55(a), “when a party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend, and that failure is shown by affidavit or otherwise, the clerk must enter the party's default.” Fed. R. Civ. P. 55(a).

On September 17, 2025, the Plaintiff filed its Complaint in this case, alleging, among other claims, Trademark Infringement and Counterfeiting (Count I), Unfair Competition (Count II), False Designation of Origin (Count III), and violation of the Illinois Uniform Deceptive Trade Practices Act (the “Uniform Deceptive Trade Practices Act”) (Count IV) as stated in the Complaint. [Dkt. No. 1]. The Defendants, who were properly served with the Complaint, TRO, and all supporting documents via electronic service on October 8, 2025 [Dkt. No. 14], were explicitly required to answer or respond to the Complaint by October 29, 2025 [*Id.*] Accordingly, the Defaulting Defendant had twenty-one (21) days to respond to the Complaint under Rule 12(a)(1)(A). As of the filing of this Motion, 22 days have passed since the Defendants were served electronically. (Sheskin Decl. ¶ 4.) To date, the Defaulting Defendants have not answered or responded to the Complaint. (*Id.*) Therefore, the Court's Clerk is compelled to enter default and default judgment against the Defaulting Defendants under Rule 55.

C. Plaintiff is Entitled to Entry of the Requested Default Judgment.

Rule 55(b)(2) of the Federal Rules of Civil Procedure generally provides for entry of a court-ordered default judgment against one or more defending parties who fail to appear, answer, and/or defend allegations asserted against them. Fed.R.Civ.P. 55(b)(2). A default judgment establishes, as a matter of law, that named, unresponsive defendants are liable on each cause of action alleged against them in the complaint. *Di Mucci*, 879 F.2d at 1497. When a court determines that a defendant is in default, the factual allegations of the complaint are taken as true and may not be challenged,

and the defendants are liable as a matter of law as to each cause of action alleged in the complaint upon entry of default judgment. *Black*, 22 F.3d at 1399.

More than twenty-one (21) days have passed since Defendants were served, and the Defaulting Defendants have filed no answer or other responsive pleading. *See* Fed. R. Civ. P. 12(a)(1)(A). Thus, default judgment is appropriate, and Plaintiff is entitled to entry of a default judgment pursuant to Rule 55(b)(2) against the Defaulting Defendant for Trademark Infringement and Counterfeiting, Unfair Competition, False Designation of Origin, and violation of the Uniform Deceptive Trade Practice Act as asserted in the Complaint. [Dkt. No. 1.]

As argued below, Plaintiff is entitled to the following remedies through the issuance of a default judgment against the Defaulting Defendant: (1) an award of statutory damages pursuant to 15 U.S.C. § 1117(c)(1); (2) an award of enhanced statutory damages for willful infringement pursuant to 15 U.S.C. § 1117(c)(2); (3) entry of a permanent injunction pursuant to 15 U.S.C. § 1116(d); and (4) alternatively, entry of a permanent injunction pursuant to 815 ILCS § 510/3.

D. Plaintiff is Entitled to the Relief Requested.

Through entry of default, Plaintiff has established that the Defaulting Defendants: (1) are liable for intentionally and willfully infringing the Brand Trademark; and (2) liable for Unfair Competition, (3) liable for False Designation of Origin, and (4) has willfully violated the Uniform Deceptive Trade Practices Act. As such, the only the following issues remain to be adjudicated through the Motion: (1) Plaintiff's entitlement to an award of statutory damages for infringement of the Brand Trademark; (2) the request that any statutory damage award be enhanced based on the Defaulting Defendants' willful trademark infringement; and (3) the Plaintiff's right to issuance of a permanent injunction against the Defaulting Defendants.

1. Plaintiff is entitled to statutory damages under 15 U.S.C. § 1117(c).

Turning first to the request for an award of statutory damages under 15 U.S.C. § 1117(c) against the Defaulting Defendants. Plaintiff is entitled to such relief for the Defaulting Defendants' infringement of the company's Brand Trademark, which it maintains was done willfully and intentionally. [Dkt. No. 1]

Pursuant to the statutory damages provision of the Lanham Act, 15 U.S.C. § 1117(c), a plaintiff in a case involving the use of a counterfeit mark may elect to receive "not less than \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just." 15 U.S.C. § 1117(c)(1). When the counterfeiting is found to be willful, 15 U.S.C. § 1117(c)(2) provides for statutory damages of up to "\$2,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just." 15 U.S.C. § 1117(c)(2). "[S]tatutory damages have been held to be appropriate on a motion for default judgment because the defaulting party has the information needed to prove actual damages." *White v. Marshall*, 771 F.Supp.2d 952, 956 (E.D. Wis. 2011); *see also Wondie v. Mekuria*, 742 F.Supp.2d 118, 124-25 (D.D.C. 2010); *Lifted Research Grp., Inc. v. Behdad, Inc.*, 591 F.Supp.2d 3, 8 (D.D.C. 2008).

Although 15 U.S.C. § 1117(c) specifies the dollar range for possible statutory damages, the only guidance the statute offers for determining an award within that range is "as the court considers just." 15 U.S.C. § 1117(c). Courts interpreting this section have compared it to the statutory damage provision in the Copyright Act, found in 17 U.S.C. § 504(c). *See Lorillard Tobacco Co.*, 2004 U.S. Dist. LEXIS 22563, *10; *Sara Lee v. Bags of New York, Inc.*, 36 F. Supp. 2d 161, 166 (S.D.N.Y. 1999). In *Sara Lee*, 36 F. Supp. 2d at 170, the court awarded \$750,000 in statutory damages after estimating the defendants' illicit gains and tripling the amount to "deter

and punish a willful continuous course of infringements and defiance of the judicial process." The *Sara Lee* analysis considered seven factors: (1) the profits made by the defendants; (2) the revenues lost by the plaintiff; (3) the value of the mark; (4) the deterrent effect on others; (5) whether the conduct was innocent or willful; (6) whether a defendant has cooperated in providing records; and (7) the deterrent effect on the defendant.

First, the Defaulting Defendants were notified of these proceedings and, apparently, deliberately chose not to appear and defend. (Sheskin Decl. ¶ 7). Due to the Defaulting Defendants' intentional decision not to participate, Plaintiff has been deprived of a meaningful opportunity to evaluate the true extent of its damages. (*Id.*).

Additionally, the Plaintiff has invested significant capital in securing the registration of the Brand Trademark and promoting its brand in the United States and the State of Illinois. [Dkt. 16-4 ¶ 11.] This includes spending approximately \$8,000,000 to \$12,000,000 annually on advertising and promoting its Modlily brand across the United States. (*Id.*)

Finally, an important factor is whether infringing sales took place online, as Internet sales tend to increase the award amount by making the infringement more widely accessible. The lack of information about Defaulting Defendants' sales and profits makes statutory damages particularly appropriate for default cases like this one. See *Petmed Express, Inc. v. medpets.com, Inc.*, 336 F. Supp. 2d 1213, 1220 (S.D. Fla. 2004).

Courts have also recognized that statutory damages can be awarded without the need for an evidentiary hearing. See *Lorillard Tobacco Co. v. Montrose Wholesale Candies & Sundries, Inc.*, 2008 U.S. Dist. LEXIS 31761, *11 (N.D. Ill. Apr. 17, 2008).

2. Plaintiff is entitled to enhanced statutory damages.

Next, the circumstances of the Defaulting Defendants' infringement clearly justify

awarding an enhanced statutory damages award of at least triple damages against them. Simply put, the Defaulting Defendants' infringing conduct in this case is unquestionably willful, which warrants additional damages under 15 U.S.C. § 1117(e).

Unquestionably, the Defaulting Defendants have engaged in the intentional misappropriation and unauthorized use of the Brand Trademark, which is assumed through default. "Willful infringement may be attributed to the defendant's actions when he had knowledge that his conduct constituted infringement or showed a reckless disregard for the owner's rights." *Lorillard Tobacco Co. v. S & M Cent. Serv. Corp.*, 2004 LEXIS 22563, *19-20 (N.D. Ill. Feb. 25, 2005). Therefore, direct proof of knowledge is unnecessary, as it can be inferred from a defendant's conduct. *Id.* at 20.

Furthermore, the Defaulting Defendants have evidently been operating their online stores using the misappropriated Brand Trademark via a sophisticated counterfeit network employing a highly developed supply chain capable of providing thousands of knockoff products featuring a variety of Plaintiff's textile patterns and designs that would be impossible to produce on an individual basis. (Dkt No. 16-4 ¶¶ 15, 18.)

Finally, District Courts have deemed counterfeiting willful when defendants default. *See Estee Lauder Cosmetics Ltd. & Make-up Art Cosmetics Inc. v. Ali-Beauties Store, et al.*, No. 1:19-cv-04579 (N.D. Ill. Sept. 12, 2019) (unpublished) (Dkt. No. 49); *Bose Corp. v. Amilineinc, et al.*, No. 1:19-cv-05347 (N.D. Ill. Oct. 9, 2019) (unpublished) (Dkt No. 44); *Eye Safety Systems, Inc. v. ICN7085, et al.*, No. 1:19-cv-06005 (N.D. Ill. Nov. 19, 2019) (unpublished) (Dkt No. 49); *Levi Strauss & Co. v. Acinth Girl Hy Store, et al.*, No. 1:19-cv-06200 (N.D. Ill. Nov. 19, 2019) (unpublished) (Dkt. No. 48).

In similar cases involving willful Internet-based counterfeiting, courts in this district have

awarded substantial damages, including the maximum allowed by law, to the plaintiff to serve the following purposes: (1) deterring the defendant and others like him from introducing counterfeit goods into commerce, (2) compensating the plaintiff for damages caused by the defendant's infringement, and (3) punishing the defendant appropriately for his counterfeiting activities. *See, e.g., Burberry Limited, et al. v. The Partnerships And Unincorporated Associations Identified On Schedule "A"*, No. 1:14-cv-04824 (N.D. Ill. Sep. 25, 2014) (unpublished) (Docket No. 38) (awarding \$2,000,000 in statutory damages per defendant); *Calvin Klein Trademark Trust et al. v. Chen Xiao Dong, et al.*, No. 15-cv-2224 (N.D. Ill. May 12, 2015) (unpublished) (Docket No. 45) (awarding \$2,000,000 in statutory damages per defendant.)

Courts in this district have also recognized the substantial value of a plaintiff's brand and the efforts to protect, promote, and improve that brand when determining the appropriate dollar amount for damages. *Lorillard Tobacco Co.*, 2004 U.S. Dist. LEXIS 22563, *16. Given the Court's clear discretion in setting the correct amount of statutory damages within the limits of 15 U.S.C. § 1117(c), Plaintiff respectfully requests the Court to award one hundred thousand dollars (\$100,000). Additionally, the remedy mandated by the statute must offer a strong deterrent to prevent further infringing conduct. *See, Sands, Taylor & Wood v. Quaker Oats Co.*, 34 F.3d 1340, 1348 (7th Cir. 1994).

For example, in *Phillip Morris USA Inc. v. Marlboro Express*, the Court stated that due to "the size of the potential profit given the quantities of [counterfeit goods] involved, and the need for a substantial deterrent to future misconduct by Defendants and other counterfeit traffickers ... plaintiff is entitled to the maximum statutory award under 15 U.S.C. § 1117(c)(2)." 2005 U.S. Dist. LEXIS 40359, *28 (E.D.N.Y. Aug. 26, 2005).

Finally, in determining an appropriate damages award, this Court should be guided by the

Lorillard case and consider the “significant value of [the Plaintiff] brand and the efforts taken to protect, promote, and enhance that brand.” *Lorillard Tobacco Co.*, 2004 U.S. Dist. LEXIS 22563, *16. Therefore, the Plaintiff’s request for a statutory damages award of one hundred thousand dollars (\$100,000) should be given favorable consideration given the efforts to protect, promote, and enhance the Modlily brand.

3. *Plaintiff is entitled to a permanent injunction.*

Next, Plaintiff is entitled to entry of a permanent injunction against the Defaulting Defendants. This request is justified under either 15 U.S.C. § 1116 or, alternatively, under the Uniform Deceptive Practices Act pursuant to 815 ILCS § 510/3.

First, the Court has already determined that the Plaintiff is entitled to preliminary injunctive relief in this case, including issuance against the Defaulting Defendants. [Dkt. No. 28.] Nothing has occurred since the entry of the preliminary injunction that would change or prevent the issuance of a permanent injunction against the Defaulting Defendants who are not participating. In short, the important fact that justified the issuance of temporary injunctive relief remains unchallenged by the Defaulting Defendants. Therefore, the Plaintiff’s right to permanent injunctive relief under 15 U.S.C. § 1116 or, alternatively, under the Uniform Deceptive Practices Act pursuant to 815 ILCS § 510/3, is uncontested and backed by the substantial evidence previously presented when the preliminary relief was issued. Accordingly, the Plaintiff is entitled to a permanent injunction against the Defaulting Defendant.

III. CONCLUSION

Based on the foregoing, Plaintiff respectfully requests entry of default and default judgment against the Defaulting Defendants pursuant to Rule 55. In granting its request, Plaintiff asks the Court to award the following: (1) statutory damages of \$100,000.00 per Defaulting Defendant per

infringed Trademark based on their willful infringement pursuant to 15 U.S.C. § 1117(c); (2) issuance of a permanent injunction against the Defaulting Defendants pursuant to 15 U.S.C. § 1116 or, alternatively, under the Uniform Deceptive Practices Act pursuant to 815 ILCS § 510/3; and (3) such other relief as the Court deems just and proper.

DATED: October 30, 2025

Respectfully submitted,

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Attorney for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of October 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. Notice of this filing is provided to unrepresented parties for whom contact information is listed below and has been provided via email and by posting the filing on a URL contained on our website <http://blointernetenforcement.com>, and a link to said website in the email provided by third-party, Walmart.

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