

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

Yiwu Baimei Electronic Commerce Co., Ltd.,	)	
a Chinese Limited Corporation	)	Case: 24-cv-09183
	)	
Plaintiff,	)	Judge: April M. Perry
	)	
v.	)	Mag. Judge: Heather K. McShain
	)	
The Partnerships And	)	
Unincorporated Associations	)	
Identified On Schedule "A"	)	
	)	
Defendants.	)	

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**PLAINTIFF'S SUPPLEMENTAL MEMORANDUM IN SUPPORT OF PLAINTIFF'S  
MOTION FOR ENTRY OF DEFAULT AND FINAL JUDGMENT PURSUANT TO  
COURT ORDER (D.E. 29)**

COMES NOW, Plaintiff, by and through the undersigned counsel, and respectfully submits its Supplemental Memorandum in support of Plaintiff's Motion for Entry of Default and Final Judgment Pursuant to Court Order (D.E. 29).

**I. INTRODUCTION**

On April 22, 2025, this Court entered a Minute Order directing Plaintiff to file a Supplemental Memorandum in Support of Plaintiff's Motion for Entry of Default and Final Judgment to assist the Court with considering each Defendant on an individual basis. (D.E. 29). Specifically, the Court seeks facts surrounding sales, pricing, and the corporate status for each Defendant. In this memorandum, Plaintiff will address each of these factors, and either provide the information or explain why Plaintiff is unable to provide the information. For context of why Plaintiff does not have the requested information, Plaintiff will discuss the difficulties obtaining this information from the platform Aliexpress, and why some of the information provided by the

platform Aliexpress is unreliable. Finally, Plaintiff will demonstrate why statutory damages anticipates situations like this, where Defendants have nominal sales but caused unquantifiable damages to Plaintiff. This memorandum will conclude that a high statutory award against Defaulting Defendants is appropriate.

## **II. DEFENDANTS' BACKGROUND**

The evidence in this case presents limited information about the Defendants. First, each store represents itself as being based in China. (D.E. 9-3). Second, it appears that each Defendant was open for approximately one year prior to the evidence being collected. (D.E. 9-3). In fact, each of the stores opened within approximately one month of each other. *Id.* This could possibly be due to that these stores are related, as in the undersigned's experience, it is common for infringers to use several stores in operation at the same time to "hedge their bets" that not all of the stores would be simultaneously taken down.

Production from the platform Aliexpress provided only an email address, the number of purported sales, and the account balance for each Defendant. (*See* Declaration of L. Pittaway, attached hereto as Exh. One at ¶6) While Aliexpress also provided a Merchant Number and Account Number, these are internal identifiers for Aliexpress and do not otherwise identify the Defendants. (*Id.*). Despite Plaintiff's request, Aliexpress did not provide a street address, phone number, contact person, or other identifying information. (*Id.*). As a result, the Defendants remain anonymous.

As background, Aliexpress is part of Alibaba Group, a China-based company, and frequently refuses to comply with discovery orders. (*Id.* at ¶¶ 8, 9). In the undersigned's experience, Aliexpress frequently refuses to provide some or all of the requested information because it disagrees with whether the court should have issued the order, how much information

was subject to production, or whether the platform independently finds that a defendant engaged in infringement. (*Id.* at ¶9). When Aliexpress asserts these “objections” to complying with a court order, there is no internal process that Aliexpress offers to resolve the dispute. (*Id.* at ¶9). The platform does not provide an “appeal” process, nor does the platform identify the person who made the decision or permit conference between counsel. (*Id.* at ¶9). In addition, Aliexpress charges \$40.00 per defendant for Aliexpress to provide only nominal information on a storefront. (*Id.* at ¶10). Also, Aliexpress has taken the position with the undersigned that it does not have a continuing obligation to supplement or update information throughout a case. (*Id.* at ¶11).

A plaintiff may find that challenging Aliexpress’s practices is financially not worth it. Because defendants generally become informed that they are subject to the suit while these production disputes with Aliexpress are happening, the defendants may and do withdraw their funds before the dispute is resolved with a court. Therefore, even if plaintiff prevails in compelling the production, there may not be any money remaining in the Defendants’ accounts to recover. After having spent attorney’s fees, a filing fee, investigatory costs and paying Aliexpress for the production, challenging Aliexpress’s refusal to comply with a court order is simply not financially palatable or realistic for most plaintiffs. Even after a judgment is obtained against an Aliexpress storefront, it must be domesticated in Singapore, which poses its own logistical problems. (*Id.* at ¶12). For all of these reasons, it is expensive for plaintiffs to pursue infringers on Aliexpress. However, a Plaintiff must do so for fear of losing any exclusivity to its registered property.

The undersigned’s experiences with Aliexpress are not uncommon, as Aliexpress and its parent Alibaba Group, have been the subject of contempt orders for this behavior. *See Crazy Forts Inc. v. The Individuals, Partners, and Unincorporated Associations Identified on Schedule*

“*A*”, Case No. 23-cv-20776 (S.D.Fl. Apr. 26, 2023)(Ruiz, J.)(issuing a rule to show cause for why Aliexpress should not be held in contempt for its blatant refusal to comply with the Temporary Restraining Order); *Kelly Toys Holding LLC v. 19885566 STORE, et al.*, Case No. 22-CV-9384 (S.D.N.Y. June 29, 2023)(granting plaintiff’s motion to compel against Alibaba, the parent company of Aliexpress, noting that “the Court has no trouble concluding that Alibaba was in active concert or participation with enjoined Defendants, aiding and abetting them in violating the injunction” and “Alibaba has gone far beyond “mere inactivity”; it has taken several affirmative steps to assist the enjoined Defendants.”). Notably, the European Union has also pursued Aliexpress for failure to provide proper procedures for curtailing infringement and to enforce consumer protection procedures, including data access for researchers. *See* “Commission opens formal proceedings against AliExpress under the Digital Services Act” available at [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_24\\_1485](https://ec.europa.eu/commission/presscorner/detail/en/ip_24_1485) (last visited May 7, 2025).

### III. DEFENDANTS’ SALES

The evidence submitted by Plaintiff reflects that Defendants’ price points in their listings for sale as follows:

- Defendant (No. 1) Shop911035005 Store sold its product at \$2.92 per unit
- Def. (No. 2) Shop911118019 sold its product at \$2.58 per unit
- Def. (No. 3) Shop911137190 sold its product at \$1.04 per unit.

(D.E. 9-3).

The Aliexpress platform reports that none of the Defendants sold a unit of the infringing products. (*See* Exh. One at ¶13). However, this figure is unreliable. Aliexpress does not assist with finding any related products by the same store to provide any assurance that its purported sales reflects are accurate. (*Id.* at ¶14). Also, Defendants have elected not to participate in this

lawsuit, so Plaintiff is unable to compare the production with Defendants' sales records. Both the platform production and Defendants' records are critical to obtain reliable sales figures because they frequently conflict with each other. Sometimes the defendant has, unintentionally or not, provided erroneous records and other times the platform produced unreliable and incorrect records. As a result, Plaintiff is unable to reliably confirm Defendants' sales to provide the number of actual sales.

#### **IV. DEFENDANTS' LISTINGS DAMAGES PLAINTIFF'S EXCLUSIVITY**

Even without having sold any infringing products, Defendants damage Plaintiff's goodwill. For example, where there are one thousand competing listings for the same item, the product looks overly generic, cheap, and unoriginal. While there may only be three Defendants in the instant case, Plaintiff has evidence of over one thousand infringing listings. (*Id.* at ¶15). Under these circumstances, when consumers cannot determine which store to buy from and do not value a design as original, the artwork loses overall loses its value. (D.E. 9 at ¶¶30-31). This is only one reason for how and why Plaintiff suffers damages in perpetuity and beyond the loss of actual sales.

In addition, Plaintiff loses the value of its designs for licensing. After all, why would any storefront pay for licensing the images when hundreds of defendants simply copy it "for free"? Such a potential licensee would not see value in the original artwork, or pay significant value when it will have to compete with hundreds of infringers who obtained the images for free.

In the instant case, each of the three Defendants have identical stock images that they used in their listings for sale and advertised their products on the same platform as Plaintiff. (D.E. 9 at ¶6). Whether or not these Defendants even sell a product, Defendants devalue Plaintiff's images and Plaintiff's products simply by oversaturating the market while competing

for the same consumers. When consumers go to Aliexpress, or go from one platform to another, they will not pay more for products which appear in hundreds of listings simply because the products appear to be unoriginal and generic. In this context, Plaintiff's storefront is just one of hundreds of stores listing a generic item for sale. This lack of exclusivity devalues Plaintiff's registered artwork, all the customer service and marketing expenses that went into branding the artwork, and ultimately damages Plaintiff's overall goodwill. Plaintiff's products are worth less and Plaintiff loses the brand's value in perpetuity.

#### **V. PLAINTIFF LOSES ITS PROFIT MARGIN WITH COMPETITIVE PRICING**

When Plaintiff is forced to compete with Defendants for the same consumer base, Plaintiff is forced to reduce the cost of its product to remain competitive. Ultimately, Plaintiff must reduce its profit margin because Plaintiff pays for registering its original artwork, legal expenses associated with registering and maintaining its registration, and also for the development of the original artwork. Simply creating the design requires researching the imagery, drafting the actual imagery, creating design compatible with manufacturing equipment, adjusting proportions so that the images may be used as jewelry, and other time-consuming considerations. When Defendants freeload from Plaintiff's original designs, Defendants can offer their products for less and enjoy a significantly larger profit than Plaintiff.

#### **VI. PLAINTIFF HAS PRIOR JUDGMENTS FROM THIS COPYRIGHT SERIES**

Plaintiff respectfully submits that this Court may consider other awards in the form of statutory damages which have been entered in this case against other defaulting defendants in lawsuits involving the same copyright series. *See Yiwu Baimei Electronic Commerce Co., Ltd. v. The Partnerships and Unincorporated Associates Identified on Schedule A*; Case No. 24-cv-8704 (N.D.Ill. Dec. 16, 2024)(Jenkins, J.)(awarding \$50,000 in statutory damages per defaulting

defendant); Case No. 1:24-cv-2131 (N.D.Ill. July 12, 2024)(Cummings, J.)(awarding \$150,000 for willful copyright infringement); Case No. 24-cv-8135 (N.D.Ill. Dec. 30, 2024)(Cummings, J.)(awarding \$20,000 in statutory damages per defaulting defendant); 24-cv-9176 (N.D. Ill. Mar. 19, 2025)(Shah, J.)(awarding \$15,000 in statutory damages per defaulting defendant); 24-cv-11218 (N.D. Ill. Apr. 10, 2025)(Daniel, J.)(awarding \$50,000 in statutory damages per defaulting defendant); and Case No. 24-cv-8702 (N.D.Ill. Dec. 19, 2024)(Rowland, J.)(awarding \$150,000 in statutory damages per defaulting defendant). While this Court is in no way bound by these prior entries of judgment, they can provide assistance in establishing consistency.

In addition, while the judgments may be entered, a judgment may not be what is recovered. Frequently, accounts have significantly less in their account than the amount of the judgment. In the instant case, Aliexpress reported that only Defendant No. 1, in the amount of \$1.62. (*See Exh. One* at ¶16). In addition, domesticating any judgment for storefronts on Aliexpress must be done in Singapore, is difficult and expensive. For Defaulting Defendants, the only valuable aspect of the judgment may be the injunctive relief to try and prevent Aliexpress from continuing to host the infringing storefronts. However, a court sends a strong message to the platform and all infringers when and if it awards high damages.

## **VII. STATUTORY DAMAGES**

While statutory damages may not be instinctive in the American legal system, they are necessary where, as here, infringement is ground zero of a trade war that has been overwhelming owners of intellectual property for decades. This recognition, among others, is why legislation created unique relief in the form of statutory damages. While the legislature enumerated factors for a district court's consideration in awarding damages, this area of law is still relatively unsettled, as is apparent from the vast range of damages which have been awarded to this

Plaintiff for the same registration. Ultimately, statutory damages are necessary where plaintiffs are not able to provide the kind of information and specificity which would be required for compensatory, actual, restitutionary, incidental, consequential or other forms of quantifiable damages.

Statutory damages are unique because of how deterrence shapes consideration of damages. These Defendants may only be three of a thousand infringers, but this Court may consider both the small picture and the big picture of infringers swarming Plaintiff's registered works. *See Illinois Bell Tel. Co. v. Haines & Co.*, 905 F.2d 1081, 1089 (7th Cir. 1990); *Bulgari, S. P.A. v. Xiaohong*, Case No. 15-cv-05148 at \*5 (N.D. Ill., October 15, 2015) (Coleman, J.) (“This Court's award, moreover, must be adequate to deter future infringement, intentional or unintentional, by the defendant and others similarly situated.”). Infringement, after all, affects the entire United States and its rule of law enforcing property rights, including those of intellectual property. In addition, perhaps the legislature recognized that copyright owners seem to always be one step behind the infringers. After all, defendants seem to be able to disappear into the night, even after being identified as a defendant in an infringement lawsuit.

As an aggravating factor against these Defendants, Plaintiff respectfully submits that there are factors to indicate common ownership between the stores. First, the listings for sale include the same stock images and are similar in their listings for sale. Second, that the stores opened close in time to each other may suggest common ownership. Third, the names of the stores themselves are identical in their first seven characters. Finally, the email addresses all appear to be indecipherable, which may be because the store maintains numerous and expendable email addresses at any given time. However, Plaintiff is unable to confirm this



suspicion because each storefronts have not appeared in this case and Aliexpress has not provided complete production.

All of these factors and considerations in the context of statutory damages are present in the instant case. The Defendants have refused to identify themselves or appear in this case, show signs of being part of a larger network, and have caused damage to Plaintiff. As a result, Plaintiff respectfully requests for a high statutory award against the Defaulting Defendants.

### **VIII. CONCLUSION**

While this Court may exercise its broad discretion in award damages, Plaintiff respectfully requests for a high statutory damages award which will sufficiently deter these Defendants as well as other Defendants. In reality, such a judgment may not be necessarily enforceable, as Aliexpress is domesticated in Singapore for purposes of enforcing monetary judgments, and there are currently nominal values restrained in Defendants' accounts. However, this Court can send effective deterrence to infringers with a high statutory award.

Respectfully submitted this 9th of May, 2025.

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