

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

SHENZHEN PEISHI ADVERTISING MEDIA
CO. LTD.,

Plaintiff,

v.

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

Defendants.

Case No. 1:26-cv-00340-SLE-JWA

Honorable Sara L. Ellis

Magistrate Heather K. McShain

**PLAINTIFF'S MOTION FOR ENTRY OF DEFAULT AND DEFAULT JUDGMENT
AGAINST THE DEFENDANTS IDENTIFIED IN AMENDED SCHEDULE "A" WITH
THE EXCEPTION OF CERTAIN DEFENDANTS**

COMES NOW, Plaintiff Shenzhen Peishi Advertising Media Co. Ltd., ("Peishi" or "Plaintiff"), by and through its counsel, pursuant to Federal Rule of Civil Procedure 55(a) and (b)(2) and submits its Motion for Entry of Default and Default Judgment against Defendants identified in Schedule "A" to the Complaint identified below with the exception of certain Defendants.

Plaintiff respectfully moves this Court for an order entering default and default judgment against the Defendants identified in Schedule "A" and finding that Defaulting Defendants are liable on all counts of Plaintiff's Complaint. Fed. R. Civ. P. 55(a) and (b)(2). Plaintiff further seeks an award of Plaintiff's lost profits for willful patent infringement against Defaulting Defendants

for use of U.S. Patent No. 12,324,440 (the “440 Patent” or “Smoker Patent”) in products sold through each of the Defendant Internet Stores.

Rule 55(a) of the Federal Rules of Civil Procedure authorizes entry of default against parties who fail to plead or otherwise defend and that is attested to by affidavit. Rule 55(b)(2) of the Federal Rules of Civil Procedure provides for a court-ordered default judgment. When the 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. *See Black v. Lane*, 22 F.3d 1395, 1399 (7th Cir. 1994); *United States v. Di Mucci*, 879 F.2d 1488, 1497 (7th Cir. 1989).

Plaintiff also seeks entry of a permanent injunction pursuant to 35 U.S.C. § 283, prohibiting Defaulting Defendants from making, using, offering for sale, selling, and/or importing into the United States for subsequent sale or use, products that infringe directly and/or indirectly the ornamental design claimed in the Smoker Patent. Defendants’ infringement of the Smoker Patent through the aforesaid acts irreparably harms Plaintiff through the loss of its lawful patent rights to exclude others from making, using, selling, offering for sale, and importing the patented invention, and will continue unless enjoined by this Court.

Plaintiff is entitled to recover damages adequate to compensate for the infringement, including Defendants’ profits pursuant to 35 U.S.C. § 289, an award of all costs pursuant to Fed. R. Civ. P. 54(d)(1), an award of attorney fees pursuant to 35 U.S.C.A. § 285, and other damages as appropriate pursuant to 35 U.S.C. § 284. In support of this Motion, Plaintiff submits the accompanying Memorandum and Declaration.

DATED this 24th day of March 2026.

Bayramoglu Law Offices, LLC

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Attorney for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of March 2026, I electronically filed the foregoing document with the clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel of record and via electronic service at the addresses provided for by third party e-commerce platforms.

Schedule A

Def. No.	Store Alias	Amazon Seller ID	Email Address
1	Onakge-US	A2N3IW3ST43JRK	superchaoqiang@hotmail.com <u>DISMISSED DKT 35</u>
2	AWALVY	ASU5DAGYRGWVX	xunianqin0329@outlook.com
3	Designora by JDC	AZCS0A5PW5YE6	preciousjil@outlook.com
4	Saiwan-US	A1ARH7GIAG43CG	saiwan_direct@163.com

/s/ William R. Brees

William R. Brees
Attorney for Plaintiff

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SHENZHEN PEISHI ADVERTISING MEDIA
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SCHEDULE "A" HERETO,

Defendants.

Case No. 1:26-cv-00340-SLE-JWA

Honorable Sara L. Ellis

Magistrate Heather K. McShain

**MEMORANDUM IN SUPPORT OF PLAINTIFF'S MOTION FOR ENTRY OF
DEFAULT AND DEFAULT JUDGMENT AGAINST CERTAIN DEFENDANTS**

Plaintiff Shenzhen Peishi Advertising Media Co. Ltd., ("Peishi" or "Plaintiff"), by and through its counsel, submits the following memorandum in support of its Motion for Entry of Default and Default Judgment pursuant to Federal Rule of Civil Procedure 55(a) and (b). Plaintiff respectfully moves the Court for an entry of Default and Default Judgment against the defendants identified in Schedule "A" to the Complaint (collectively, "Defaulting Defendants"), with the exception of certain defendants that have already been dismissed, in Plaintiff's action for willful infringement of U.S. Patent No. 12,324,440 (the '440 Patent or "Smoker Patent"). Defaulting Defendants refers to those Defendants who have not appeared, have not been voluntarily dismissed from the case, for whom a notice of settlement has not been filed, and who have not filed an answer to the Complaint. See the Declaration of William R. Brees (the "Brees Decl.") ¶ 6 and **Exhibit 1** to the Brees Decl. Plaintiff's Motion disposes of the case.

STATEMENT OF FACTS

Shenzhen Peishi is the assignee of U.S. Patent No. 12,324,440 (“440 Patent,” also referred to as the “Smoker Patent”) and filed this patent infringement action pursuant to 35 U.S.C. § 1, et seq. against Defendants identified on Schedule “A.” Defaulting Defendants are individuals and business entities of unknown makeup who own and/or operate one or more of the e-commerce stores under at least the seller aliases identified on Schedule A (collectively, the “Seller Aliases”). [Dkt. Nos. 1, 1-1, 2-1]. Each Defaulting Defendant targets sales to Illinois residents by setting up and operating e-commerce stores that target U.S. consumers using one or more Seller Aliases, offer shipping to the U.S., including Illinois, accept payment in U.S. dollars and have sold products, including electronic drink smokers, which infringe the Smoker Patent (the “Infringing Products”) to residents of Illinois. [Dkt. No. 1 ¶¶ 30-37]. Additional factual assertions regarding Defaulting Defendants in Paragraphs 18 – 29 of the Complaint are incorporated herein. *Id.* at ¶¶ 18 – 29.

Plaintiff filed the present suit on January 12, 2026 [Dkt. No. 1]. The case was assigned to the Honorable Sara L. Ellis, who granted Plaintiff’s ex parte motion to seal, motion for expedited discovery, motion for TRO and motion for electronic service. [Dkt. Nos. 18, 19, 20]. This Court extended the TRO up to and including March 12, 2026 [Dkt. No. 24] and entered a Preliminary Injunction on March 12, 2026 [Dkt. No. 37]. Plaintiff voluntarily dismissed Defendant 1 [Dkt. No. 35]. The Court issued a summons as to Defendants 2, 3, 4 Identified on Schedule A on February 27, 2026, which Plaintiff returned executed on March 2, 2026. [Dkt. Nos. 27, 28].

At this stage, Plaintiff is asking the Court for an entry of default and an order for default judgment against the Defendants identified in Schedule “A” to the Complaint with the exception of the defendants who Plaintiff voluntarily dismissed, for whom a notice of settlement has been filed, or who have appeared in this litigation. An entry of default only requires a showing that the Defendants have failed to plead or otherwise defend against the judgment and other affirmative relief sought. Fed. R. Civ. P. 55(a). Plaintiff served the Summons on Defaulting Defendants, via

electronic service on March 2, 2026. [Dkt. No. 28]. As of today, those Defendants who have been voluntarily dismissed and have failed to file an answer within 21 days of the service, are in default. The Electronic Service Order and TRO permitted Plaintiff to complete service of process to Defendants by electronically publishing a link to the Complaint, and other relevant documents on a website and by sending an e-mail to the e-mail addresses identified in Exhibit 1 to the Brees Declaration and any e-mail addresses provided for Defendants by third parties that includes a link to said website. [Dkt. Nos. 19, 20]. None of the Defaulting Defendants have filed an answer or otherwise pled in this action. *See* Brees Decl. at ¶ 2.

By choosing not to participate in this case, Defaulting Defendants have failed to produce any documents or information for: (1) identifying each and every domain name, online marketplace account and/or financial accounts used by Defaulting Defendants, including the owner(s) and/or operator(s) of each Online Marketplace; (2) showing costs, cost allocations, revenues, and profits of Defaulting Defendants; or (3) relating to each and every purchase that Defaulting Defendants have made relating to the Smoker Patent and/or the Infringing Products, including records of the products purchased, the sale prices, images of the products, records of suppliers and manufacturers of the products, records of steps taken by Defaulting Defendants to determine whether such products were new or genuine, and records of investigation notes regarding purchase of the products, including the identity of the person(s) responsible for such investigation. Limited information provided by Amazon.com, Inc. (“Amazon”) for Defaulting Defendants indicates that the amount currently restrained in Defaulting Defendants’ known financial accounts ranges from \$0 - \$1,129.61. (Brees Decl. at ¶ 4.) Additionally, the limited information provided by Amazon indicates that the known revenue generated by the Defaulting Defendants from the sale of the specific Infringing Product listings reported by Plaintiff is up to at least \$27,215.20. *Id.* at ¶ 5. Plaintiff does not have any infringing sales information for other potential Infringing Products sold by Defaulting Defendants.

Pursuant to Federal Rule of Civil Procedure 55(a) and (b)(2), Plaintiff now moves this Court for an Order entering default and default judgment finding that Defaulting Defendants are liable on Count 1 of Plaintiff's Complaint. Fed. R. Civ. P. 55(a) and (b)(2). Plaintiff also seeks entry of a permanent injunction prohibiting Defaulting Defendants from selling Infringing Products. Plaintiff further requests that the Court award damages in an amount of a reasonable royalty to be determined by the Court pursuant to 35 USCS § 284, and allow assets in Defaulting Defendants' financial accounts, including those operated by Amazon, as well as any newly discovered assets, be transferred to Plaintiff.

ARGUMENT

I. JURISDICTION AND VENUE ARE PROPER IN THIS COURT

This Court has original subject matter jurisdiction over the claims in this action pursuant to the provisions of the Patent Act, 35 U.S.C. § 11, *et seq.*, 28 U.S.C. § 1338(a)-(b) and 28 U.S.C. § 1331. Venue is proper in this Court pursuant to 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over Defendants since each of the Defendants directly targets business activities toward consumers in Illinois and causes harm to Plaintiff's business within this Judicial District. *See* [Dkt. No. 1] at ¶¶ 1-5; *uBID, Inc. v. GoDaddy Grp., Inc.* 623 F.3d 421, 423-24 (7th Cir. 2010) (without benefit of an evidentiary hearing, plaintiff bears only the burden of making a *prima facie* case for personal jurisdiction; all of plaintiff's asserted facts should be accepted as true and any factual determinations should be resolved in its favor).

Through at least the fully interactive, e-commerce stores operating under the Seller Aliases, each of the Defaulting Defendants 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, accept payment in U.S. dollars, and, on information and belief, has sold Infringing Products to consumers in the United States, including the State of Illinois. [Dkt. No. 1] at ¶¶ 30-37. Personal jurisdiction exists over Defaulting Defendants since they directly target their business activities toward consumers in the United

States, including Illinois. Specifically, Defaulting Defendants are reaching out to do business with Illinois residents by operating one or more commercial, interactive e-commerce stores under the Seller Aliases through which Illinois residents can purchase Infringing Products. *Id.* See *Monster Energy Co. v. Chen Wensheng, et al.*, 2015 U.S. Dist. LEXIS 132283, at *11 (N.D. Ill. Sept. 29, 2015).

II. PLAINTIFF HAS MET THE REQUIREMENTS FOR ENTRY OF DEFAULT

Pursuant to Rule 55(a) of the Federal Rules of Civil Procedure, “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 November 24, 2025, Plaintiff filed its Complaint alleging federal patent infringement of the ‘440 Patent pursuant to 35 U.S.C. § 271 (Count I); and Unjust Enrichment under Illinois State Common Law (Count II) [Dkt. No. 1]. The Defendants were properly served with the Complaint on March 2, 2026. [Dkt. No. 27]. Despite having been served with process, none of the Defaulting Defendants have filed an answer or otherwise pled in this action. (Brees Decl. at ¶ 2). On information and belief, the Defaulting Defendants are not active-duty members of the U.S. armed forces. *Id.* at ¶ 3. Accordingly, Plaintiff asks for entry of default against the Defaulting Defendants.

III. PLAINTIFF HAS MET THE REQUIREMENTS FOR ENTRY OF DEFAULT JUDGMENT

Rule 55(b)(2) of the Federal Rules of Civil Procedure provides for a court-ordered default judgment. A default judgment establishes, as a matter of law, that defendants are liable to 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 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. *Black v. Lane*, 22 F.3d 1395, 1399 (7th Cir. 1994).

As noted above, Plaintiff served Defaulting Defendants on March 2, 2026. [Dkt. No. 28]. The answer deadline of March 23, 2026, has passed, and no answer or other responsive pleading has been filed by any of the Defaulting Defendants. *See* Fed. R. Civ. P. 12(a)(1)(A). Accordingly, default judgment is appropriate, and pursuant to 35 U.S.C. § 289, Plaintiff requests an award of reasonable royalty against Defaulting Defendants from Defaulting Defendants' unauthorized use and infringement of the Smoker Patent on products sold through the e-commerce stores operating under the Seller Aliases. Plaintiff also seeks entry of a permanent injunction prohibiting Defaulting Defendants from making, using, offering for sale, selling, and importing Infringing Products. Plaintiff further seeks an order that, for Defaulting Defendants wherein the infringing product revenue is unknown, all assets in their financial accounts, including those operated by Amazon, as well as any newly discovered assets, but no less than \$250, be transferred to Plaintiff.

The United States Patent Act provides that “whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.” 35 U.S.C. §271(a). Plaintiff alleged in its Complaint that it is the lawful assignee of all right, title, and interest in and to the ‘440 Patent. [Dkt. No. 1] at ¶ 36. Plaintiff has also alleged that Defaulting Defendants make, use, offer for sale, sell, and/or import into the United States for subsequent sale or use Infringing Products that infringe directly and/or indirectly the Smoker Patent. *Id.* at ¶ 39. Exhibit 3 to the Complaint shows that an ordinary observer would be deceived into thinking that the Infringing Products were the same as the Smoker Patent. [Dkt. No. 1-3, 2-3]. *See Competitive Edge, Inc. v. Staples, Inc.*, 763 F. Supp. 2d 997, 1011 (N.D. Ill. 2010) (citing *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 672 (Fed. Cir. 2008)). Finally, Plaintiff alleged that it has not licensed or authorized Defaulting Defendants to use the Smoker Patent, and none of the Defaulting Defendants are authorized retailers. [Dkt. No. 1] at ¶ 37. Since the Defaulting Defendants have failed to answer or otherwise plead in this matter, the Court must accept the allegations contained in Plaintiff's Complaint as true. *See* Fed. R. Civ. P. 8(b)(6); *Am. Taxi Dispatch, Inc., v. Am. Metro*

Taxi & Limo Co., 582 F. Supp. 2d 999, 1004 (N.D. Ill. 2008). Accordingly, Plaintiff requests entry of judgment with respect to Count I for patent infringement against the Defaulting Defendants.

IV. PLAINTIFF IS ENTITLED TO DAMAGES UNDER 35 U.S.C. § 284.

Under 35 U.S.C. § 284, upon finding for the claimant, the court shall award damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court. 35 USCS § 284. The overriding purpose of § 284 is to afford patent owners complete compensation for infringements *WesternGeco LLC v. ION Geophysical Corp.*, 585 U.S. 407, 138 S. Ct. 2129 (2018). The statute further provides that "[w]hen the damages are not found by a jury, the court shall assess them" and "may increase the damages up to three times the amount found or assessed." 35 USCS § 284.

In this case, the well-pleaded allegations in the Complaint, which are taken as true upon default, establish that Defaulting Defendants have infringed Plaintiff's '440 Patent by selling automatic smoker product that incorporate the patented technology without authorization. The limited financial information available shows that Defaulting Defendants have generated revenue of up to at least \$27,215.05 from the sale of the Infringing Products, demonstrating the commercial success of the infringing activity. (Brees Decl. ¶ 5.)

A plaintiff has the burden of proving damages to a reasonable degree of certainty. *Phoenix Bond & Indem. Co. v. Bridge*, 911 F. Supp. 2d 661, 675 (N.D. Ill. September 5, 2012) (citing *Haslund v. Simon Prop. Grp., Inc.*, 378 F.3d 653, 658 (7th Cir. 2004)). But as the Seventh Circuit stated in an earlier appeal in this case, when it comes to damages, "the plaintiff has a more relaxed burden of proof than on the issue of causation." *Id.* (citing *BCS Servs., Inc. v. Heartwood 88, LLC*, 637 F.3d 750, 759 (7th Cir. 2011)). When a defendant's wrong makes it difficult for the plaintiff to prove damages, all reasonable doubts about the amount of damages are resolved in the plaintiff's favor. *Id.*; see *Bigelow v. RKO Radio Pictures, Inc.*, 327 U.S. 251, 264-66 (1946). "Once the plaintiff proves injury, broad latitude is allowed in quantifying damages, especially when the

defendant's own conduct impedes quantification." *Phoenix Bond*, 911 F. Supp. 2d at 675. "Speculation has its place in estimating damages, and doubts should be resolved against the wrongdoer." *Mid-America Tablewares v. Mogi Trading Co.*, 100 F.3d 1353, 1365 (7th Cir. 1996) (quoting *Olympia Equipment Leasing Co. v. Western Union Telegraph Co.*, 797 F.2d 370, 383 (7th Cir. 1986) "), certiorari denied, 480 U.S. 934.

A. Plaintiff's Calculation of a Reasonable Royalty

A reasonable royalty is the minimum award provided by the Patent Act and thus the starting point to calculate damages. *See* 35 U.S.C. § 284 ("Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court."). To determine reasonable royalty damages, a "willing licensor-willing licensee" approach is used. This approach attempts to ascertain the royalty upon which the parties would have agreed had they successfully negotiated an agreement just before infringement began. *See Northlake Mktg. & Supply, Inc. v. Glaverbel, S.A.*, 72 F. Supp. 2d 893, 911 (N.D. Ill 1999); *Georgia-Pacific Corp. v. United States Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970), modified, 446 F.2d 295 (2d Cir. 1971), cert. denied, 404 U.S. 870 (1971); *See also Hanson v. Alpine Valley Ski Area, Inc.*, 718 F.2d 1075 (Fed. Cir. 1983); *Radio Steel & Mfg. Co. v. MTD Prods., Inc.*, 788 F.2d 1554, 1557 (Fed. Cir. 1986) ("The determination of a reasonable royalty, however, is based not on the infringer's profit, but on the royalty to which a willing licensor and a willing licensee would have agreed at the time the infringement began").

Plaintiff has calculated that royalty to include a baseline \$10,000 plus 10% of sales as supported by the Declaration of Plaintiff's Store Operations Manager, Xiaoling Chen ("Chen Decl.") attached hereto as **Exhibit 2**. Plaintiff values its lawful patent rights by excluding others from making, using, selling, offering for sale, and importing to the U.S. any products that embody the '440 Patent. Accordingly, Plaintiff would not voluntarily grant a license to any Defaulting Defendants. *See* Chen Decl. ¶ 9. However, even without a license, the Defaulting Defendants sold

products that infringe the '440 Patent for a price lower than that of Plaintiff's genuine products, thus, undercutting Plaintiff's business and eroding its prices. *Id.* at 10. Due to the inescapable price erosion and lost sales that would arise from licensing the '440 Patent, if forced to accept a licensing agreement under the "willing licensor-willing licensee" standard, Plaintiff would demand a licensing fee of no less than \$10,000.00 USD plus 10% of each of Defaulting Defendant's sales of the Infringing Products in exchange for a non-exclusive license, with the licensee being responsible for all transaction costs associated with negotiation of the licensing, such as drafting costs, due diligence, and attorneys' fees. *Id.* at ¶ 12.

Regarding the 10% of sales, the figures are calculated based on discovery from Amazon under the expedited discovery order. As required by that order, Amazon produced information regarding sales of the infringing products identified on Schedule A. The information received from Amazon is also shown in the Brees Decl. ¶ 6 in the columns labeled as "Number of Infringing Products Sold", and "Infringing Product Revenue" with the same "Infringing Product Revenue" being shown in ¶ 7.

The Total Royalty is calculated by adding the requested \$10,000.00 royalty fee with the 10% of Infringing Product Revenue. The sales information provided by Amazon, only includes the infringing products included in the Infringement Evidence included in Exhibit 3 to the Complaint. [Dkt. No. 1-3]. Consequently, the requested royalty is calculated based only on infringing sales and does not include sales of other products.

Plaintiff elects to seek damages of reasonable royalty against the Defendants.

B. Plaintiff is Entitled to Transactional Costs

Again, a reasonable royalty is the statutory floor for an award upon a finding of patent infringement. See 35 U.S.C. § 284. Plaintiff is entitled to a full award "adequate to compensate for the infringement." *Id.* Such compensatory damages seek to determine "the difference between the [Plaintiff's] pecuniary condition after infringement, and what his condition would have been if the infringement had not occurred." *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476,

507 (1964). The Federal Circuit has interpreted § 284 to be expansive rather than limiting. For example, in *Minco*, the Federal Circuit noted that “damages under section 284 does not limit the patent holder to the amount of diverted sales of a commercial embodiment of the patented product.” *Minco, Inc. v. Combustion Eng’g, Inc.*, 95 F.3d 1109, 1118 (Fed. Cir. 1996). Likewise, in *Rite-Hite*, the Court recognized that the statute sets only a lower limit, with no other restrictions on how to calculate damages. *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1544 (Fed. Cir. 1995) (“the language of the statute is expansive rather than limiting. It affirmatively states that damages must be adequate, while providing only a lower limit and no other limitation.”). Finally, the Federal Circuit has “previously recognized that patentees may be entitled to damages above a reasonable royalty on theories entirely distinct from lost profits.” *Mars, Inc. v. Coin Acceptors, Inc.*, 527 F.3d 1359, 1366 (Fed. Cir. 2008) (citing *Minco*, 95 F.3d at 1120).

Consequently, Plaintiff is not limited to the mere minimum of a reasonable royalty (as calculated above) and is not limited to a theory of lost profits when seeking an award above that statutory minimum. Here, Plaintiff has specifically requested an award of transactional costs. These damages stem from the hypothetical negotiation of a willing licensor and a willing licensee had the parties negotiated a license before the Defaulting Defendants’ infringement; in other words, they relate to “the difference between the [Plaintiff’s] pecuniary condition after infringement, and what his condition would have been if the infringement had not occurred.” *Aro* 377 U.S. at 507.

Core Dist., Inc. v. Doe, 16-cv-04059, 2018 U.S. Dist. LEXIS 200383 (D. Minn. Nov. 27, 2018) has significant persuasive value because, while out of District, it too involved a “Schedule A” style case against a series of infringers and a request for default judgment against the infringers who failed to appear. *Id.* at *2. *Core* is also an example of a default judgment order in a “Schedule A” style case that a) involved a claim for patent infringement and b) is reported by a digital reporting service (Lexis.com) and thus searchable. The vast majority of such decisions are not reported and are thus difficult to identify without specific knowledge of the case. In *Core*, the

Court explained that transaction costs were justified because they would have been required by the patentee in relation to costs incurred in due diligence, negotiation, and drafting of any license agreement. *Id.* at *20-21. The *Core* Court is not alone in this assessment. Attached as **Exhibit 2** to the Brees Decl. is a collection of unreported cases, within this District, that have similarly awarded transaction costs to patentees in default judgments. See Ex. 4 at *Cao Group v. The Individuals et al.*, N.D. Ill. Case No. 24-cv-1211, Dkt. No. 92 at p. 6 (awarding \$50,000 against 25 defendants or \$2,000 each); *Shenzhen Jisu Tech. Co. Ltd. v. The Individuals et al.*, N.D. Ill. Case No. 24-C-5905, Dkt. No. 53 at p. 5 (awarding \$5,000 in transaction costs against a single defaulting defendant); *Weisner Healthcare Innovation LLC v. The Individuals et al.*, N.D. Ill. Case No. 24-cv-3777, Dkt. 53 at p. 5 (awarding \$50,000 in transaction costs against 21 defaulting defendants or \$2,380.95 each); and *Zhang et al. v. The Individuals et al.*, N.D. Ill. Case No. 23-cv-6434, Dkt. 106, at p. 4-5 (awarding \$50,000 in transaction costs against 29 defaulting defendants or \$1,724.14 each).

Plaintiff elects to seek an award of \$50,000 in transaction costs against the Defendants, resulting in an award of \$16,666.67 each. See Brees Decl. ¶ 8.

C. Plaintiff's Election and Calculation of Damages

Based on the foregoing, the Court should award a reasonable royalty and associated transaction costs against the Defendants. Plaintiff respectfully requests this Court to grant Plaintiff the damages award each Defaulting Defendant as shown in the in Table 1 below, which lists the Total Damages Sought for each Defaulting Defendant:

Def. No.	Store Alias	Total Damages Sought
2	AWALVY	\$27,658.15
3	Designora by JDC	\$27,497.54
4	Saiwan-US	\$27,565.83
	TOTALS:	\$82,721.52

V. PLAINTIFF IS ENTITLED TO PERMANENT INJUNCTIVE RELIEF.

In addition to the foregoing relief, Plaintiff respectfully requests entry of a permanent injunction enjoining Defaulting Defendants from infringing or otherwise violating Plaintiff's rights in the Smoker Patent. Plaintiff is entitled to injunctive relief so it can quickly act against any new e-commerce stores that are identified, found to be linked to Defaulting Defendants, and selling Infringing Products. See, e.g., *Tuf-Tite, Inc. v. Fed. Package Networks, Inc.*, 2014 U.S. Dist. LEXIS 163352, at *29 (N.D. Ill. 2014); *Scholle Corp. v. Rapak LLC*, 35 F. Supp. 3d 1005, 1009 (N.D. Ill. 2014); *Nike, Inc. v. Fujian Bestwinn Industry Co., Ltd.*, 166 F. Supp. 3d 1177, 1178-79 (D. Nev. 2016).

VI. PLAINTIFF IS ENTITLED TO AN AWARD OF COSTS AND ATTORNEY FEES

Plaintiff seeks an award of all costs pursuant to Fed. R. Civ. P. 54(d)(1) including but not limited to fees of the clerk, fees for printed or electronically recorded transcripts necessarily obtained for use in the case; fees and disbursements for printing and witnesses; fees for exemplification and the costs of making copies of any materials where the copies are necessarily obtained for use in the case; and docket fees. *Se-Kure Controls, Inc. v. Vanguard Products Group, Inc.* (N.D. Ill. 2012) 873 F.Supp.2d 939, 943. Plaintiff also seeks an award of attorney's fees pursuant to the Patent Act's fee-shifting provision in exceptional cases. 35 U.S.C.A. § 285 (West) Exceptional cases are those that stand out from others due to "substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated. *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, (2014) 572 U.S. 545, 554 [134 S.Ct. 1749, 1756, 188 L.Ed.2d 816]. An exceptional case finding may be "properly be based on either willful infringement or bad faith conduct.

Northlake Marketing & Supply, Inc. v. Glaverbel, S.A. (N.D. Ill. 1999) 72 F.Supp.2d 893, 909. Willful patent infringement requires Plaintiff to prove by clear and convincing evidence that the “alleged infringer acted in disregard of the Patent and had no reasonable basis for believing it had a right to do so.” *Trading Technologies Intern., Inc. v. eSpeed, Inc. (N.D. Ill. 2006) 431 F.Supp.2d 834.*

Here, the Defaulting Defendants willfully infringed the Smoker Patent as evidenced by their actions upon filing this suit. Defaulting Defendants did not participate in this case and did not respond to emails from us or notifications from third-party e-commerce platforms. The Defaulting Defendants had no reasonable basis for believing they had a right to infringe the Smoker Patent. Rather than answering the lawsuit, the Defaulting Defendants willfully chose not to fight the infringement claims and abandon their storefronts instead. Defaulting Defendants therefore willfully infringed the Smoker Patent and acted in bad faith by absconding with their ill-gotten gains. Further, Plaintiff stands in a substantively strong position with its infringement claims, whereas Defaulting Defendants have not participated. Plaintiff therefore respectfully requests that the Court award costs to Plaintiff, find that this case is exemplary, and, in its discretion, award attorney fees to Plaintiff.

CONCLUSION

Plaintiff respectfully requests that the Court enter default judgment against each Defaulting Defendant, including damages under 35 U.S.C. § 284 against each Defaulting Defendant, which should be enhanced by the Court three times the amount assessed, and a permanent injunction order prohibiting Defaulting Defendants from selling Infringing Products. Plaintiff further seeks an order that, for Defaulting Defendants wherein infringing product revenue is unknown, all assets in Defaulting Defendants’ financial accounts, including those operated by Amazon, as well as any newly discovered assets, be transferred to Plaintiff. Plaintiff further seeks an award of costs and

attorney fees. Lastly, Plaintiff requests a court order awarding costs and attorney fees to Plaintiff and requiring Plaintiff to provide necessary documentation within 30 days.

DATED this 24th day of March 2026.

Bayramoglu Law Offices, LLC

/s/ William R. Brees

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Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of March 2026, I electronically filed the foregoing document with the clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel of record and via electronic service at the addresses provided for by third party e-commerce platforms.

/s/ William R. Brees
William R. Brees
Attorney for Plaintiff

EXHIBIT 1

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

SHENZHEN PEISHI ADVERTISING MEDIA
CO. LTD.,

Plaintiff,

v.

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

Defendants.

Case No. 1:26-cv-00340-SLE-JWA

Honorable Sara L. Ellis

Magistrate Heather K. McShain

**DECLARATION OF XIAOLING CHEN IN SUPPORT OF PLAINTIFF'S
MOTION FOR ENTRY OF DEFAULT AND DEFAULT JUDGMENT**

I, Xiaoling Chen, of Shenzhen, China declare under penalty of perjury that the following is true and correct:

1. I am over the age of 18 years. This declaration is based upon my personal knowledge of the facts stated herein. If called as a witness, I could and would testify as to the statements made herein.

2. I make this declaration in support of Plaintiff's Motion for Default Judgment (the "Motion").

3. I am the store operations manager of Shenzhen Peishi Advertising Media Co., Ltd. ("Plaintiff").

4. Plaintiff is the lawful assignee of all right, title, and interest in U.S. Patent No. U.S. Patent No. 12,324,440 entitled AUTOMATIC SMOKER (the '440 Patent). *See* Complaint, Exhibit 2.

5. Plaintiff has been engaged in the business of designing, sourcing, and marketing automatic electronic cocktail smoker products. Plaintiff markets and sells its automatic electronic cocktail smoker that embodies the '440 Patent ("Plaintiff's Smoker") through various outlets including an e-commerce store on the Amazon marketplace platform.

6. Plaintiff's products that embody the '440 Patent have been highly commercially successful.

7. Plaintiff has not granted any licenses of rights to its '440 Patent to any of the defendants named in the Schedule "A" to the Complaint (the "Defendants"), including the defendants who have failed to file a response to the Complaint or properly appear in this case ("Defaulting Defendants").

8. None of the Defaulting Defendants are authorized retailers of Plaintiff's Smoker.

9. Plaintiff would not have voluntarily granted a license of the '440 Patent to any of the Defaulting Defendants.

10. Plaintiff has suffered harm in the forms of lost sales and price erosion due to the Defendants' infringement of the '440 Patent. Specifically, Defendants are undercutting Plaintiff by selling products that embody the invention claimed in the '440 Patent at a significantly lower price than the genuine Plaintiff's Smoker.

11. Before infringement occurred, Plaintiff sold the Plaintiff's Smoker at a retail price of \$99.99 and had a profit margin of 50%, equating to \$49.995 per Plaintiff's Smoker sold by Plaintiff.

12. Before the infringement occurred, an unexclusive license for the '440 Patent would have cost the licensee at least \$10,000.00 USD plus a 10% royalty for all sales made by the licensee with the licensee bearing all transaction costs associated with the negotiation of the royalty, such as drafting costs, due diligence, and attorneys' fees.

13. The marketplace success of Plaintiff's Smoker has resulted in significant infringement of its '440 Patent. Plaintiff has, therefore, instituted a worldwide anti-infringement program and regularly investigates suspicious e-commerce stores identified in proactive internet sweeps and reported by consumers.

14. Plaintiff has identified numerous e-commerce stores, including those operating the Platform, which were offering for sale and/or selling products embodying the '440 Patent to consumers into the State of Illinois and throughout the United States.

15. Defendants' unauthorized use of Plaintiff's '440 Patent has caused, and continues to cause, irreparable harm to Plaintiff through loss of the ability to exclude others from using its patent and loss of future revenue.

16. The extent of the harm to Plaintiff's patent rights, including dilution, and the diversion of customers are irreparable and incalculable, thus warranting an immediate halt to Defendants' infringing activities through injunctive relief.

17. Plaintiff will suffer immediate and irreparable injury, loss, or damage if a permanent injunction is not issued.

18. Defendants have eliminated the exclusivity to practice the '440 Patent that Plaintiff is entitled to under U.S. patent laws.

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

Executed this 24th day of March 2026 at Shenzhen, China.

By: /s/ Xiaoling Chen
Xiaoling Chen

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

SHENZHEN PEISHI ADVERTISING MEDIA
CO. LTD.,

Plaintiff,

v.

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

Defendants.

Case No. 1:26-cv-00340-SLE-JWA

Honorable Sara L. Ellis

Magistrate Heather K. McShain

**DECLARATION OF WILLIAM R. BREES IN SUPPORT OF PLAINTIFF'S MOTION
FOR ENTRY OF DEFAULT AND DEFAULT JUDGMENT AGAINST CERTAIN
DEFENDANTS**

I, William R. Brees, of the City of St. Petersburg, in the State of Florida, declare as follows:

1. I am an attorney at law, duly admitted to practice before the United States District Court for the Northern District of Illinois. I am an attorney for Plaintiff Shenzhen Peishi Advertising Media Co. Ltd. ("Peishi" or "Plaintiff"). 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. I hereby certify that the Defaulting Defendants (as defined in the accompanying Memorandum) have failed to answer or otherwise plead in this action within the allotted time provided by the Court;

3. Our office investigated the infringing activities of the Defaulting Defendants, including attempting to identify the registrant of each associated e-commerce stores operating

under the Seller Aliases and its contact information. Our investigation confirmed that the Defaulting Defendants are primarily domiciled in China. As such, I am informed and believe that the Defaulting Defendants are not active-duty members of the U.S. armed forces.

4. The information provided by Amazon for Defaulting Defendants indicates that the amount currently restrained in Defaulting Defendants' known financial accounts ranges from \$0.00 - \$1,129.61.

5. Additionally, limited information provided by Amazon indicates that the known revenue generated by the Defaulting Defendants from the sale of Infringing Products is up to at least \$27,215.05 (see below chart in paragraph 6). The Infringing Product revenue however only relates to a single product with a unique product identification number.

6. A breakdown by Defaulting Defendant of the amount currently restrained Defendant's known infringing sales and Plaintiff's requested reasonable royalty award is in the table below. The Total Royalty is calculated by adding the requested \$10,000.00 royalty fee with the 10% of Infringing Product Revenue.

Def. No.	Store Alias	Account Balance	Infringing Product Revenue	10% of Infringing Product Revenue	Total Royalty
2	AWALVY	\$0.00	\$9,914.75	\$991.48	\$10,991.48
3	Designora by JDC	\$987.59	\$8,308.72	\$830.87	\$10,830.87
4	Saiwan-US	\$1,129.61	\$8,991.58	\$899.16	\$10,899.16
	TOTALS:	\$2,117.20	\$27,215.05	\$2,721.51	\$32,721.51

7. Plaintiff has decided to seek damages of a reasonable royalty from Defendants.

8. Plaintiff seeks an award of transactional costs in the amount of \$50,000.00 against the Defendants, to be divided among the Defendants, to compensate Plaintiff for the hypothetical license negotiation that would have been required had the Defendants negotiated for and entered into licenses as willing licensees. Because there are 3 Defendants, the amount

to be assessed to each of the Royalty Defendants is calculated by dividing \$50,000.00 by 3, which equates to transactional costs of \$16,666.67 per Defendant.

9. A breakdown by Defaulting Defendant of total amount of damages sought is shown in the table below.

Def. No.	Store Alias	Total Damages Sought
2	AWALVY	\$27,658.15
3	Designora by JDC	\$27,497.54
4	Saiwan-US	\$27,565.83
	TOTAL:	\$82,721.52

10. Because Defaulting Defendants failed to participate in this proceeding, Plaintiff is unable to determine the actual sales figures and revenues generated.

11. Also, due to the Defaulting Defendants' non-participation, Plaintiff has limited access to information regarding Defaulting Defendants' profits from the sale of the Infringing Products

12. Exhibit 1 is a chart showing the email addresses used to serve Defaulting Defendants.

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

Executed on this the 24th day of March 2026 at St. Petersburg, Florida.

/s/ William R. Brees
William R. Brees

CERTIFICATE OF SERVICE

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Schedule A

Def. No.	Store Alias	Amazon Seller ID	Email Address
2	AWALVY	ASU5DAGYRGWVX	xunianqin0329@outlook.com
3	Designora by JDC	AZCS0A5PW5YE6	preciousjil@outlook.com
4	Saiwan-US	A1ARH7GIAG43CG	saiwan_direct@163.com

Table 2: Defendants Not Served

Def. No.	Unserved Defendant	Reason for non-service
1	Onakge-US	Voluntarily Dismissal

/s/ William R. Brees
William R. Brees

EXHIBIT 1

SCHEDULE A

Def. No.	Store Alias	Amazon Seller ID	Email Address
2	AWALVY	ASU5DAGYRGWVX	xunianqin0329@outlook.com
3	Designora by JDC	AZCS0A5PW5YE6	preciousjil@outlook.com
4	Saiwan-US	A1ARH7GIAG43CG	saiwan_direct@163.com